



Kurita Water Industries Ltd.

Results Presentation for the First Nine Months of the Fiscal Year Ending March 31, 2024

(Securities code: 6370)

February 13, 2024

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1 Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2024

Overview of Results

(Billions of Yen)		FY 03/2023 Nine-Month Results	FY 03/2024 Nine-Month Results	YoY Change	FY 03/2024 Forecast (Announced in Nov.)
Orders		288.1	281.6	(2.2%)	365.0
Net Sales		251.7	286.7	+ 13.9%	380.0
Business Profit		28.4	30.5	+ 7.3%	40.0
Net of Other Income and Expenses		(0.7)	+ 0.1	—	(0.3)
Operating Profit		27.7	30.5	+ 10.3%	39.7
Profit Before Tax		29.0	30.5	+ 5.2%	39.2
Profit Attributable to Owners of Parent		20.1	21.9	+ 8.7%	28.0
Basic Earnings per Share (yen)		179.28	194.89	+ 8.7%	249.06
Foreign Exchange Rate	USD (yen)	136.5	143.3		139.7
	EUR (yen)	140.6	155.3		152.5
	CNY (yen)	19.9	20.0		19.7

- The impact of the new consolidation of Arcade Engineering GmbH and its group companies (herein after “Arcade Engineering”) is included in the General Industry segment from the second quarter of the current fiscal year.
- In the same period of the previous fiscal year, the gain on derivative transactions (1.1 billion yen) accompanying the acquisition of additional shares in Pentagon Technologies Group, Inc. was posted as financial income that was included in profit before tax.

Results by Segment



(Billions of Yen)		FY 03/2023 Nine-Month Results	FY 03/2024 Nine-Month Results	YoY Change	FY 03/2024 Forecast (Announced in Nov.)
Total	Orders	288.1	281.6	(6.5)	365.0
	Net Sales	251.7	286.7	+ 35.0	380.0
	Business Profit	28.4	30.5	+ 2.1	40.0
	Business Profit Margin	11.3%	10.6%	(0.6pp)	10.5%
	Operating Profit	27.7	30.5	+ 2.8	39.7
Electronics Industry	Orders	134.2	125.4	(8.7)	149.5
	Net Sales	107.6	131.4	+ 23.8	166.0
	Business Profit	16.7	14.9	(1.8)	19.0
	Business Profit Margin	15.6%	11.3%	(4.2pp)	11.4%
	Operating Profit	16.6	15.1	(1.5)	19.0
General Industry	Orders	153.9	156.2	+ 2.3	215.5
	Net Sales	144.1	155.3	+ 11.1	214.0
	Business Profit	11.6	15.5	+ 3.9	21.0
	Business Profit Margin	8.1%	10.0%	+ 1.9pp	9.8%
	Operating Profit	11.1	15.5	+ 4.3	20.7

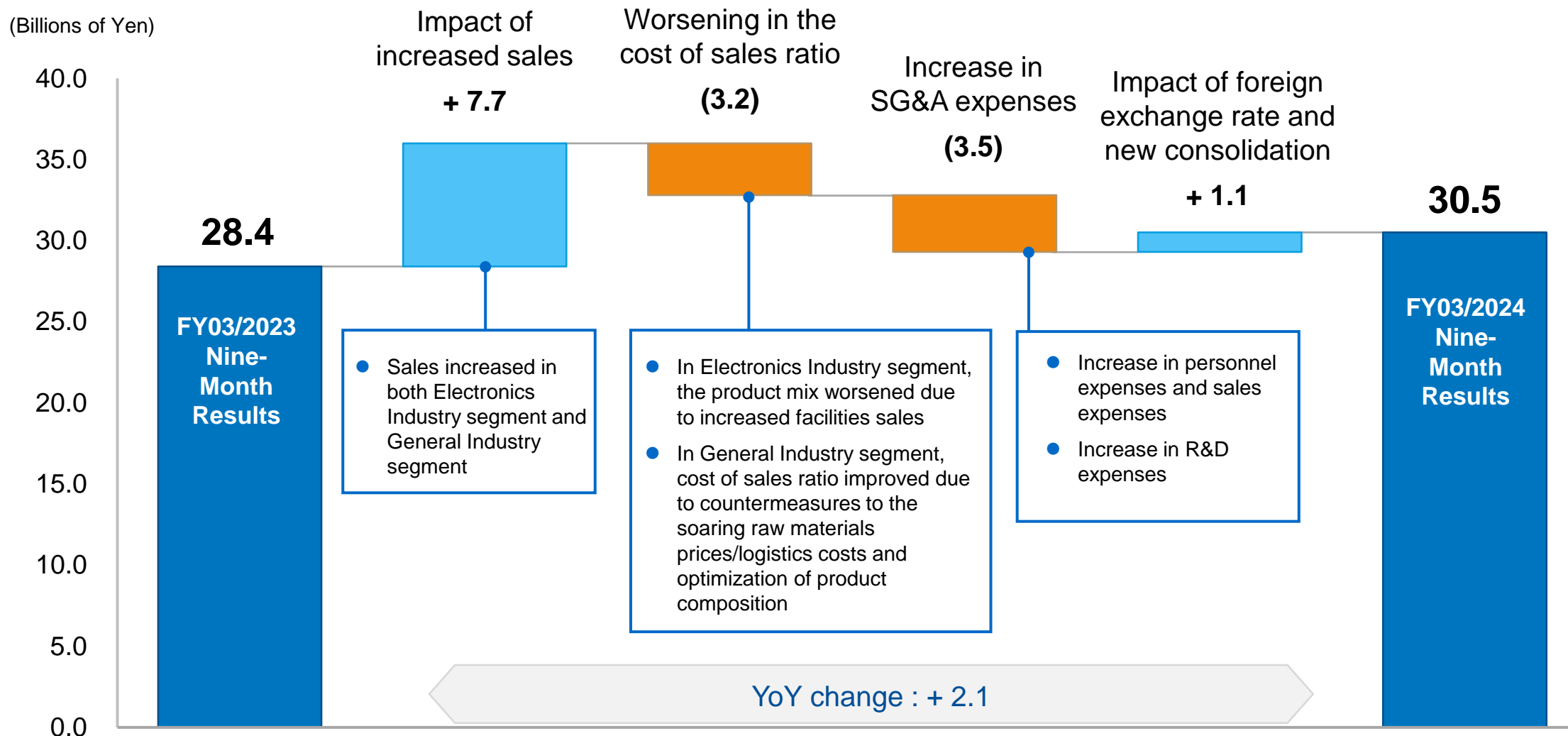
Electronics Industry

- Order declined mainly due to the decrease in facilities and precision tool cleaning.
- Net sales increased mainly due to the construction progress of facilities orders already received.
- Business profit decreased due to a worsening in cost of sales ratio with lower service business composition and the increase of SG&A expenses, despite the sales increase.

General Industry

- The impact of new consolidation of Arcade Engineering is included from the second quarter of the current fiscal year.
- On an organic basis excluding foreign exchange and new consolidation impact, orders declines, while net sales increased reflecting the progress of facilities and maintenance projects.
- Business profit increased, with the effects of higher sales and an improved cost of sales ratio more than offsetting the increase in SG&A expenses.

Factors in Change in Business Profit (YoY Change)



Electronics Industry Segment



(Billions of Yen)	FY 03/2023 Nine-Month Results	FY 03/2024 Nine-Month Results	YoY Change	FY 03/2024 Forecast (Announced in Nov.)
Orders	134.2	125.4	(8.7)	149.5
Facilities	56.8	49.1	(7.6)	48.4
Recurring Contract- Based Services	31.8	34.6	+ 2.8	45.2
Services	45.6	41.7	(3.9)	56.0
Chemicals	7.7	7.8	+ 0.1	11.0
Precision Tool Cleaning	21.7	18.4	(3.3)	24.7
Maintenance	16.2	15.5	(0.7)	20.3
Net Sales	107.6	131.4	+ 23.8	166.0
Facilities	32.7	54.8	+ 22.1	66.8
Recurring Contract- Based Services	31.7	34.6	+ 2.9	45.0
Services	43.2	42.0	(1.1)	54.2
Chemicals	7.7	7.8	+ 0.1	10.8
Precision Tool Cleaning	21.6	18.4	(3.1)	24.8
Maintenance	13.9	15.8	+ 1.9	18.7

- Orders for facilities declined compared to the same period of the previous fiscal year when we won large projects. Net sales increased due to the sales progress from ordered projects mainly in Japan and China.
- Recurring contract-based services increased due to an increase in water supply business.
- Net sales for precision tool cleaning decreased reflecting the impact of operations in customers' plants.
- Orders for maintenance decreased compared to the high level of the same period in the previous year. Net sales increased both in Japan and overseas

Factors in Change (Billions of Yen)

Organic Change	+ 22.0
Impact of Foreign Exchange Rate	+ 1.8

General Industry Segment



(Billions of Yen)	FY 03/2023 Nine-Month Results	FY 03/2024 Nine-Month Results	YoY Change	FY 03/2024 Forecast (Announced in Nov.)
Orders	153.9	156.2	+ 2.3	215.5
Facilities	19.8	20.7	+ 1.0	29.6
Recurring Contract- Based Services	4.1	6.6	+ 2.5	10.9
Services	130.0	128.9	(1.1)	175.0
Chemicals	90.0	87.2	(2.8)	120.5
Maintenance	33.7	34.8	+ 1.1	45.7
Others	6.3	6.9	+ 0.5	8.8
Net Sales	144.1	155.3	+ 11.1	214.0
Facilities	13.5	19.9	+ 6.4	27.7
Recurring Contract- Based Services	4.6	7.6	+ 3.0	10.5
Services	126.0	127.7	+ 1.7	175.8
Chemicals	89.9	87.3	(2.6)	119.3
Maintenance	30.2	33.5	+ 3.2	46.3
Others	5.9	7.0	+ 1.1	10.2

- Excluding the impact of the new consolidation, orders for facilities declined, while net sales increased both in Japan and overseas due to the progress of ordered projects.
- Recurring contract-based services increased due to the growth both in Japan and overseas.
- Orders and net sales for chemicals declined mainly due to the impact of the operations in customers' plants in China and the optimization of product composition.
- Orders for maintenance increased due to the acquisition of engineering cleaning projects. Net sales increased due to the progress of maintenance and cleaning projects.

Factors in Change (Billions of Yen)

Organic Change	+ 3.2
Impact of Foreign Exchange Rate	+ 4.8
Impact of New Consolidation	+ 3.1

Net Sales by Region / CSV Business Net Sales



Net Sales by Region - Consolidated

(Billions of Yen)	FY 03/2023 Nine-Month Results	FY 03/2024 Nine-Month Results	YoY Change	FY 03/2024 Forecast (Announced in Nov.)
Japan	125.9	147.4	+ 21.6	195.9
Asia	57.9	65.0	+ 7.1	84.5
North & South America	45.8	47.2	+ 1.4	63.5
EMEA	22.1	27.1	+ 4.9	36.2
Total	251.7	286.7	+ 35.0	380.0

Net Sales by Region - General Industry

(Billions of Yen)	FY 03/2023 Nine-Month Results	FY 03/2024 Nine-Month Results	YoY Change	FY 03/2024 Forecast (Announced in Nov.)
Japan	72.1	77.3	+ 5.2	106.0
Asia	18.7	16.7	(2.0)	25.7
North & South America	31.3	34.2	+ 2.9	46.2
EMEA	22.1	27.1	+ 4.9	36.2
Total	144.1	155.3	+ 11.1	214.0

Net Sales by Region - Electronics Industry

(Billions of Yen)	FY 03/2023 Nine-Month Results	FY 03/2024 Nine-Month Results	YoY Change	FY 03/2024 Forecast (Announced in Nov.)
Japan	53.8	70.1	+ 16.3	89.9
Asia	39.2	48.3	+ 9.1	58.8
North & South America	14.6	13.0	(1.6)	17.3
EMEA	—	—	—	—
Total	107.6	131.4	+ 23.8	166.0

CSV Business Net Sales

(Billions of Yen)	FY 03/2024 Nine-Month Results	% of Net Sales*	FY 03/2024 Forecast (Announced in Nov.)
Consolidated	29.8	10.4%	45.0
Electronics Industry	9.2	7.0%	14.0
General Industry	20.5	13.2%	31.0

*Percentage of consolidated or segment net sales

Capital Expenditures, Depreciation and R&D Expenses



(Billions of Yen)	FY 03/2023 Nine-Month Results	FY 03/2024 Nine-Month Results	YoY Change	FY 03/2024 Forecast (Announced in Nov.)
Capital Expenditures (Property, Plant and Equipment*)	35.3	24.8	(10.5)	40.0
Depreciation (Property, Plant and Equipment*)	18.9	21.0	+ 2.1	27.3
R&D Expenses	4.7	5.4	+ 0.8	7.6

* Right-of-use assets are included.

- Capital expenditures declined compared to the same period of the previous fiscal year due to a lower investment in water supply business.
- Depreciation increased due to the start of new water supply projects during the previous fiscal year.
- R&D expenses increased due to strengthening efforts to create innovation.

Financial Condition

(Billions of Yen)	End of March 2023	End of December 2023	Change
Cash and Cash Equivalents	50.5	49.3	(1.2)
Other Current Assets	145.9	163.8	+ 17.9
Total Current Assets	196.4	213.1	+ 16.7
Property, Plant and Equipment	178.7	183.4	+ 4.6
Goodwill	60.4	66.9	+ 6.5
Other Non-Current Assets	66.0	66.4	+0.4
Total Non-Current Assets	305.1	316.6	+ 11.5
Total Assets	501.5	529.7	+ 28.2
Current Liabilities	109.5	106.9	(2.6)
Non-Current Liabilities	96.3	105.5	+ 9.1
Total Liabilities	205.8	212.3	+ 6.6
Equity Attributable to Owners of Parent	294.0	315.4	+ 21.5
Non-Controlling Interests	1.8	2.0	+ 0.2
Total Equity	295.8	317.4	+ 21.6
Total Liabilities and Equity	501.5	529.7	+ 28.2

- Other current assets increased mainly due to increases in trade and other receivables and inventories.
- Property, plant and equipment increased, mainly reflecting the acquisition of water supply business facilities.
- Goodwill increased due to the acquisition of Arcade Engineering shares and the impact of foreign exchange rates.
- Non-current liabilities increased due to increases in long-term borrowings.
- Total equity increased mainly due to the posting of exchange differences on translation of foreign operations reflecting the weakening of the yen against other currencies and the increase in retained earnings.

2 | Revision to Business Forecast for the Fiscal Year Ending March 31, 2024

Revisions to Business Forecast

- Orders forecast is revised upward to reflect the progress in orders for facilities in Electronics Industry segment.
- Net sales and profit forecasts remain the same as the previous forecast.

(Billions of Yen)		Previous Forecast (Announced in Nov.)	FY 03/2024 Forecast (Announced in Feb.)	Change	FY 03/2023 Results
Orders		365.0	375.0	+ 10.0	374.3
Net Sales		380.0	380.0	—	344.6
Business Profit		40.0	40.0	—	38.6
Net of Other Income and Expenses		(0.3)	(0.3)	—	(9.5)
Operating Profit		39.7	39.7	—	29.1
Profit Before Tax		39.2	39.2	—	30.2
Profit Attributable to Owners of Parent		28.0	28.0	—	20.1
Basic Earnings per Share (yen)		249.06	249.06	—	179.14
Foreign Exchange Rate	USD (yen)	139.7	139.7	—	135.5
	EUR (yen)	152.5	152.5	—	141.0
	CNY (yen)	19.7	19.7	—	19.8

Forecasts by Segment

(Billions of Yen)		Previous Forecast (Announced in Nov.)	FY 03/2024 Forecast (Announced in Feb.)	Change	FY 03/2023 Results (Reference)
Total	Orders	365.0	375.0	+ 10.0	374.3
	Net Sales	380.0	380.0	—	344.6
	Business Profit	40.0	40.0	—	38.6
	Business Profit Margin	10.5%	10.5%	—	11.2%
	Operating Profit	39.7	39.7	—	29.1
Electronics Industry	Orders	149.5	159.5	+ 10.0	169.9
	Net Sales	166.0	169.0	+ 3.0	149.3
	Business Profit	19.0	19.4	+ 0.4	21.8
	Business Profit Margin	11.4%	11.5%	+ 0.0pp	14.6%
	Operating Profit	19.0	19.4	+ 0.4	20.9
General Industry	Orders	215.5	215.5	—	204.4
	Net Sales	214.0	211.0	(3.0)	195.3
	Business Profit	21.0	20.6	(0.4)	16.9
	Business Profit Margin	9.8%	9.8%	(0.1pp)	8.7%
	Operating Profit	20.7	20.3	(0.4)	8.2

- In Electronics Industry segment, orders, net sales and profit forecast are revised upward due to the progress of facilities business.
- In General Industries segment, net sales and profit forecast are revised downward to reflect the progress of chemicals business.

Breakdown of Revisions in Electronics Industry Segment

(Billions of Yen)	Previous Forecast (Announced in Nov.)	FY 03/2024 Forecast (Announced in Feb.)	Change	FY 03/2023 Results (Reference)
Orders	149.5	159.5	+ 10.0	169.9
Facilities	48.4	58.4	+ 10.0	68.6
Recurring Contract-Based Services	45.2	45.2	—	42.3
Services	56.0	56.0	—	59.0
Chemicals	11.0	11.0	—	10.7
Precision Tool Cleaning	24.7	24.7	—	27.7
Maintenance	20.3	20.3	—	20.7
Net Sales	166.0	169.0	+ 3.0	149.3
Facilities	66.8	69.8	+ 3.0	50.1
Recurring Contract-Based Services	45.0	45.0	—	42.1
Services	54.2	54.2	—	57.1
Chemicals	10.8	10.8	—	10.7
Precision Tool Cleaning	24.8	24.8	—	27.6
Maintenance	18.7	18.7	—	18.8

- In facilities, orders forecast is revised upward to reflect the acquisition status of projects in China and South Korea. Net sales forecast is revised upward mainly because the progress of facilities construction in China is more than expected.

Breakdown of Revisions in General Industry Segment



(Billions of Yen)	Previous Forecast (Announced in Nov.)	FY 03/2024 Forecast (Announced in Feb.)	Change	FY 03/2023 Results (Reference)
Orders	215.5	215.5	—	204.4
Facilities	29.6	32.6	+ 3.0	26.4
Recurring Contract-Based Services	10.9	10.9	—	6.7
Services	175.0	172.0	(3.0)	171.3
Chemicals	120.5	117.5	(3.0)	120.1
Maintenance	45.7	45.7	—	43.5
Others	8.8	8.8	—	7.6
Net Sales	214.0	211.0	(3.0)	195.3
Facilities	27.7	27.7	—	20.0
Recurring Contract-Based Services	10.5	10.5	—	5.8
Services	175.8	172.8	(3.0)	169.5
Chemicals	119.3	116.3	(3.0)	119.7
Maintenance	46.3	46.3	—	41.5
Others	10.2	10.2	—	8.3

- Orders for facilities forecast is revised upward to reflect the acquisition status of projects in North America.
- In chemicals, orders and net sales forecasts are revised downward to reflect the progress of business in Japan and Asia.

Net Sales by Region / CSV Business Net Sales



Net Sales by Region - Consolidated

(Billions of Yen)	Previous Forecast (Announced in Nov.)	FY 03/2024 Forecast (Announced in Feb.)	Change	FY 03/2023 Results (Reference)
Japan	195.9	195.0	(0.9)	178.5
Asia	84.5	84.9	+ 0.4	76.7
North & South America	63.5	64.0	+ 0.5	59.9
EMEA	36.2	36.2	—	29.5
Total	380.0	380.0	—	344.6

Net Sales by Region - General Industry

(Billions of Yen)	Previous Forecast (Announced in Nov.)	FY 03/2024 Forecast (Announced in Feb.)	Change	FY 03/2023 Results (Reference)
Japan	106.0	104.6	(1.4)	99.7
Asia	25.7	23.6	(2.1)	24.6
North & South America	46.2	46.7	+ 0.5	41.5
EMEA	36.2	36.2	—	29.5
Total	214.0	211.0	(3.0)	195.3

Net Sales by Region - Electronics Industry

(Billions of Yen)	Previous Forecast (Announced in Nov.)	FY 03/2024 Forecast (Announced in Feb.)	Change	FY 03/2023 Results (Reference)
Japan	89.9	90.4	+ 0.5	788
Asia	58.8	61.3	+ 2.5	521
North & South America	17.3	17.3	—	184
EMEA	—	—	—	—
Total	166.0	169.0	+ 3.0	149.3

CSV Business Net Sales

(Billions of Yen)	Previous Forecast (Announced in Nov.)	FY 03/2024 Forecast (Announced in Feb.)	Change
Consolidated	45.0	45.0	—
Electronics Industry	14.0	14.0	—
General Industry	31.0	31.0	—

Capital Expenditures, Depreciation and R&D Expenses

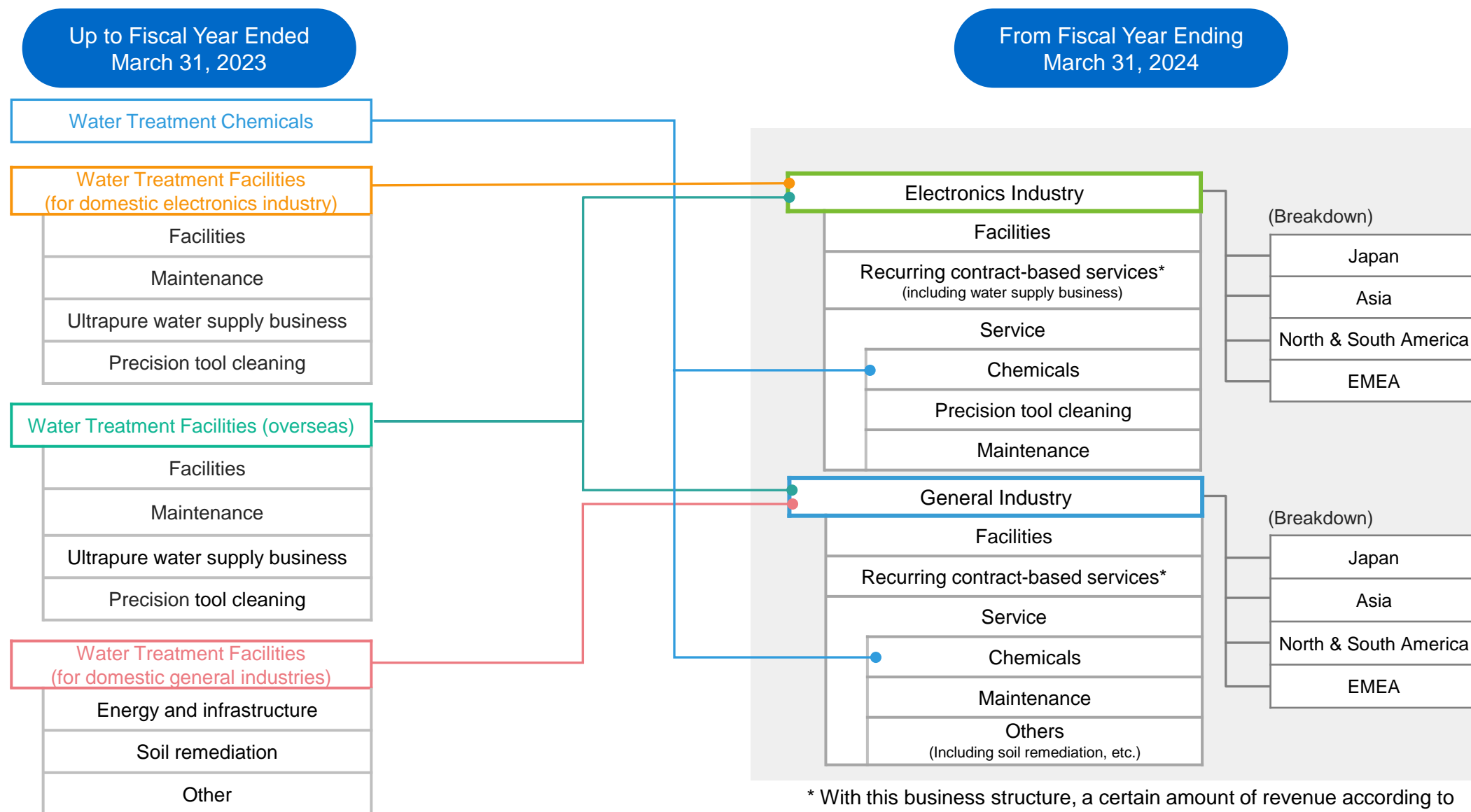


(Billions of Yen)	Previous Forecast (Announced in Nov.)	FY 03/2024 Forecast (Announced in Feb.)	Change	FY 03/2023 Results (Reference)
Capital Expenditures (Property, Plant and Equipment*)	40.0	40.0	—	46.6
Depreciation (Property, Plant and Equipment*)	27.3	27.3	—	25.8
R&D Expenses	7.6	7.6	—	6.3

* Right-of-use assets are included.

- Forecasts for capital expenditures ,depreciation and R&D expenses remain unchanged.

Reference : Change in Disclosed Segments





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.

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