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For Immediate Release

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Kurita Water Industries Announces Revision of Business Forecast

Kurita Water Industries Ltd. announces that, in light of its recent operating performance, it has revised the business forecast that it issued on May 6, 2021. Details are as follows:

1. Business Forecast Revision

(1) Revision of consolidated business forecast for the first six months of fiscal year ending March 31, 2022
 (April 1, 2021 – September 30, 2021)

(Million yen)

	Net Sales	Business Profit	Operating Profit	Profit Before Tax	Profit Attributable to Owners of Parent	Basic Earnings per Share (yen)
Previous forecast (A)	128,000	14,000	13,500	13,100	8,600	76.55
Revised forecast (B)	135,200	14,850	14,700	11,100	5,700	50.73
Change (B – A)	7,200	850	1,200	- 2,000	- 2,900	—
Percent change (%)	5.6	6.1	8.9	- 15.3	- 33.7	—
For reference: First six months of the fiscal year ended March 31, 2021	131,012	13,601	16,021	15,404	10,607	94.44

(Note) The Company finalized the provisional accounting treatment for business combinations as of March 31, 2021 and figures for the first six months of the fiscal year ended March 31, 2021 reflect the finalization of provisional accounting treatment.

(2) Revision of the consolidated business forecast for the fiscal year ending March 31, 2022
(April 1, 2021 – March 31, 2022)

(Million yen)

	Net Sales	Business Profit	Operating Profit	Profit Before Tax	Profit Attributable to Owners of Parent	Basic Earnings per Share (yen)
Previous forecasts (A)	276,000	33,000	32,000	31,300	21,100	187.82
Revised forecast (B)	289,000	33,000	32,000	28,100	18,000	160.19
Change (B – A)	13,000	0	0	- 3,200	- 3,100	—
Percent change (%)	4.7	0.0	0.0	- 10.2	- 14.7	—
For reference: Fiscal year ended March 31, 2021	267,749	29,470	31,529	29,150	19,088	169.94

2. Reason of the revisions

For the first half of the fiscal year ending March 31, 2022, capital expenditure by customers in the electronics industry and capacity utilization rates were strong and the yen was also weaker than initially anticipated. As a result, net sales for the first six months are expected to exceed the previously announced forecast. On the profit front, rising raw materials prices and higher selling, general and administrative costs were offset by increased net sales and improvement in the cost of sales ratio in the Water Treatment Facilities business and as a result both business profit and operating profit are expected to exceed the previously announced forecast. However, due to the retrospective measurement (fair value valuation) of liabilities pertaining to a forward contract concluded with non-controlling shareholders of U.S.-based Pentagon Technologies Group, Inc., the Company will record financial expenses of 3.6 billion yen in the current second quarter. Accordingly, profit before tax and profit attributable to owners of parent are both expected to be lower than the previously announced forecast.

Turning to the business forecast for the fiscal year ending March 31, 2022, net sales are expected to exceed the initially announced forecast on the assumption that demand in the electronics industry holds firm and exchange rates remain at their current levels. However, forecasts for business profit and operating profit are unchanged from those previously announced on the expectation of greater than initially anticipated deterioration in the cost of sales ratio mainly due to rising raw material prices and higher than initially expected selling, general and administrative expenses. Profit before tax and profit attributable to owners of parent are both likely to be lower than the previously announced forecast due to recording of the abovementioned financial expenses.

The dividend forecast remains unchanged.

Note) These forecasts are based on our company's judgment based on currently available information and may differ from actual results due to changes in various factors.