

Kurita Water Industries Ltd.

Results Presentation for the Year Ended March 31, 2010


(Stock code : 6370)

May 7, 2010

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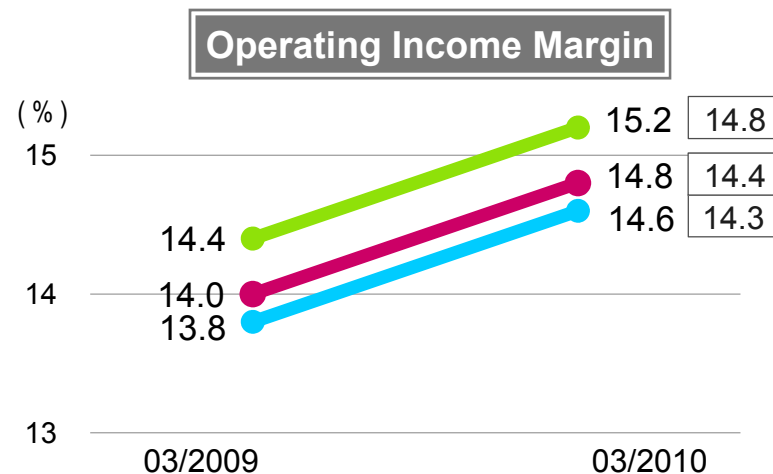
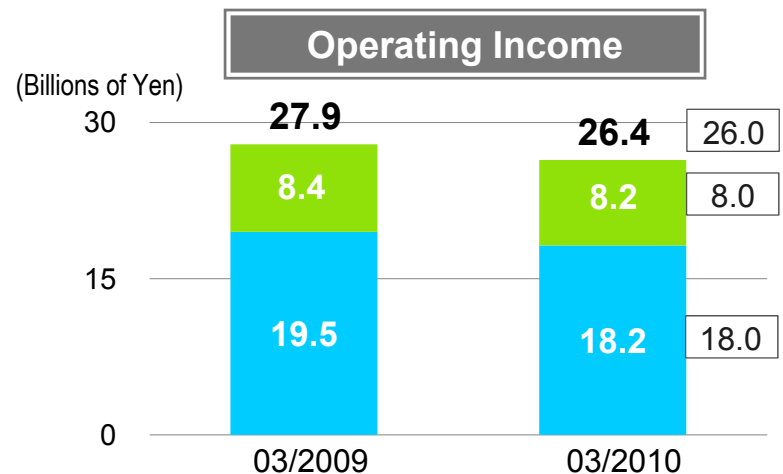
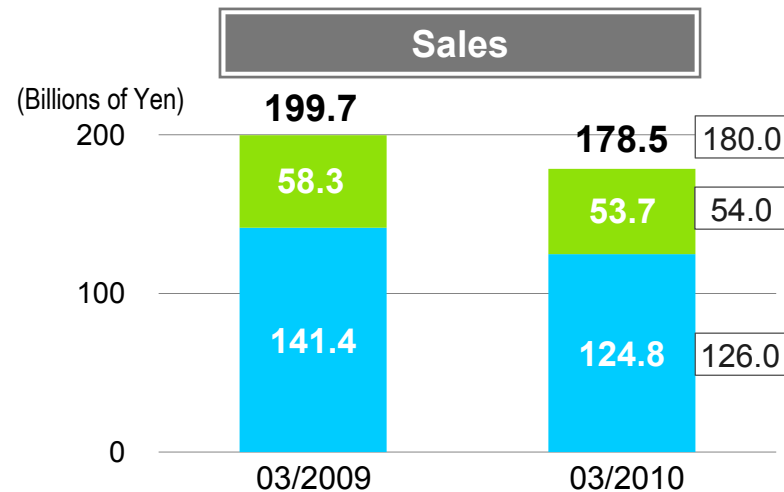
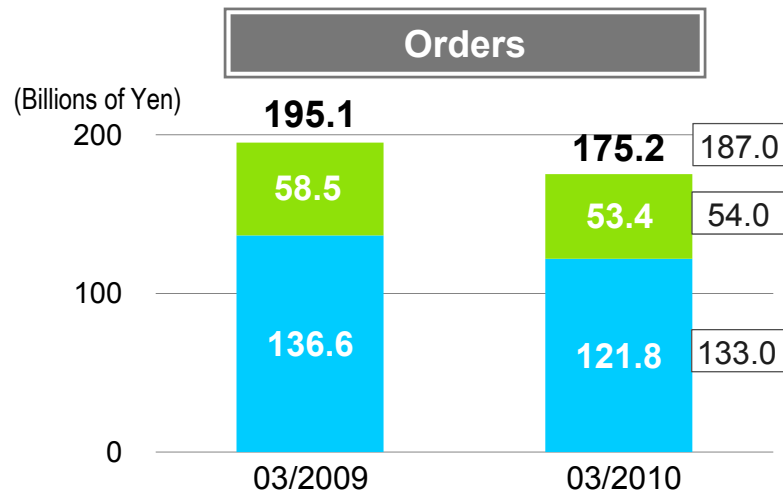
【1】 Financial Highlights

(Billions of Yen)

	03/2009	03/2010	Year-on-year change	Revised projection issued Jan. 29, 2010	Initial projection
Orders	195.1	175.2	- 10.2%	187.0	187.0
Net Sales	199.7	178.5	- 10.6%	180.0	192.0
Operating Income	27.9	26.4	- 5.6%	26.0	26.0
Ordinary Income	28.9	27.1	- 6.3%	26.5	26.5
Net Income	16.3	17.3	+ 6.1%	15.0	15.0

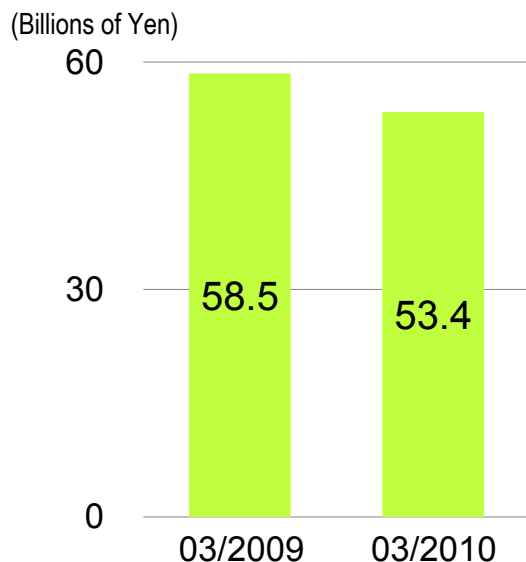
【2】 Orders, Sales, Operating Income, and Operating Income Margin

 Water treatment chemicals
  Water treatment facilities
  Total
 *  denotes revised projection issued



【3】 Water Treatment Chemicals

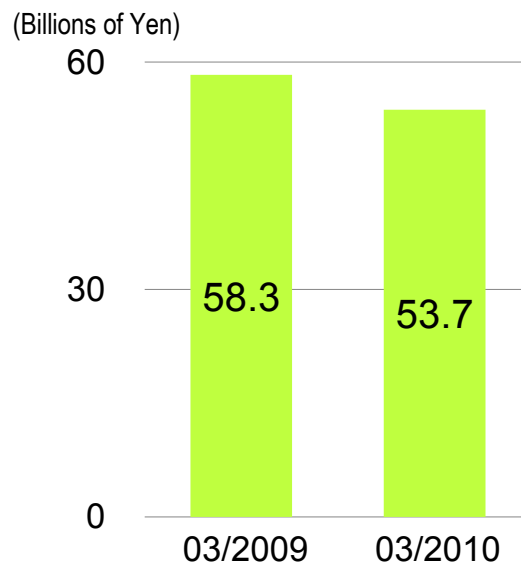
Orders



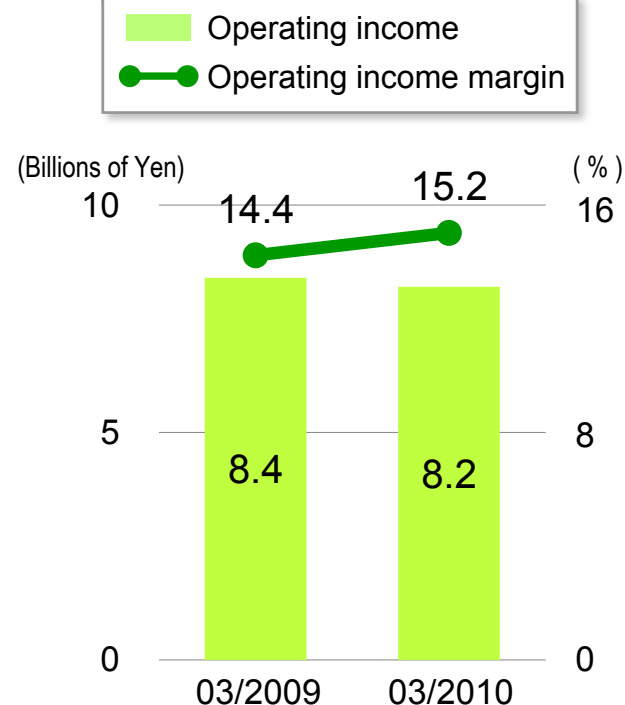
【 Major determinants of growth/
decline in orders/sales 】

- Decline for all products in all regions of Japan
- Decline through 3Q overseas

Sales



Operating Income and Operating Income Margin

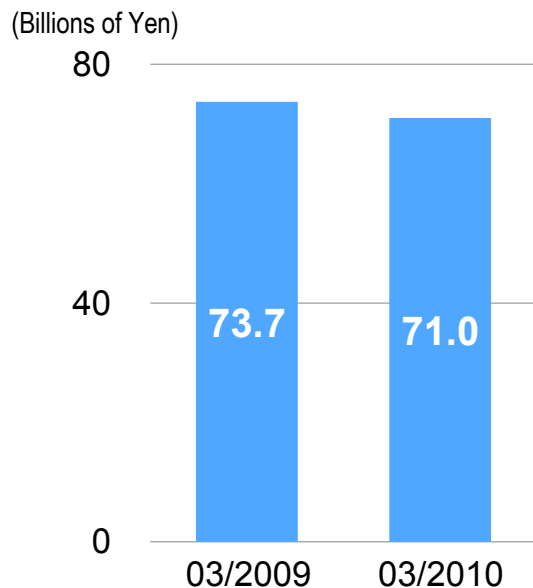


【 Major determinants of change 】

- Lower revenue in Japan and overseas
- Switch to high value-added products
- Drop in raw materials prices
- Curbing of SG&A expenses

【4】 Water Treatment Facilities (for the electronics industry)

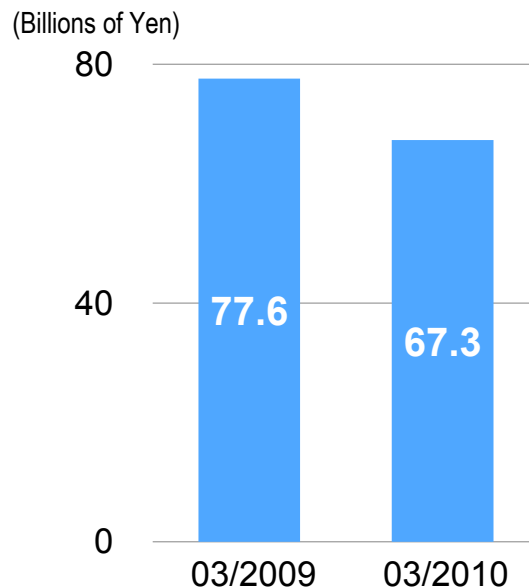
Orders



【 Major determinants of change 】

- Decline in hardware
- Decline in maintenance services
- Expansion of ultrapure water supply business

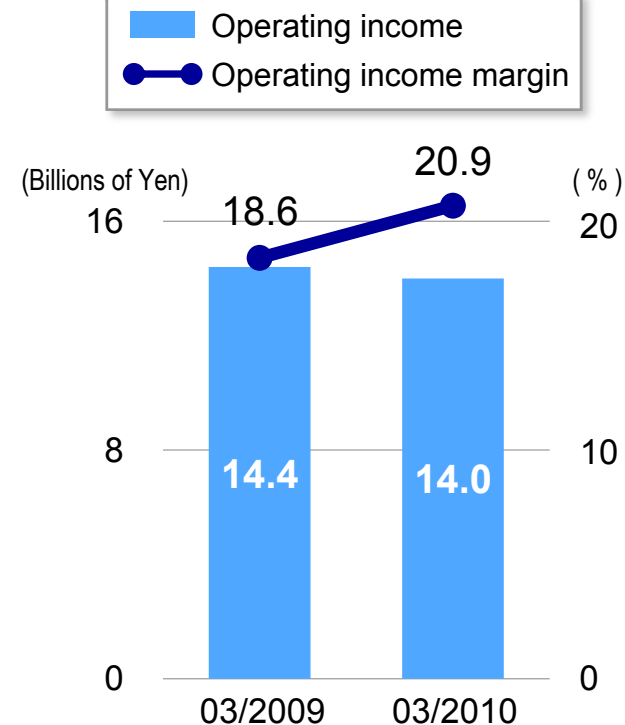
Sales



【 Major determinants of change 】

- Decline in hardware
- Decline in maintenance services
- Growth in the ultrapure water supply business

Operating Income and Operating Income Margin

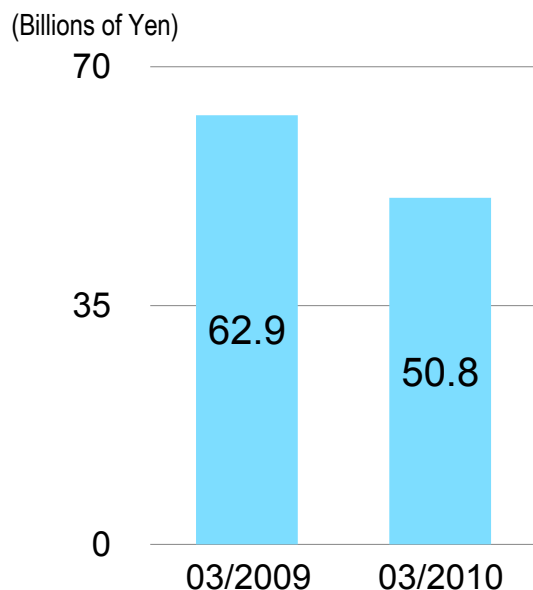


【 Major determinants of change 】

- Lower revenue in Japan and overseas
- Improved sales mix
- Lower cost of sales
- Curbing of SG&A expenses

【5】 Water Treatment Facilities (for general industries)

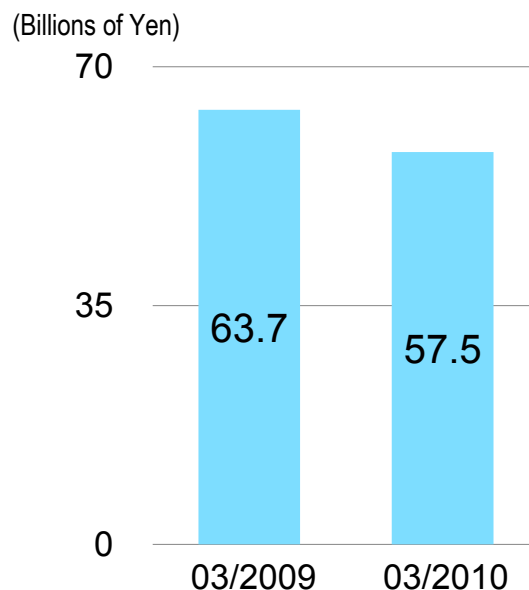
Orders



【 Major determinants of change 】

- Decline in hardware
- Decline in maintenance services

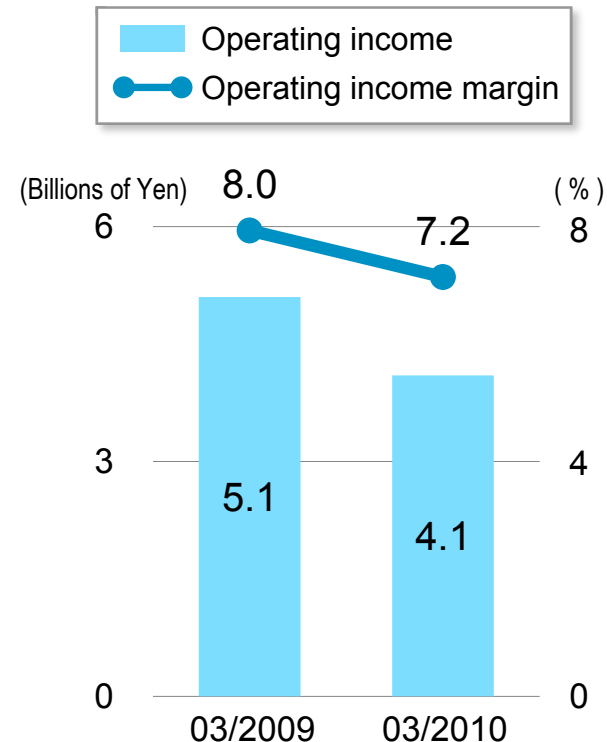
Sales



【 Major determinants of change 】

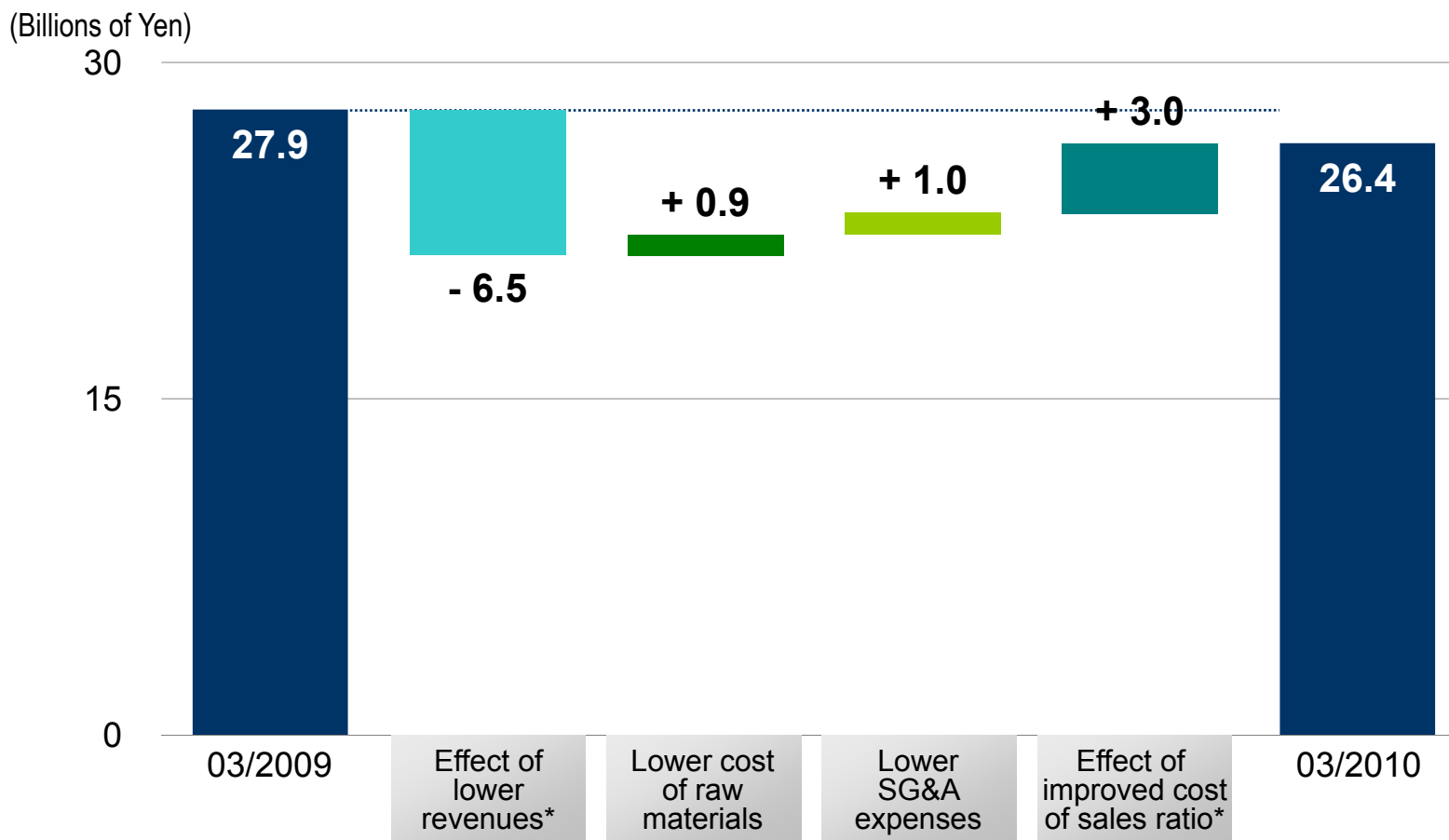
- Decline in hardware
- Decline in maintenance services
- Decline in soil remediation

Operating Income and Operating Income Margin



【 Major determinants of change 】

- Impacted by decline in revenues
- Lower cost of sales
- Curbing of SG&A expenses

【6】 Analysis of Changes in Operating Income for the Fiscal Year Ended March 31, 2010


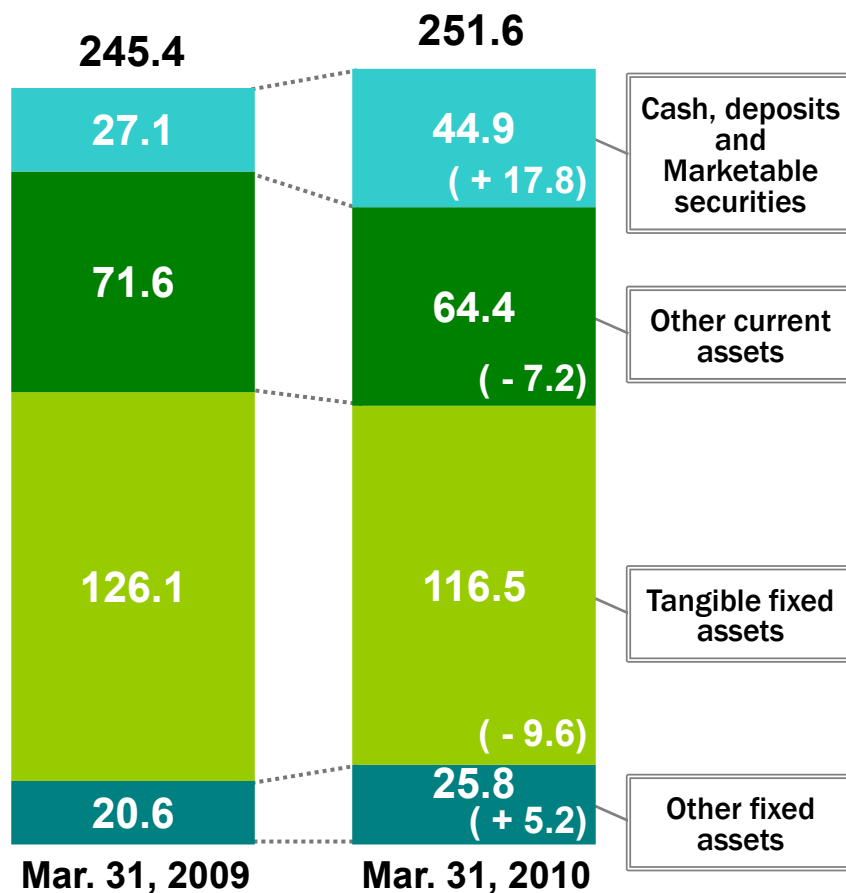
Effects of lower revenues and improved cost of sales ratio* are calculated using the gross profit margin.

*Cost of sales ratio: Costs of sales / Sales

【7】 Financial Condition

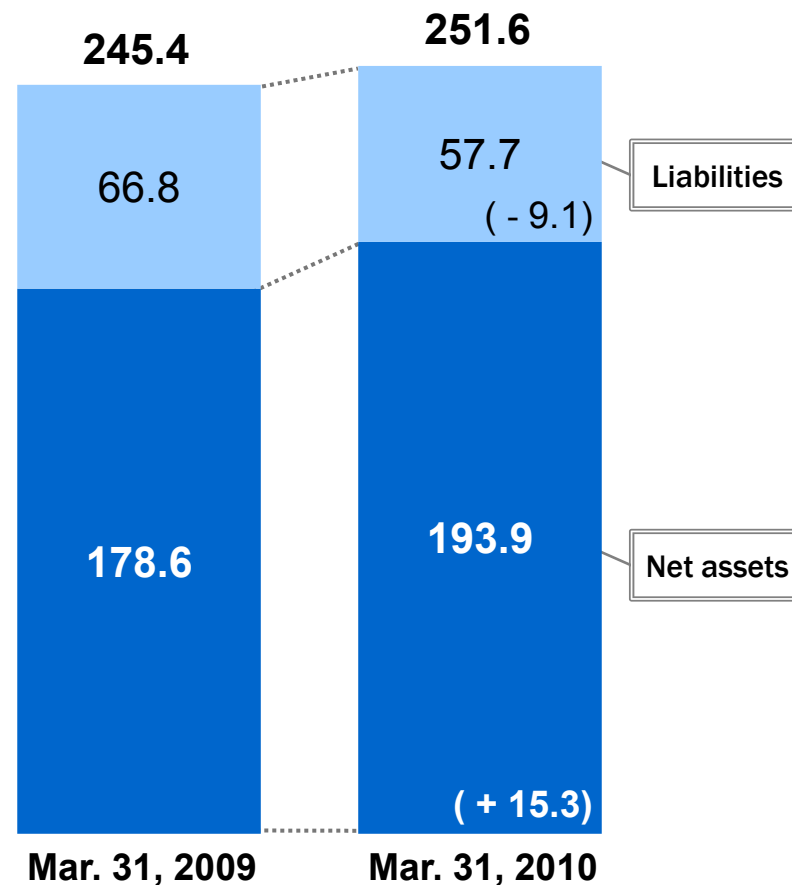
Assets

(Billions of Yen)



Liabilities and Net Assets

(Billions of Yen)



- 【 1 】 Key Assumptions**
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 - 【 7 】 Service Business Revenue**
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 - 【11】 Dividend Policy**
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【1】 Key Assumptions

Water Treatment Chemicals Segment

- Demand will recover in Asia and emerging countries
- Demand will recover moderately in Japan
- Raw materials prices may rise

Water Treatment Facilities Segment

- Capital expenditure demand will rise in the Asian electronics industry
- Languid recovery in capital expenditure in Japan
- Demand for maintenance services will bottom out in Japan

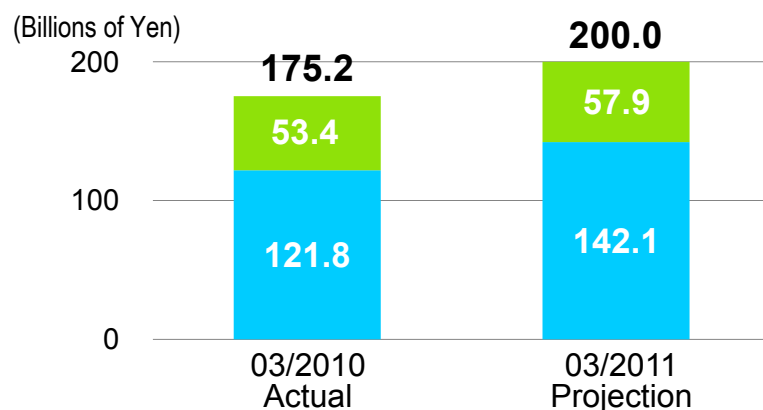
【2】 Overview

			(Billions of Yen)
	03/2010 Actual	03/2011 Projection	Year-on-year change
Orders	175.2	200.0	+ 14.2%
Net Sales	178.5	195.0	+ 9.2%
Operating Income	26.4	29.5	+ 11.9%
Ordinary Income	27.1	30.0	+ 10.7%
Net Income	17.3	17.3	+ 0.1%

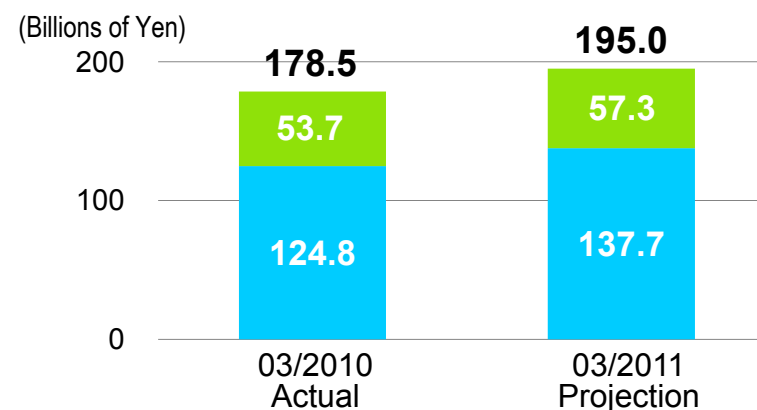
【3】 Orders, Sales, Operating Income, and Operating Income Margin

Water treatment chemicals
 Water treatment facilities
 Total

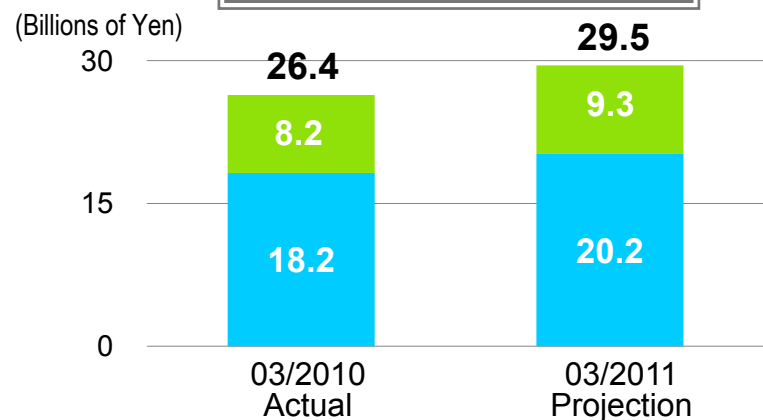
Orders



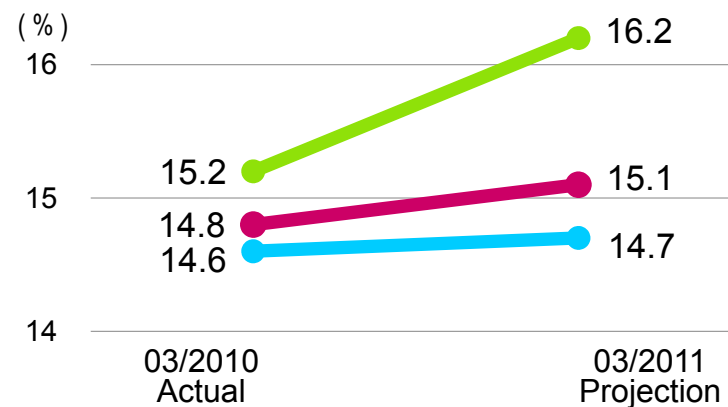
Sales



Operating Income

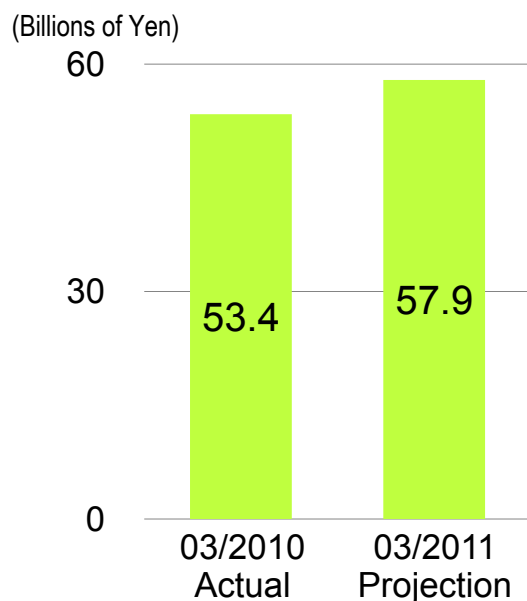


Operating Income Margin



【4】 Water Treatment Chemicals

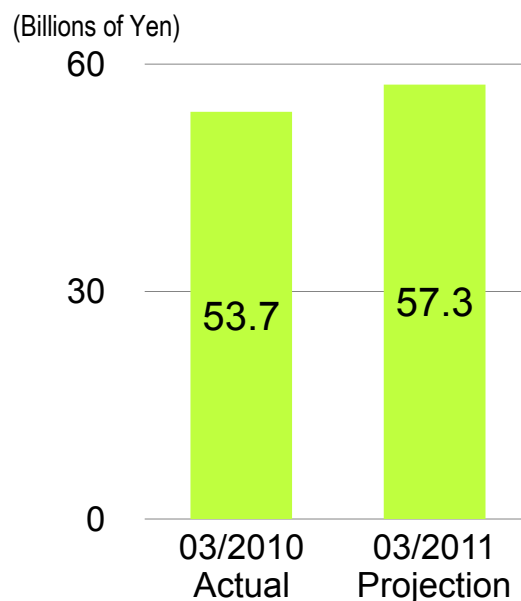
Orders



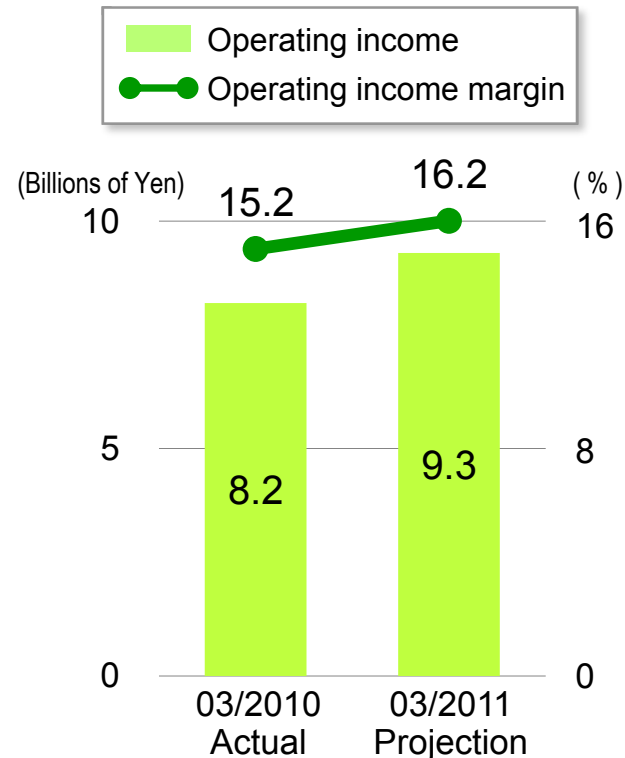
【 Major determinants of growth/
decline in orders/sales 】

- Japan: Modest recovery in demand
- Overseas: Demand recovery led by Asia

Sales



Operating Income and Operating Income Margin

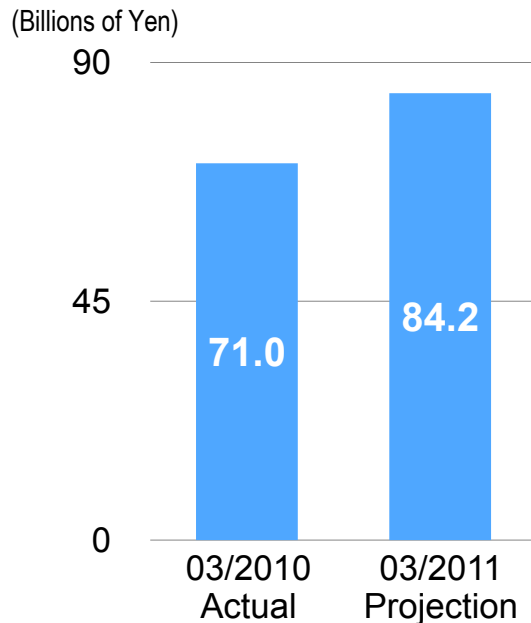


【 Major determinants of change 】

- Revenue growth in Japan and overseas
- Efforts to reduce cost of sales
- Curbing of SG&A expenses
- Rise in raw materials prices

【5】 Water Treatment Facilities (for the electronics industry)

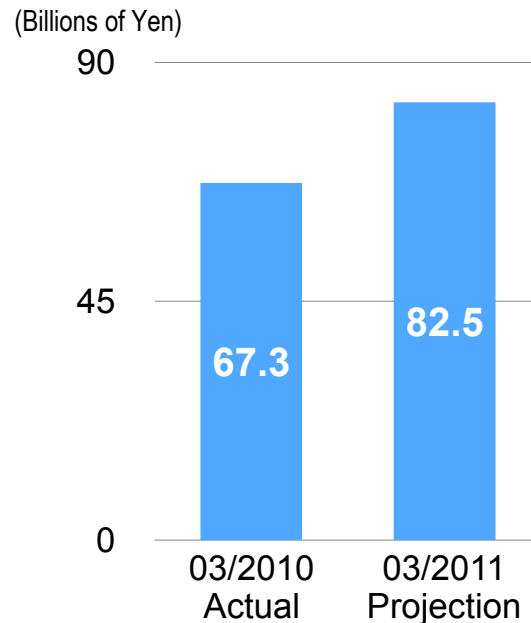
Orders



【 Major determinants of change 】

- Growth in hardware overseas
- Languid recovery in capital expenditure in Japan
- Bottoming out of maintenance services

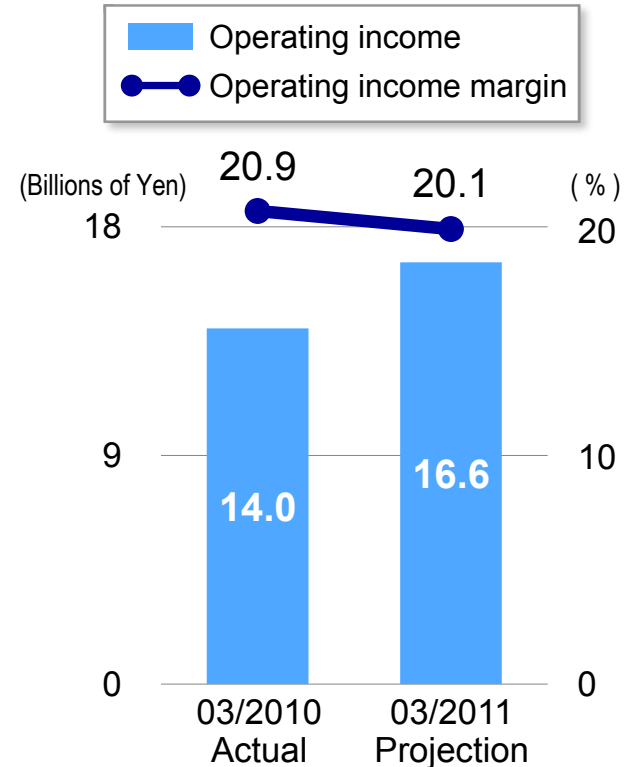
Sales



【 Major determinants of change 】

- Growth in hardware overseas
- Bottoming out of maintenance services

Operating Income and Operating Income Margin

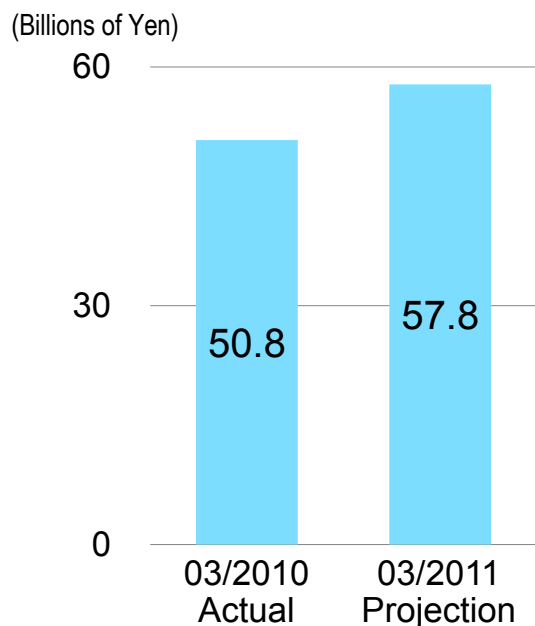


【 Major determinants of change 】

- Impact of revenue growth
- Cost increases in the ultrapure water supply business

【6】 Water Treatment Facilities (for general industries)

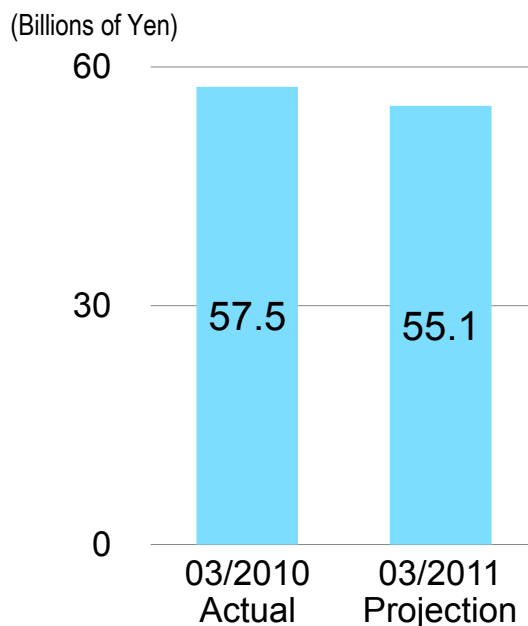
Orders



【 Major determinants of change 】

- Growth of hardware in electric power and general industries
- Bottoming out of maintenance services

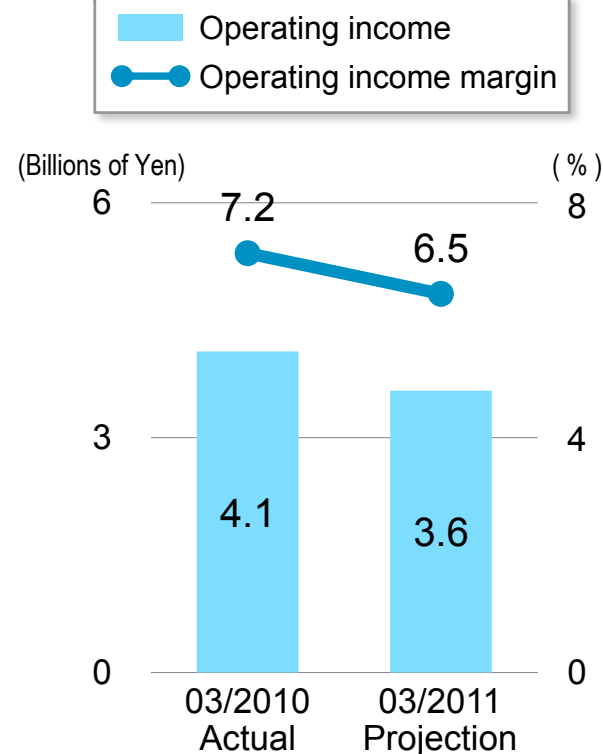
Sales



【 Major determinants of change 】

- Completion of major projects
- Bottoming out of maintenance services

Operating Income and Operating Income Margin



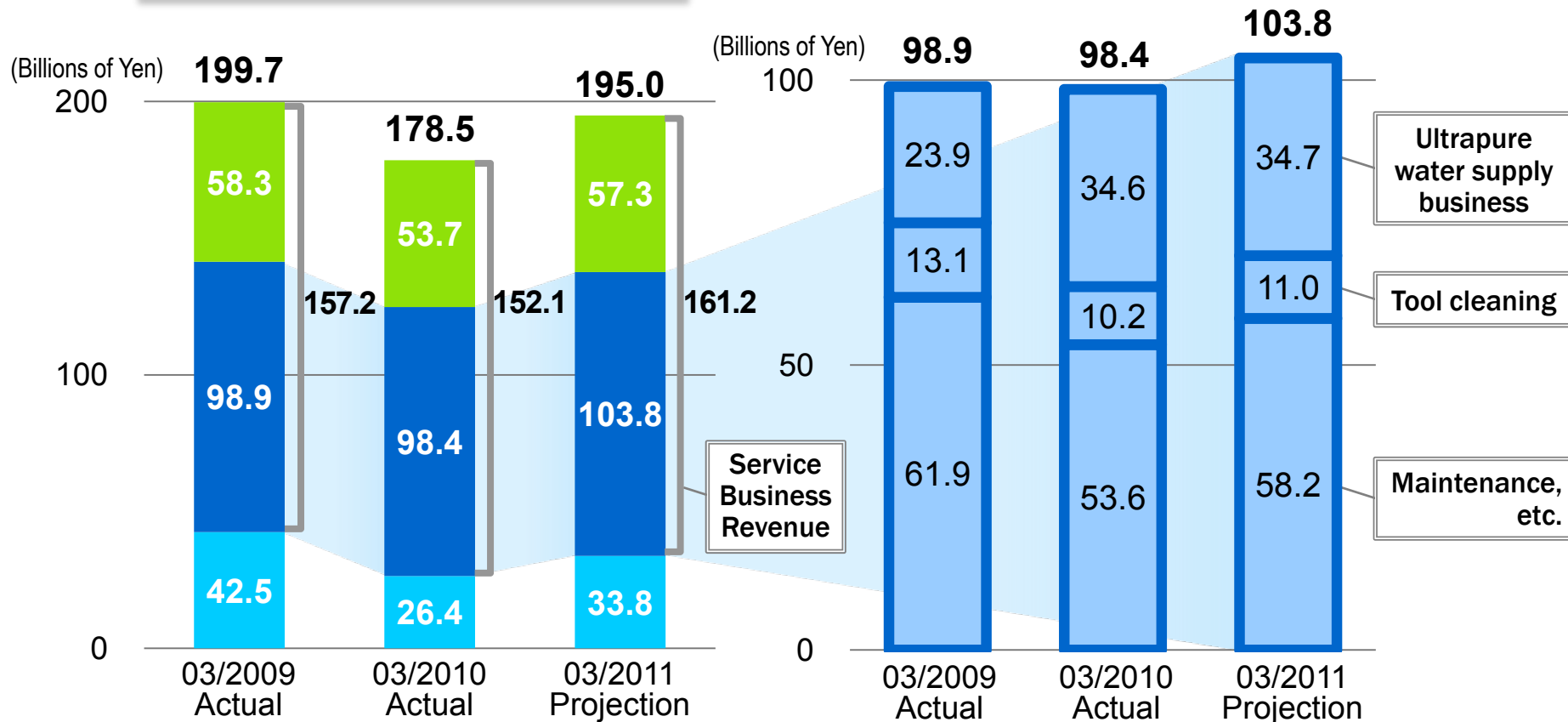
【 Major determinants of change 】

- Decline in revenues due to completion of major projects

【7】 Service Business Revenue

- Water treatment chemicals
- Water treatment facilities (services)
- Water treatment facilities (hardware)

Service Business Revenue in the Water Treatment Facilities Segment



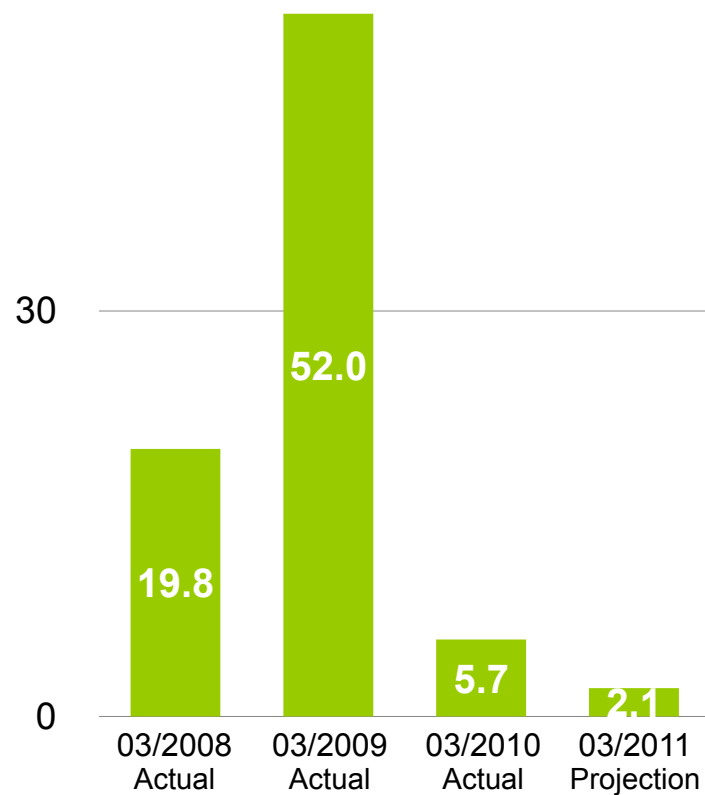
*The soil remediation business is included in "Maintenance, etc."

【8】 Outlook for the Ultrapure Water Supply Business

Capital Expenditures

(Billions of Yen)

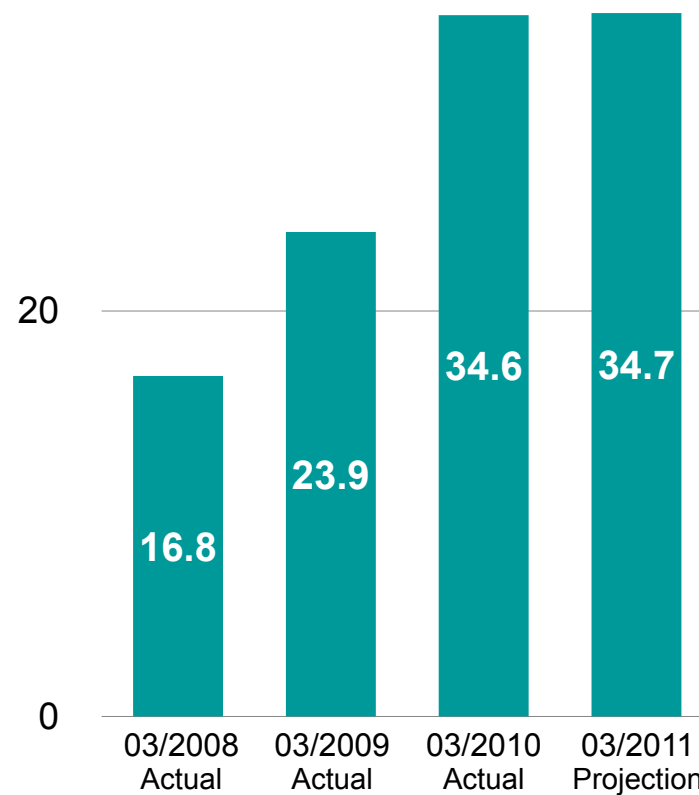
60



Sales

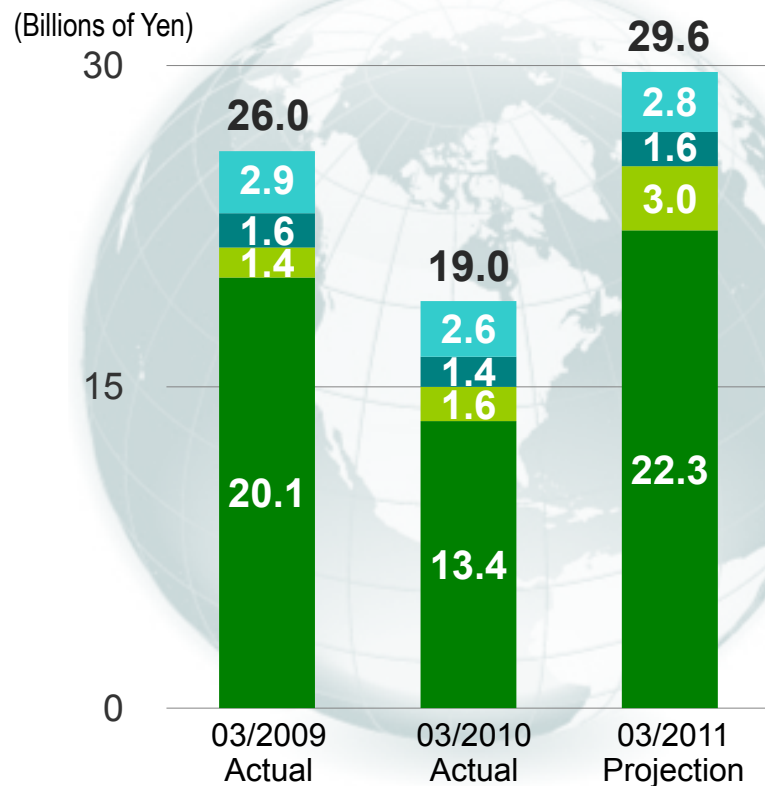
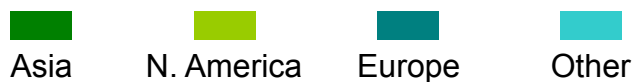
(Billions of Yen)

40

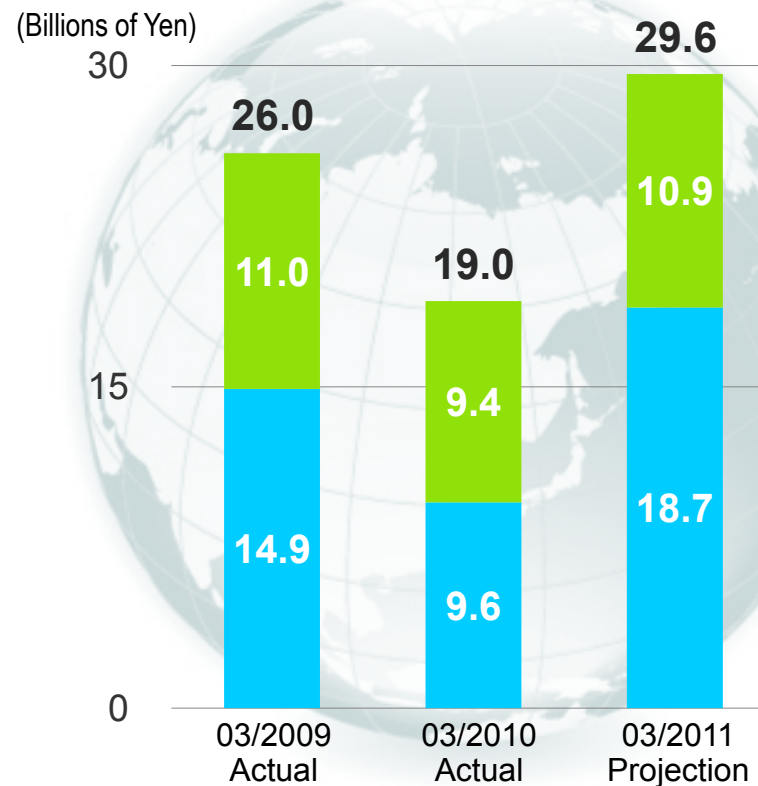


【9】 Overseas Businesses

Sales by Region






Sales by Overseas Business Segment

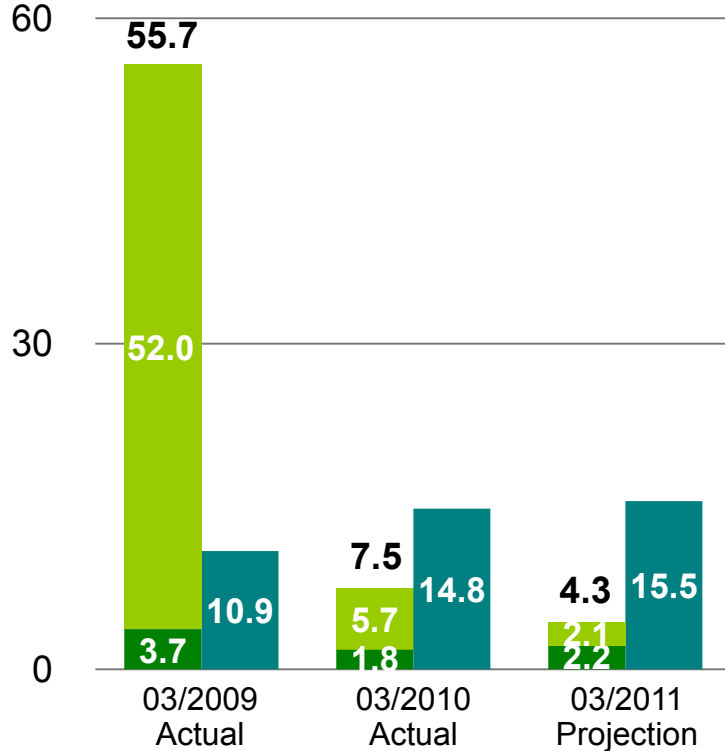


【10】 Capital Expenditures, Depreciation, and R&D Expenses


Capital Expenditures and Depreciation

 Capital expenditures (ultrapure water supply business)
 Capital expenditures (excl. ultrapure water supply business)
 Depreciation

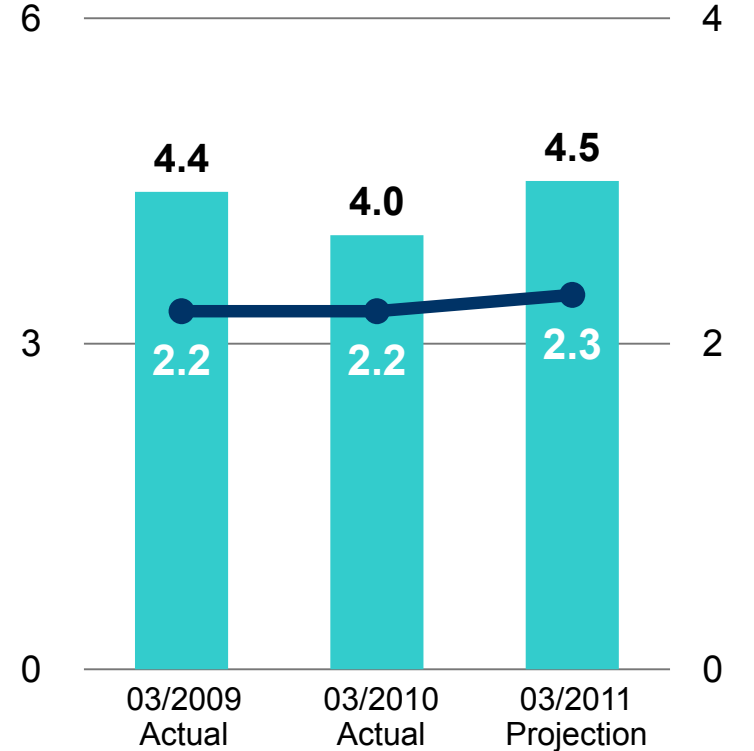
(Billions of Yen)



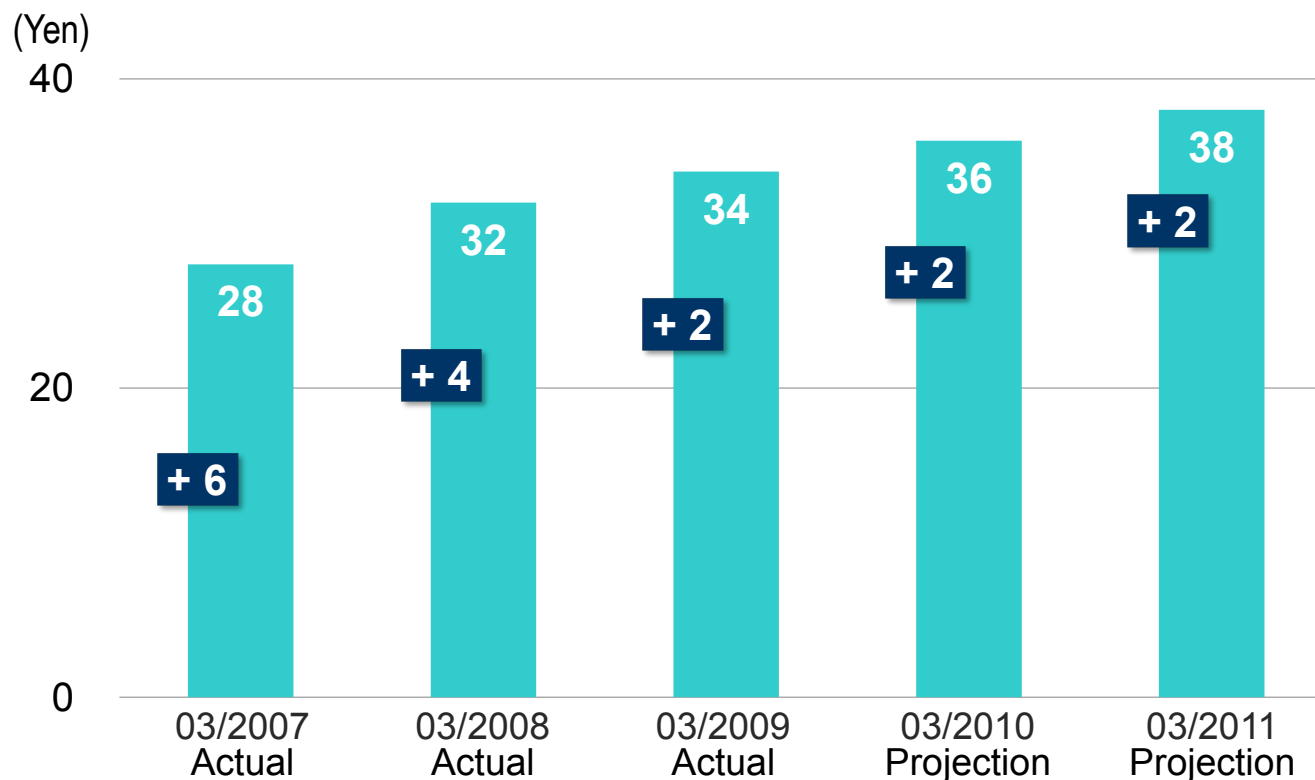
R&D Expenses

 R&D Expenses
 Percentage of net sales

(Billions of Yen)



【11】 Dividend Policy



Basic Dividend Policy

Kurita's basic policy is to maintain stable dividends, and the company will work to increase dividends while giving due consideration to trends in results and investments in its businesses.

【 1 】 Basic themes and medium-term vision

【 2 】 Expand and evolve service business

Expanding sales of RO (reverse osmosis) membrane water treatment chemicals

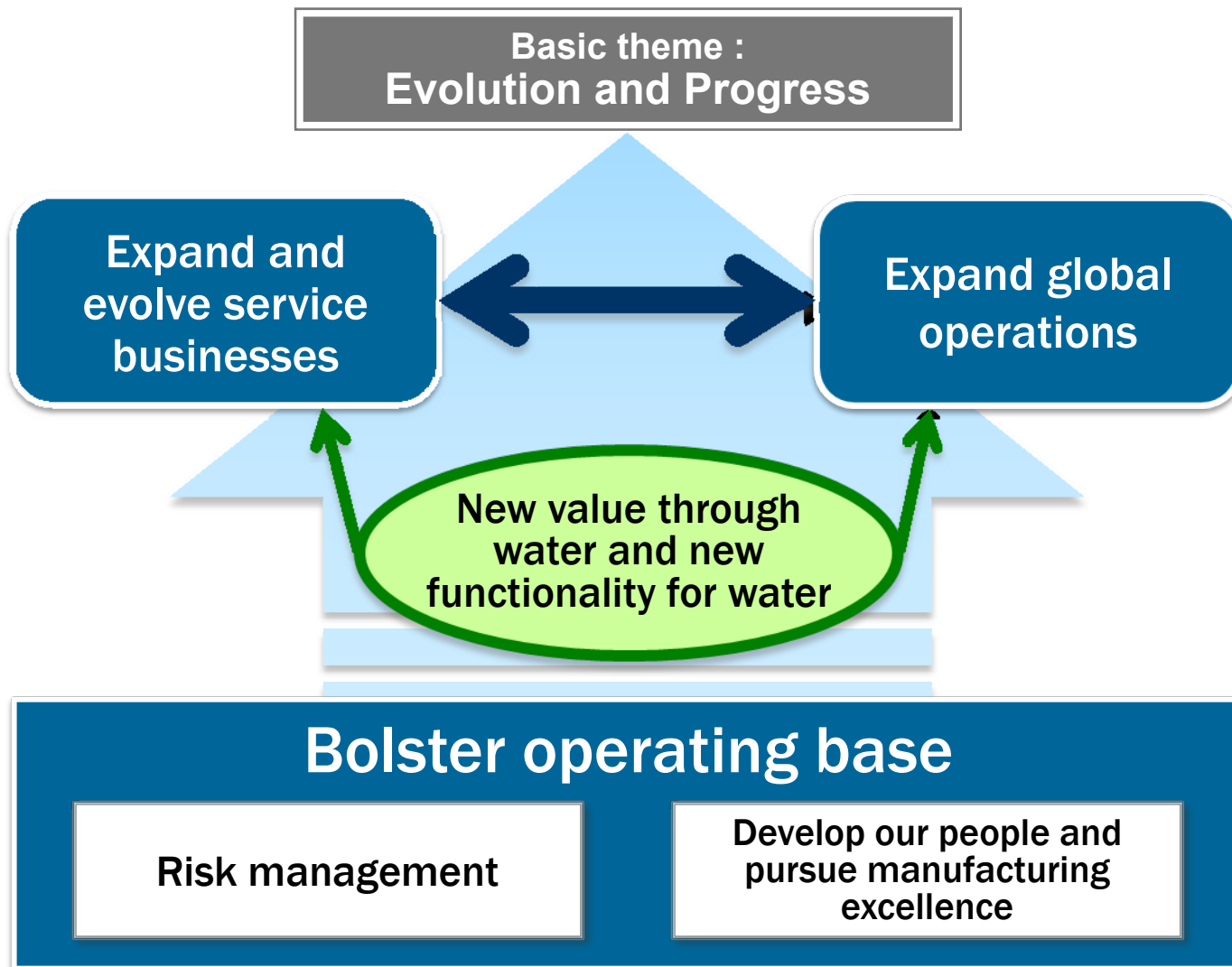
【 3 】 Expand global operations

Taking in major orders from LCD plants in China and strengthening the wastewater reclamation business

【 4 】 Branch into new products and markets

Electrolyzed sulfuric acid generator / Electrolyte blowout prevention material for aluminum electrolytic capacitors

【1】 Basic themes and medium-term vision



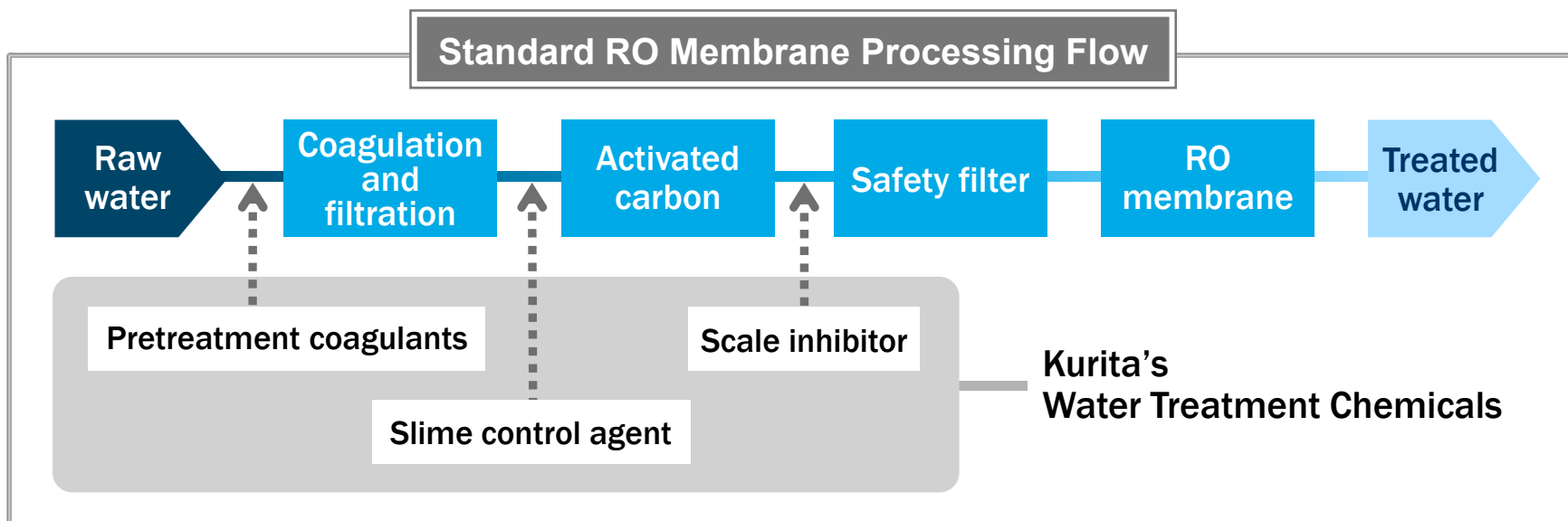
【2】 Expand and evolve service business : Expanding sales of RO (reverse osmosis) membrane water treatment chemicals

Amid growing global water demand, there is a rising need for seawater desalination in China and the Middle East and for wastewater reclamation in Asia. In response, we have initiated an RO Chemicals Project Group.

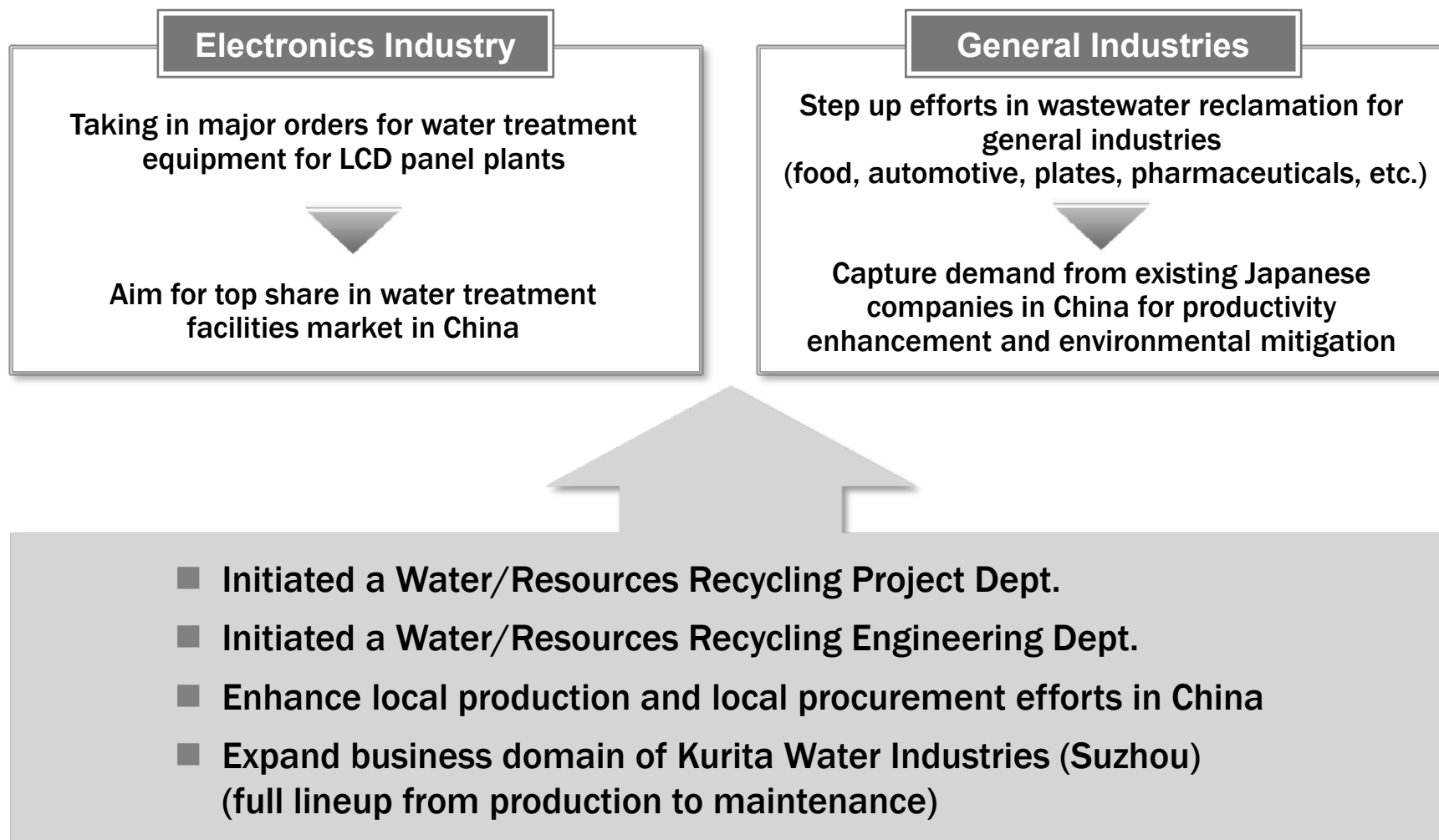
- Pretreatment coagulant
 - Slime control agent
 - Scale inhibitor
- } Developed and launched sales of 3 new products

*Slime : Contaminant formed by microbes such as underwater bacteria and algae

*Scale : Calcium or silica solid precipitated from water



【3】 Expand global operations : Taking in major orders from LCD plants in China and strengthening the wastewater reclamation business



Concentrated investment of resources in China

【4】 Branch into new products and markets : Electrolyzed sulfuric acid generator / Electrolyte blowout prevention material for aluminum electrolytic capacitors

**Electrolyzed sulfuric acid generator
(Green Sulfaced KD™)**

Reduces amount of liquid used in semiconductor manufacturing (resist removal) through electrolysis with diamond electrodes. First order received from major U.S. semiconductor manufacturer, received follow-on orders.

Electrolyte blowout prevention material for aluminum electrolytic capacitors (Epsiguard™ KC)

Uses clathrate compound technology to instantly absorb electrolyte materials discharged from aluminum electrolytic capacitors when electric anomalies occur.

Clathrate compound technology :
A technique used to integrate guest molecules into host molecules, thereby creating a solid.



Electrolyzed sulfuric acid generator for resist removal processes

Kurita Water Industries Ltd.

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Forward-looking Statements

This presentation contains forward-looking statements, business plan projections, and judgments based on information available to management at the time of writing. Due to the existence of a variety of risk factors and uncertainties, actual results may differ from those specified or implied by these forward-looking statements and projections.