



Kurita Water Industries Ltd.

Results Presentation for the First Nine Months of the Fiscal Year Ending March 31, 2022

(Securities code: 6370)

February 1, 2022

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1 | Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2022

Overview of Results



(Billions of Yen)		Nine months of FY ended 03/2021	Nine months of FY ending 03/2022	YoY Change
Orders		187.4	218.8	+16.8%
Net Sales		198.0	211.2	+6.7%
Business Profit		21.6	25.2	+16.7%
Net of Other Income and Expenses		2.0	0.3	-
Operating Profit		23.6	25.5	+8.1%
Profit Before Tax		21.7	20.8	(4.1%)
Profit Attributable to Owners of Parent		14.7	12.0	(18.2%)
Basic Earnings per Share (yen)		130.89	107.08	-
Foreign Exchange Rate	USD (yen)	106.11	111.1	
	EUR (yen)	122.38	130.6	
	CNY (yen)	15.44	17.3	

- As well as adding water treatment chemicals companies in the Middle East and Canada as new consolidated subsidiaries, orders and net sales both rose in the Water Treatment Facilities business for the electronics industry and the overseas Water Treatment Chemicals business.
- Finance costs of 4.6 billion yen were posted due to an increase in the present value of shares in Pentagon Technologies Group, Inc. that are expected to be acquired.

Note) The PPA for Pentagon Technologies Group, Inc., which was consolidated in the previous fiscal year, was determined, and the results in the first nine months of the fiscal year ended March 31, 2021 have been revised retroactively.

Results by Segment

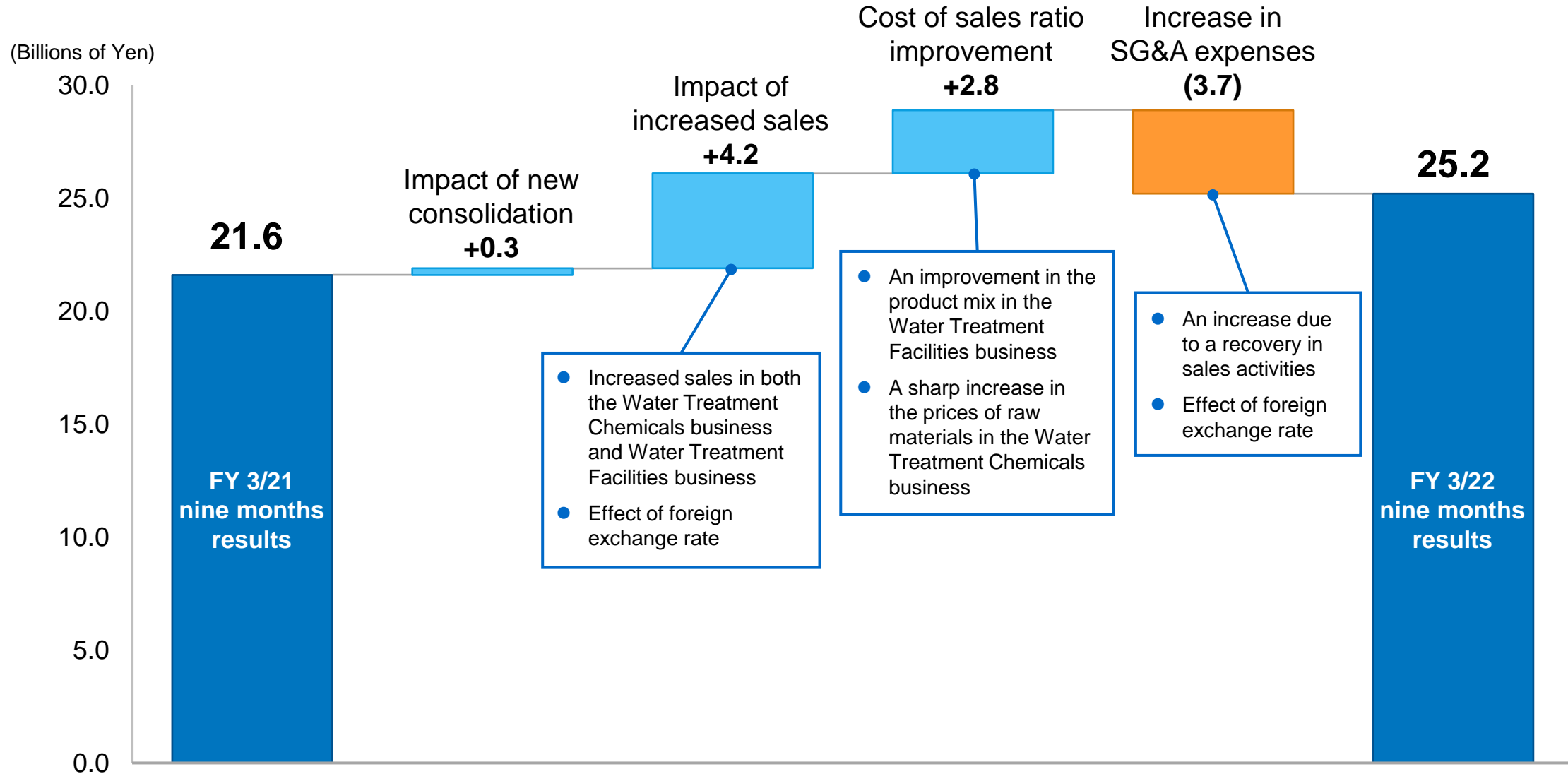


(Billions of Yen)		Nine months of FY ended 03/2021	Nine months of FY ending 03/2022	YoY Change
Total	Orders	187.4	218.8	+31.4
	Net Sales	198.0	211.2	+13.2
	Business Profit	21.6	25.2	+3.6
	Business Profit Margin	10.9%	11.9%	+1.0pp
	Operating Profit	23.6	25.5	+1.9
Water Treatment Chemicals	Orders	77.5	87.6	+10.1
	Net Sales	77.5	87.9	+10.3
	Business Profit	9.7	10.8	+1.2
	Business Profit Margin	12.5%	12.3%	(0.1pp)
	Operating Profit	9.3	11.1	+1.8
Water Treatment Facilities	Orders	109.9	131.2	+21.3
	Net Sales	120.5	123.4	+2.9
	Business Profit	11.9	14.4	+2.4
	Business Profit Margin	9.9%	11.7%	+1.8pp
	Operating Profit	14.3	14.4	+0.1

- Both net sales and profit in the Water Treatment Chemicals business rose chiefly due to a recovery in demand for chemicals overseas.
- Orders in the Water Treatment Facilities business increased, reflecting increases in orders for facilities overseas, maintenance in Japan and overseas and tool cleaning business.
- Looking at net sales in the Water Treatment Facilities business, sales rose in the domestic electronics industry and overseas, despite a decline in sales to domestic general industries.
- Business profit in Water Treatment Facilities business rose due to an improvement in the cost of sales ratio and the effect of increased sales overcoming a rise in SG&A expenses.

Note) The PPA for Pentagon Technologies Group, Inc., which was consolidated in the previous fiscal year, was determined, and the results in the first nine months of the fiscal year ended March 31, 2021 have been revised retroactively.

Factors in Change in Business Profit (YoY Change)



Water Treatment Chemicals

(Billions of Yen)	Nine months of FY ended 03/2021	Nine months of FY ending 03/2022	YoY Change
Orders	77.5	87.6	+10.1
Domestic	31.8	32.2	+0.4
Overseas	45.7	55.4	+9.7
Net Sales	77.5	87.9	+10.3
Domestic	31.8	32.5	+0.7
Overseas	45.7	55.4	+9.7
Business Profit	9.7	10.8	+1.2
Business Profit Margin	12.5%	12.3%	(0.1pp)
Operating Profit	9.3	11.1	+1.8

- Kurita AquaChemie Limited and Keytech Water Management were newly consolidated.
- In Japan, demand for chemicals recovered, reflecting a recovery in production activities. Meanwhile, the impact of COVID-19 remained in certain industries.
- Overseas, in addition to rebounding demand for chemicals, orders and net sales rose due to newly consolidated companies and the ongoing depreciation of the yen.
- Business profit rose, with an increase in SG&A expenses and a worsening in the cost of sales ratio more than offset by an increase in net sales.

Overseas Net Sales by Region

(Billions of Yen)	Nine months of FY ended 03/2021	Nine months of FY ending 03/2022	YoY Change
Asia	16.7	20.0	+3.3
North & South America	15.2	17.4	+2.2
EMEA	13.8	18.0	+4.2
Total	45.7	55.4	+9.7

Factors in Change (Billions of Yen)

Organic Change	+3.4
Effect of Foreign Exchange Rate	+3.2
New Consolidation	+3.0

Water Treatment Facilities (for the domestic electronics industry)



(Billions of Yen)	Nine months of FY ended 03/2021	Nine months of FY ending 03/2022	YoY Change
Orders	42.0	47.9	+5.9
Facilities	3.6	4.3	+0.8
Maintenance	11.0	13.0	+2.0
Ultrapure Water Supply Business	21.0	23.2	+2.3
Tool Cleaning	6.4	7.3	+0.8
Net Sales	43.5	47.3	+3.7
Facilities	3.7	4.3	+0.6
Maintenance	12.4	12.5	+0.1
Ultrapure Water Supply Business	21.0	23.2	+2.3
Tool Cleaning	6.4	7.2	+0.8

- For facilities, both orders and net sales increased due to orders for large projects and progress on the construction of ordered projects.
- In maintenance, both orders and net sales were strong against a backdrop of firm capacity utilization at customers' plants.
- Both orders and net sales in the ultrapure water supply business increased due to the new commencement of supply.
- Both orders and net sales rose in tool cleaning due to acquisitions of new projects.

Water Treatment Facilities (for domestic general industries)



(Billions of Yen)	Nine months of FY ended 03/2021	Nine months of FY ending 03/2022	YoY Change
Orders	35.9	37.4	+1.5
Energy and Infrastructure	31.3	32.3	+1.0
Soil Remediation	2.6	3.0	+0.3
Other	2.0	2.1	+0.1
Net Sales	42.5	37.3	(5.2)
Energy and Infrastructure	35.7	32.3	(3.3)
Soil Remediation	4.8	2.8	(2.0)
Other	2.0	2.1	+0.1

- Energy and infrastructure orders increase due to rebounding maintenance demand for general industries, despite a decline in projects for electric power industry facilities.
- Energy and infrastructure net sales declined due to the posting of sales from large projects for facilities for the electric power industry and for general industries running its course.
- Soil remediation orders increased, but net sales declined in reaction to sales from large projects a year ago.

Water Treatment Facilities (Overseas)

(Billions of Yen)	Nine months of FY ended 03/2021	Nine months of FY ending 03/2022	YoY Change
Orders	32.0	45.9	+13.9
Facilities	13.1	20.5	+7.4
Maintenance	8.2	12.0	+3.8
Ultrapure Water Supply Business	2.3	2.4	+0.2
Tool Cleaning	8.4	10.9	+2.5
Net Sales	34.5	38.9	+4.4
Facilities	15.8	14.7	(1.2)
Maintenance	8.0	10.8	+2.8
Ultrapure Water Supply Business	2.3	2.4	+0.2
Tool Cleaning	8.4	10.9	+2.5

- Orders in China increased from a year ago due to orders for large projects. Net sales also rose.
- Orders and net sales also increased in South Korea due to orders for large projects.
- Orders for Taiwan rose, but net sales fell, with the posting of sales from projects for which orders had been placed running its course.
- In the United States, orders and net sales increased primarily in the tool cleaning business.

Net Sales by Region

(Billions of Yen)	Nine months of FY ended 03/2021	Nine months of FY ending 03/2022	YoY Change
Asia	20.0	22.3	+2.3
North & South America, etc.	14.5	16.5	+2.0
Total	34.5	38.9	+4.4

Factors in Change (Billions of Yen)

Organic Change	+1.9
Effect of Foreign Exchange Rate	+2.5

Breakdown of Service Business Sales

(Billions of Yen)	Nine months of FY ended 03/2021	Nine months of FY ending 03/2022	YoY Change
Water Treatment Chemicals	77.5	87.9	+10.3
Water Treatment Facilities	92.7	99.3	+6.6
Ultrapure Water Supply Business	23.2	25.7	+2.4
Domestic Tool Cleaning	6.4	7.2	+0.8
Overseas Tool Cleaning	8.4	10.9	+2.5
Soil Remediation	4.8	2.8	(2.0)
Domestic Maintenance	40.3	40.3	(0.0)
Overseas Maintenance	8.0	10.8	+2.8
Other	1.6	1.6	+0.0
Total	170.2	187.2	+16.9

- Net sales in the Water Treatment Chemicals business rose due to a recovery in demand for chemicals overseas.
- Net sales in the Water Treatment Facilities business increased due to a sales increase for the electronics industry, including the tool cleaning, overseas maintenance, and ultrapure water supply business.

Capital Expenditures, Depreciation and R&D Expenses

(Billions of Yen)	Nine months of FY ended 03/2021	Nine months of FY ending 03/2022	YoY Change
Capital Expenditures (Property, Plant and Equipment*)	19.8	47.3	+27.5
Water Treatment Chemicals	6.2	8.9	+2.7
Water Treatment Facilities	13.6	38.3	+24.8
Depreciation (Property, Plant and Equipment*)	13.1	14.7	+1.6
Water Treatment Chemicals	2.9	3.2	+0.3
Water Treatment Facilities	10.2	11.5	+1.3
R&D Expenses	3.8	3.8	(0.0)
Water Treatment Chemicals	1.3	1.2	(0.1)
Water Treatment Facilities	2.5	2.6	+0.1

- Capital expenditures in the ultrapure water supply business rose from a year earlier to 22.7 billion yen.
- The increase in capital expenditures reflected investment in the new domestic development base in addition to the above.
- Capital investment, depreciation and R&D expenses all progressed according to the plan.

* Right-of-use assets are included.

Financial Condition



(Billions of Yen)	End of March 2021	End of December 2021	Change
Cash and Cash Equivalents	62.2	50.3	(11.9)
Other Current Assets	114.3	128.7	+14.4
Total Current Assets	176.5	179.0	+2.5
Property, Plant and Equipment	117.6	151.6	+34.0
Goodwill	55.6	60.0	+4.4
Other Non-current Assets	75.2	66.9	(8.3)
Total Non-current Assets	248.4	278.5	+30.1
Total Assets	424.9	457.5	+32.6
Current Liabilities	75.0	111.8	+36.8
Non-current Liabilities	92.1	79.5	(12.6)
Total Liabilities	167.1	191.3	+24.2
Equity Attributable to Owners of Parent	253.1	260.5	+7.4
Non-controlling Interests	4.7	5.7	+1.0
Total Equity	257.8	266.2	+8.4
Total Liabilities and Equity	424.9	457.5	+32.6

- Property, plant and equipment increased, reflecting the acquisition of ultrapure water supply business facilities and the construction of the new domestic development base.
- Goodwill climbed due to the consolidation of Kurita AquaChemie Limited and Keytech Water Management as subsidiaries.
- Other non-current assets declined due to the sale of certain investment securities held.
- Liabilities related to the acquisition of additional shares in Pentagon Technologies Group, Inc. are transferred from non-current liabilities to current liabilities. The liabilities increased as a result of a review of the fair value of the acquisition cost.

2 | Consolidated Business Forecast for the Fiscal Year Ending March 31, 2022

Overview of Business Forecast

(Billions of Yen)		FY ended 03/2021 Results	FY ending 03/2022 Forecast	YoY Change	Previous Forecast (10/29 Announcement)
Orders		262.3	296.0	+12.8%	294.0
Net Sales		267.7	291.0	+8.7%	289.0
Business Profit		29.5	34.0	+15.4%	33.0
Net of Other Income and Expenses		2.1	0.0	-	(1.0)
Operating Profit		31.5	34.0	+7.8%	32.0
Profit Before Tax		29.2	29.2	(0.5%)	28.1
Profit Attributable to Owners of Parent		19.1	18.0	(5.7%)	18.0
Basic Earnings per Share (yen)		169.94	160.19	(5.7%)	160.19
Foreign Exchange Rate	USD (yen)	106.1	110.8		110.0
	EUR (yen)	123.7	130.9		131.0
	CNY (yen)	15.7	17.2		17.0

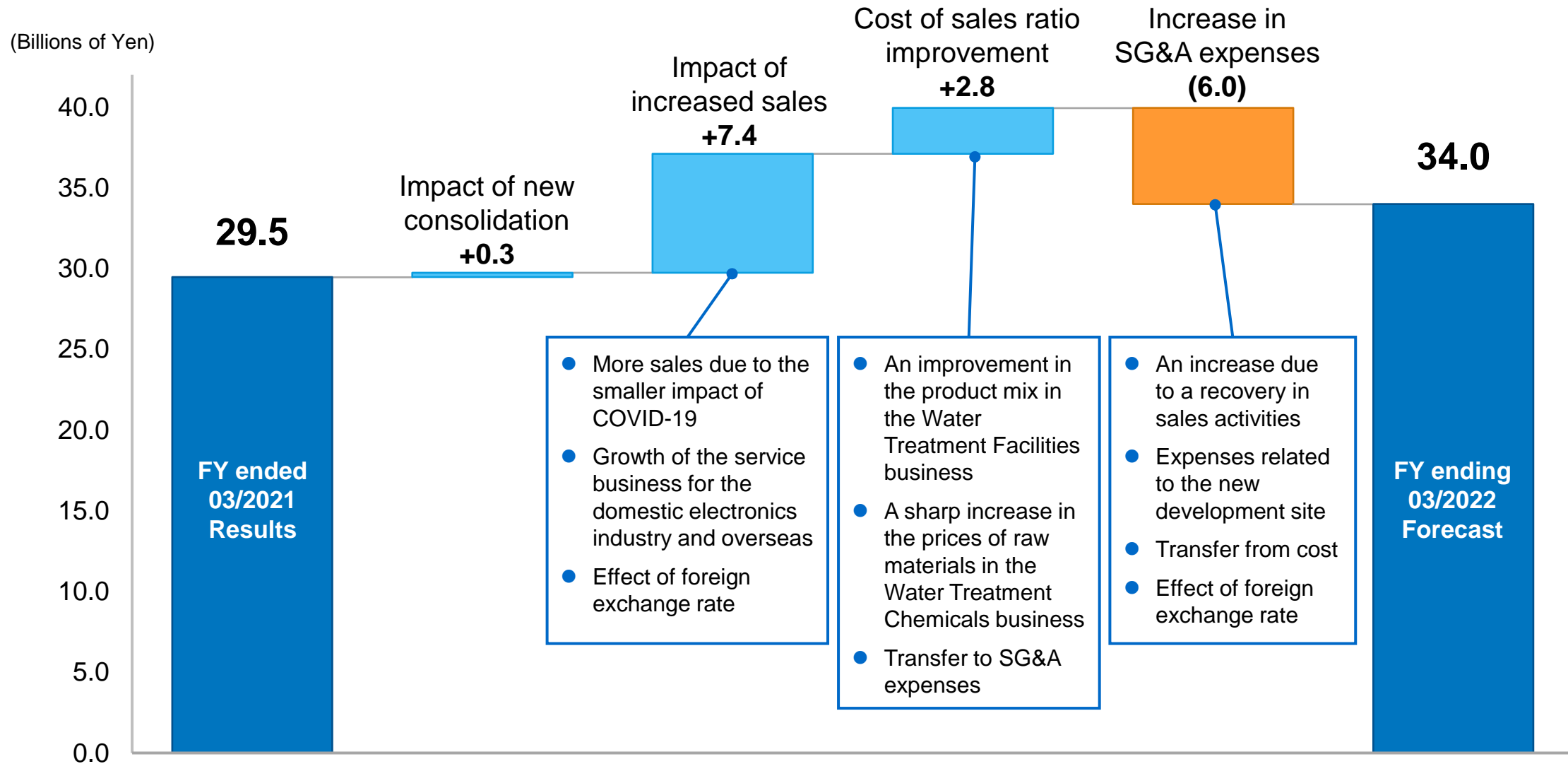
- Orders, net sales and business profit were revised upward in light of performance in the third quarter. In the fourth quarter we expect a gain on sale of fixed assets and have also revised operating profit upward.
- The revision to profit before tax reflects additional costs as a result of a revision to the fair value of the shares in Pentagon Technologies Group, Inc. to be acquired in the future.

Forecasts by Segment

(Billions of Yen)		FY ended 03/2021 Results	FY ending 03/2022 Forecast	YoY Change	Previous Forecast (10/29 Announcement)
Total	Orders	262.3	296.0	+33.7	294.0
	Net Sales	267.7	291.0	+23.3	289.0
	Business Profit	29.5	34.0	+4.5	33.0
	Business Profit Margin	11.0%	11.7%	+0.7pp	11.4%
	Operating Profit	31.5	34.0	+2.5	32.0
Water Treatment Chemicals	Orders	103.6	117.4	+13.8	115.3
	Net Sales	103.2	117.3	+14.1	115.2
	Business Profit	12.3	13.7	+1.4	13.7
	Business Profit Margin	11.9%	11.7%	(0.2pp)	11.9%
	Operating Profit	11.8	14.2	+2.4	13.1
Water Treatment Facilities	Orders	158.8	178.6	+19.8	178.7
	Net Sales	164.5	173.7	+9.2	173.8
	Business Profit	17.1	20.3	+3.2	19.3
	Business Profit Margin	10.4%	11.7%	+1.3pp	11.1%
	Operating Profit	19.6	19.8	+0.2	18.9

- In the Water Treatment Chemicals business, business profit forecast was unchanged, despite upward revisions of orders and net sales.
- Orders and net sales in the Water Treatment Facilities business are expected to be on par with previous forecasts due to a downward revision for domestic general industries despite an upward revision for the domestic electronics industry and overseas.
- Business profit in the Water Treatment Facilities business has been revised upward from the previous forecast due to improvements in the cost of sales ratio that beat expectations.

Factors in Change in Business Profit (YoY)



Water Treatment Chemicals



(Billions of Yen)	FY ended 03/2021 Results	FY ending 03/2022 Forecast	YoY Change	Previous Forecast (10/29 Announcement)
Orders	103.6	117.4	+13.8	115.3
Domestic	42.6	43.2	+0.6	43.9
Overseas	61.0	74.2	+13.2	71.4
Net Sales	103.2	117.3	+14.1	115.2
Domestic	42.2	43.1	+0.9	43.6
Overseas	61.0	74.2	+13.2	71.6
Business Profit	12.3	13.7	+1.4	13.7
Business Profit Margin	11.9%	11.7%	(0.2pp)	11.9%
Operating Profit	11.8	14.2	+2.4	13.1

- The orders and net sales forecasts for Japan are revised downward and those for the overseas are revised upward in consideration of a recovery in demand in the first nine months.
- Impact on net sales due to the revised exchange rate is minor.
- Business profit is left unchanged from the previous forecast, as deterioration in the cost of sales ratio is covered with the effect of increased sales.

Overseas Net Sales by Region

(Billions of Yen)	FY ended 03/2021 Results	FY ending 03/2022 Forecast	YoY Change	Previous Forecast (10/29 Announcement)
Asia	22.5	27.2	+4.8	25.8
North & South America	19.9	23.1	+3.2	22.7
EMEA	18.7	23.9	+5.2	23.1
Total	61.0	74.2	+13.2	71.6

Factors in Change (Billions of Yen)

Organic Change	+5.6
Effect of foreign exchange rate	+3.7
New Consolidation	+3.9

Water Treatment Facilities (for the domestic electronics industry)



(Billions of Yen)	FY ended 03/2021 Results	FY ending 03/2022 Forecast	YoY Change	Previous Forecast (10/29 Announcement)
Orders	60.4	65.1	+4.7	62.9
Facilities	6.6	6.2	(0.4)	5.6
Maintenance	17.0	18.3	+1.3	17.4
Ultrapure Water Supply Business	28.1	31.0	+2.9	30.6
Tool Cleaning	8.7	9.6	+0.9	9.3
Net Sales	58.9	65.1	+6.2	64.2
Facilities	5.7	7.0	+1.3	7.0
Maintenance	16.5	17.6	+1.1	17.4
Ultrapure Water Supply Business	28.1	31.0	+2.9	30.6
Tool Cleaning	8.6	9.5	+1.0	9.2

- Orders and net sales for each business have been revised upward, against a backdrop of strong capital investment from customers and high plant capacity utilization rates.

Water Treatment Facilities (for domestic general industries)



(Billions of Yen)	FY ended 03/2021 Results	FY ending 03/2022 Forecast	YoY Change	Previous Forecast (10/29 Announcement)
Orders	53.8	56.6	+2.7	59.3
Energy and Infrastructure	46.5	48.3	+1.8	50.4
Soil Remediation	4.6	5.9	+1.3	6.9
Other	2.7	2.3	(0.4)	2.0
Net Sales	60.2	54.4	(5.8)	57.0
Energy and Infrastructure	50.3	47.0	(3.3)	48.8
Soil Remediation	7.2	5.0	(2.2)	5.9
Other	2.7	2.3	(0.4)	2.3

- Energy and infrastructure orders and net sales have been revised downward in light of progress on projects for electric power industry facilities and general industry facilities, despite an upward revision to maintenance for general industries due to strongly rebounding demand.
- Orders and net sales for soil remediation services were both revised downward, reflecting a delayed recovery in demand.

Water Treatment Facilities (Overseas)

(Billions of Yen)	FY ended 03/2021 Results	FY ending 03/2022 Forecast	YoY Change	Previous Forecast (10/29 Announcement)
Orders	44.6	56.9	+12.3	56.5
Facilities	19.3	25.4	+6.1	25.5
Maintenance	10.9	13.8	+2.9	13.4
Ultrapure Water Supply Business	3.1	3.2	+0.2	3.2
Tool Cleaning	11.4	14.5	+3.2	14.4
Net Sales	45.4	54.2	+8.8	52.6
Facilities	20.2	22.5	+2.3	21.9
Maintenance	10.8	14.0	+3.2	13.1
Ultrapure Water Supply Business	3.1	3.2	+0.2	3.2
Tool Cleaning	11.4	14.5	+3.2	14.4

- Both orders and net sales were revised upward, reflecting the ongoing strong investment environment in the electronics industry.
- In China, due to the postponement of some projects, orders were revised downward, but net sales remain the same as the previous forecast.
- In South Korea, orders and net sales forecasts were revised upward due to an increase in orders for large projects.
- In Taiwan, both orders and net sales are around the same as the previous forecast.
- In the United States, orders and net sales were revised upward in light of projects won in the first nine months.

Net Sales by Region

(Billions of Yen)	FY ended 03/2021 Results	FY ending 03/2022 Forecast	YoY Change	Previous Forecast (10/29 Announcement)
Asia	26.1	31.6	+5.5	30.7
North & South America, etc.	19.3	22.6	+3.3	21.9
Total	45.4	54.2	+8.8	52.6

Factors in Change (Billions of Yen)

Organic Change	+5.8
Effect of foreign exchange rate	+3.0

Breakdown of Service Business Sales

(Billions of Yen)	FY ended 03/2021 Results	FY ending 03/2022 Forecast	YoY Change	Previous Forecast (10/29 Announcement)
Water Treatment Chemicals	103.2	117.3	+14.1	115.2
Water Treatment Facilities	125.3	137.4	+12.1	135.8
Ultrapure Water Supply Business	31.2	34.2	+3.0	33.8
Domestic Tool Cleaning	8.6	9.5	+1.0	9.2
Overseas Tool Cleaning	11.4	14.5	+3.2	14.4
Soil Remediation	7.2	5.0	(2.2)	5.9
Domestic Maintenance	54.0	57.8	+3.9	57.0
Overseas Maintenance	10.8	14.0	+3.2	13.1
Other	2.2	2.3	+0.1	2.3
Total	228.5	254.7	+26.2	251.0

- Net sales were revised upward in each business with the exception of soil remediation services.

Capital Expenditures, Depreciation and R&D Expenses



(Billions of Yen)	FY ended 03/2021 Results	FY ending 03/2022 Forecast	YoY Change	Previous Forecast (10/29 Announcement)
Capital Expenditures (Property, Plant and Equipment*)	32.6	63.4	+30.7	63.4
Depreciation (Property, Plant and Equipment*)	17.9	19.7	+1.8	19.7
Water Treatment Chemicals	3.9	4.1	+0.2	4.1
Water Treatment Facilities	14.0	15.6	+1.6	15.6
R&D Expenses	5.3	5.2	(0.1)	5.2
Water Treatment Chemicals	1.7	1.6	(0.1)	1.6
Water Treatment Facilities	3.6	3.7	+0.1	3.7

* Right-of-use assets are included.

- There were no changes to capital expenditures, depreciation or R&D expenses from the previous forecast.
- Similarly, capital expenditures in the ultrapure water supply business are expected to be 32.6 billion yen, unchanged from the previous forecast.

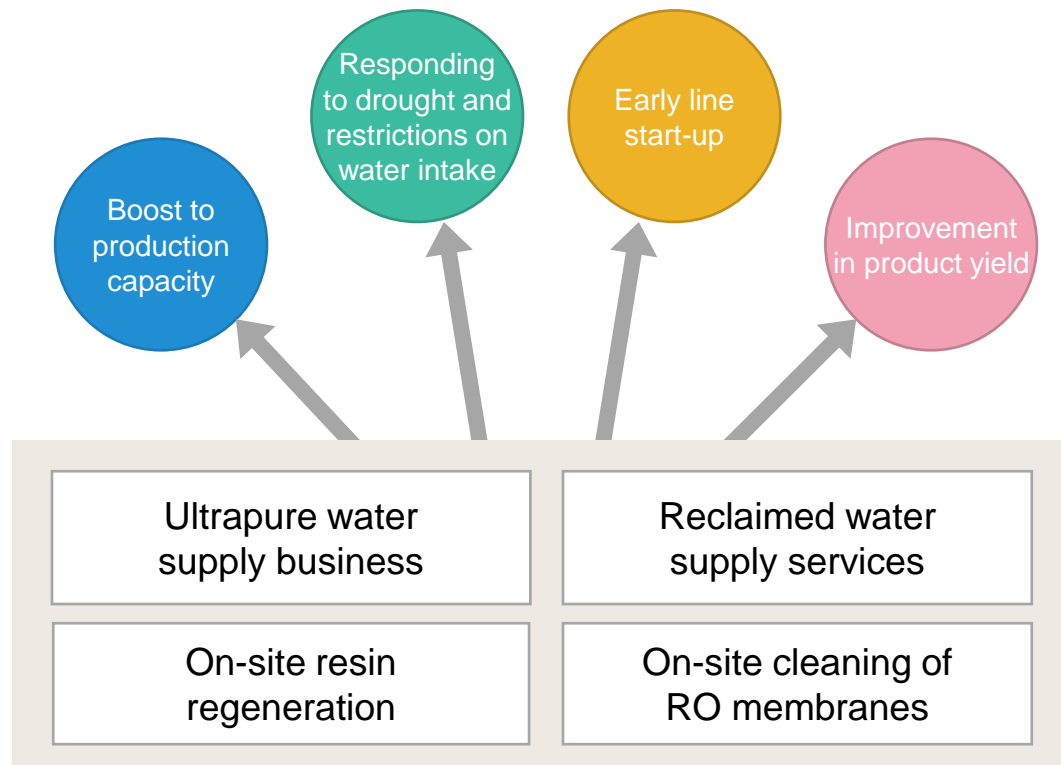
3 | Progress on Priority Measures

Changing issues faced by society and customers give rise to new services

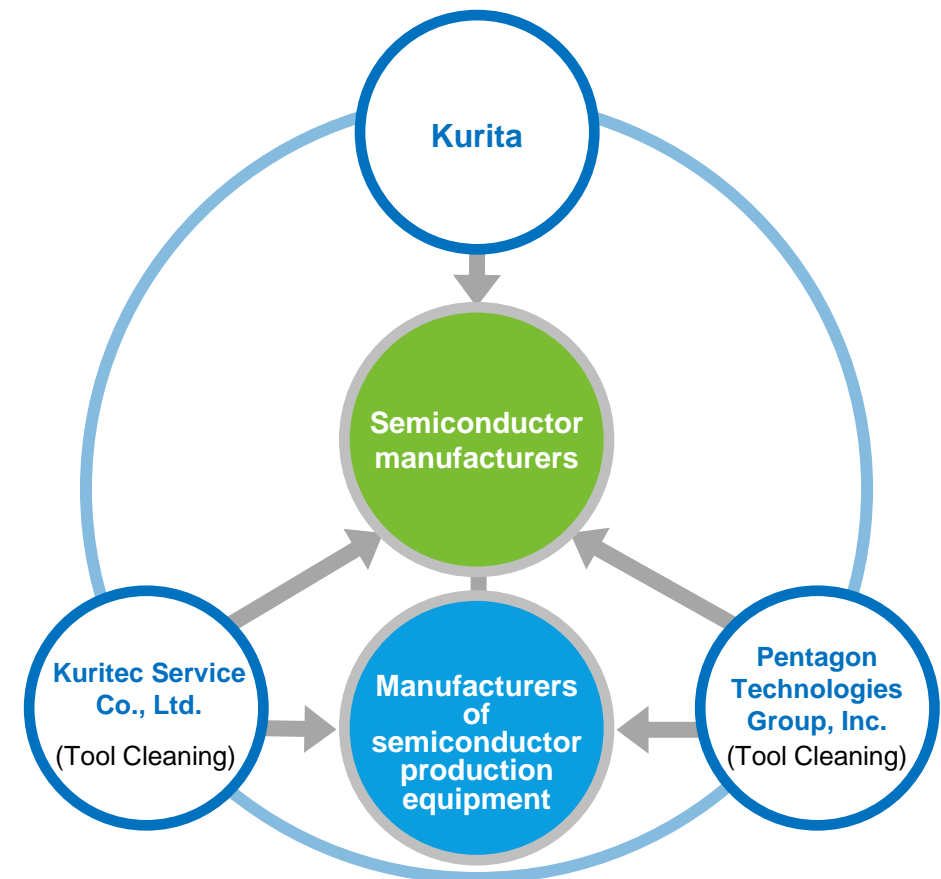
	Market for the electronics industry	Market for general industries	
		Market for social and industrial infrastructure	Other markets
Business Environment	<ul style="list-style-type: none"> ● Growth in demand for semiconductors and electronic components ● Trends in increased semiconductor manufacturing capacity in each region ● Increase in importance of related supply chains as social infrastructure 	<ul style="list-style-type: none"> ● Introduction of low-carbon energy sources and demands to switch to materials with a low environmental impact 	<ul style="list-style-type: none"> ● Demands to reduce environmental impact throughout the supply chain ● Delayed recovery of demand from the COVID-19 pandemic in some markets (building air conditioning, food and beverage, etc.)
Market Issues	<ul style="list-style-type: none"> ● Responding to investment status and environmental regulations in each region ● Securing high purity water in large amounts 	<ul style="list-style-type: none"> ● Decline in the working population and aging facilities ● Depletion of resources and deterioration of raw material quality ● Changes to manufacturing methods and processes 	<ul style="list-style-type: none"> ● Declining and aging working population ● Cost control

Tapping into growth markets through enhancements to the service business

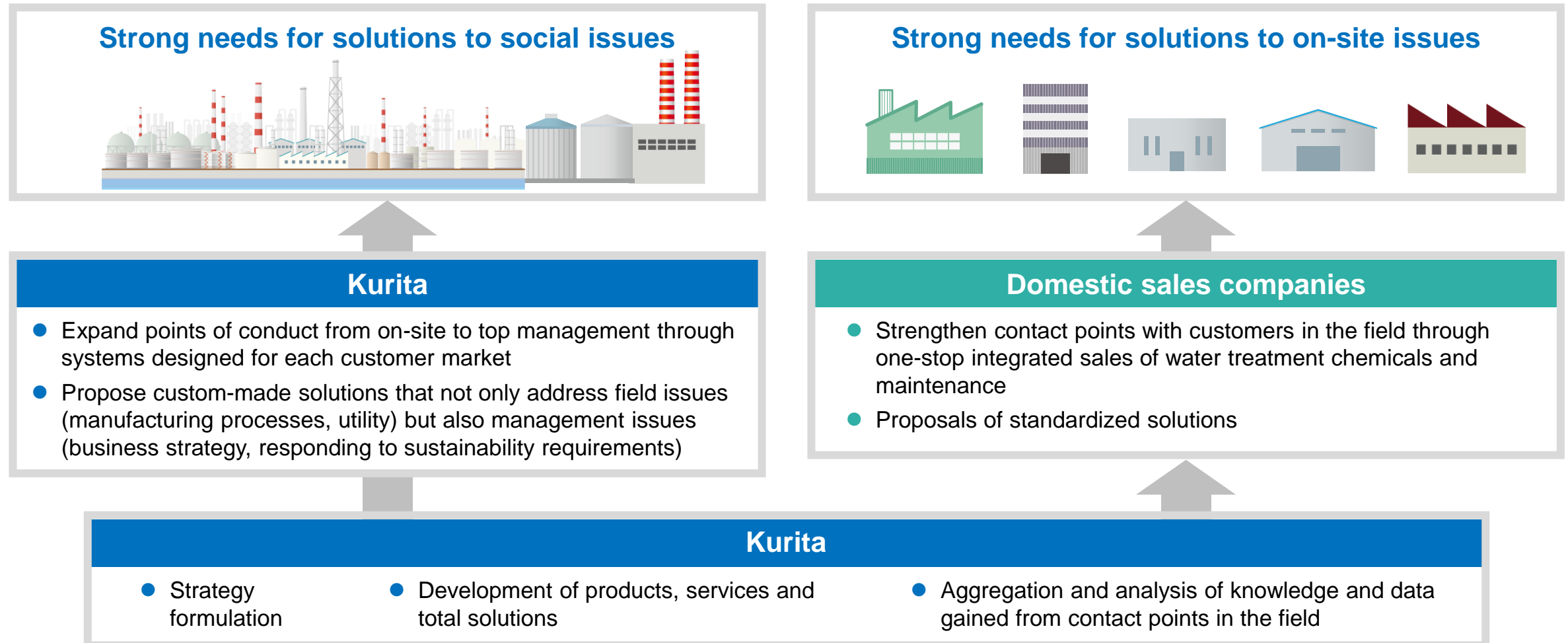
Rolling out solutions that contribute to business continuity



Gaining new customers by utilizing Group synergy (technology, expertise, customer base)



Providing the systems and solutions optimized for customers' issues and needs



Growing Adoption of Solutions

CORR (recycled water supply services)

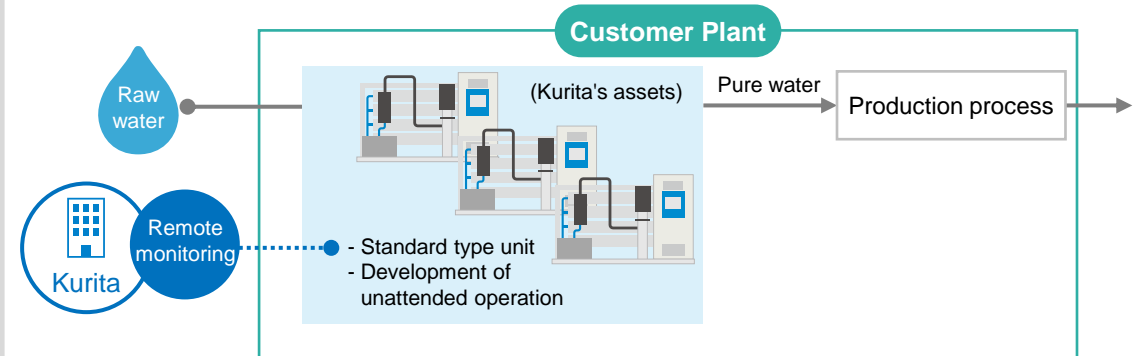


Container-type low costing, shortened delivery lead times



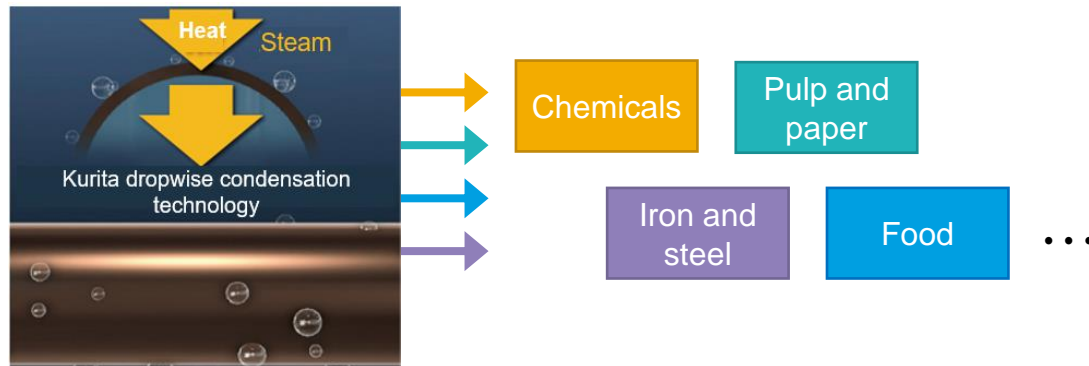
Lower costs for improved competitiveness

Pure water supply service



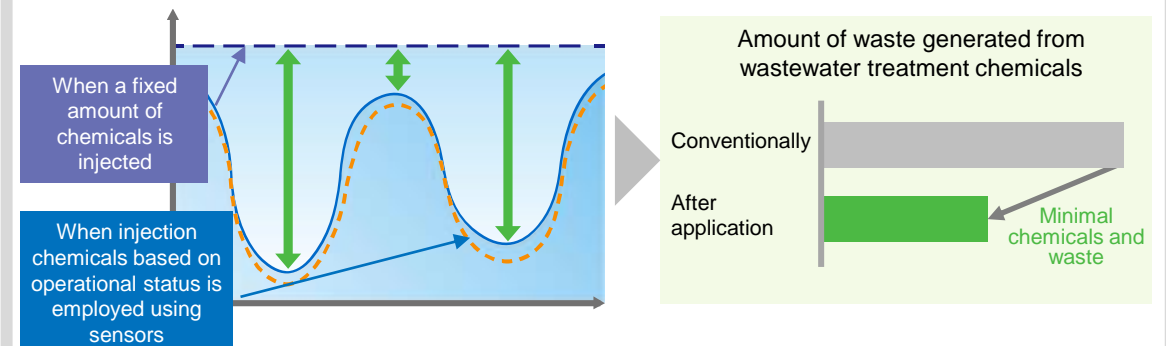
Achieve expanded capacity early on

Kurita Dropwise Condensation Technology



Expanded application to a wide range of industries

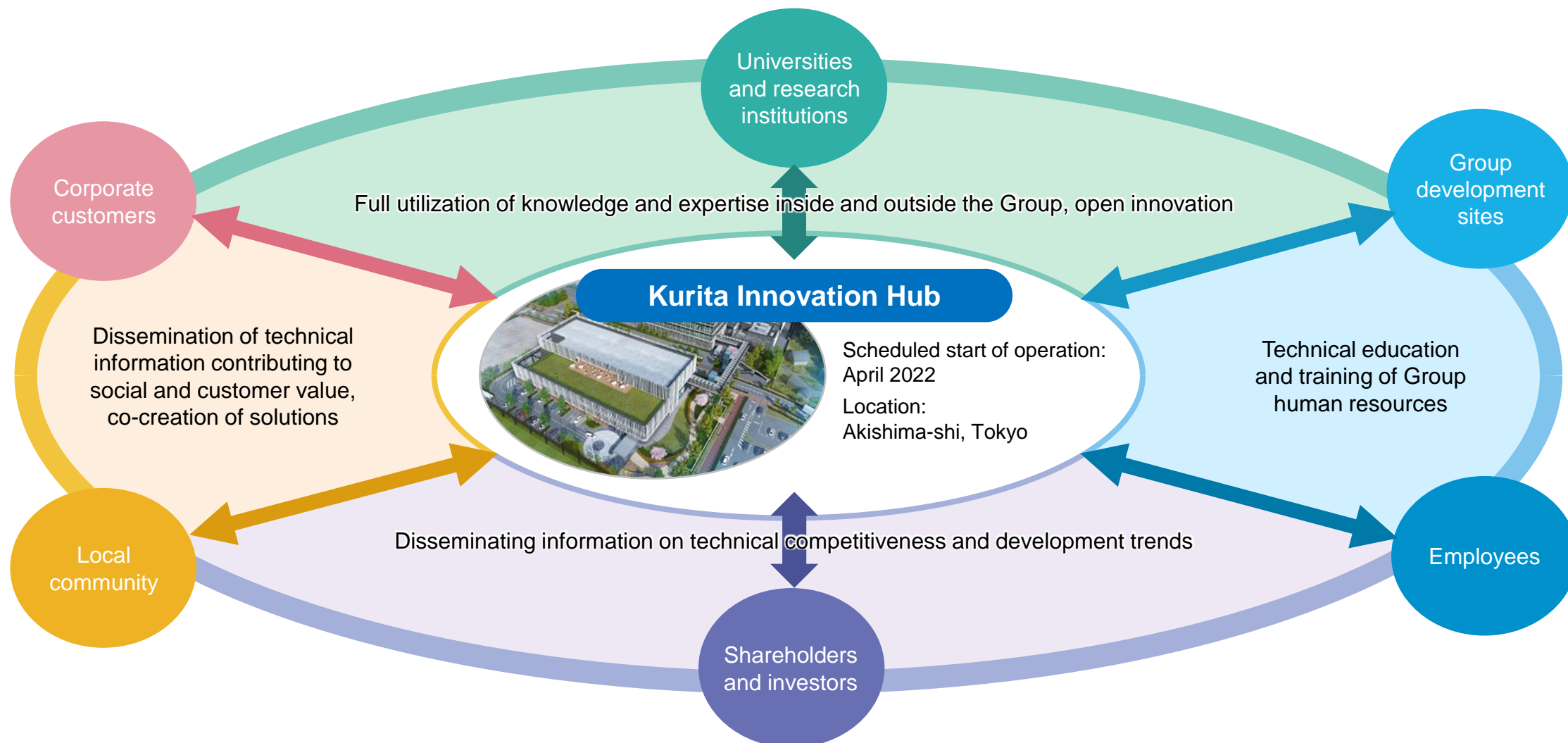
3S solution for wastewater treatment using coagulation sensors



Achieving reduced environmental impact and labor savings

New Establishment of an Innovation Hub

Creating innovation through engagement and collaboration
with a wide range of stakeholders





Forward-looking Statements

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