

FOR IMMEDIATE RELEASE

**Kurita Water Industries Reports Earnings for the Fiscal Year ended
March 31, 2015**

Tokyo, Japan, April 30, 2015 - Kurita Water Industries Ltd. (TSE Securities Code 6370) announced net sales of 189,398 million yen and net income of 10,434 million yen, or 87.81 yen per share, for the year ended March 31, 2015 (April 1, 2014 – March 31, 2015).

Results of Operations

Total consolidated orders for the Kurita Group in the fiscal year ended March 31, 2015 rose 4.5% from the level of the previous fiscal year, to 181,282 million yen, and net sales increased 6.3%, to 189,398 million yen. Operating income was 19,435 million yen, up 30.6% versus the previous fiscal year, and ordinary income 18,934 million yen, up 17.8%. Net income amounted to 10,434 million yen, up 11.6%.

During the fiscal year ended March 31, 2015, the global economy overall recovered moderately. The U.S. economy recovered steadily, chiefly reflecting an improvement in employment and the expansion of personal spending. In Europe, there were signs of recovery despite the debt crisis. China and emerging countries in Asia saw a slowdown in growth.

The Japanese economy was affected by weakening demand in reaction to a spike in demand before the consumption tax hike. In the second half of the fiscal year, however, corporate earnings improved on the back of the weaker yen and a fall in crude oil prices, and the economy recovered moderately.

Looking at the market environment surrounding the Kurita Group (Kurita Water Industries and its consolidated subsidiaries and an equity method affiliate), production and capital expenditure in the manufacturing industry were weak in Japan. Overseas, demand for water treatment increased in East Asia and Southeast Asia.

In this environment, the Kurita Group took steps to restore its earnings power and expand its global business by combining its expertise in water treatment chemicals, water treatment facilities and maintenance services, aiming to evolve into a corporate group capable of competing successfully in the international market. Specifically, the Group sought to expand orders by proposing solutions to customers' challenges, including environmental load reduction, energy saving, and an improvement in productivity, and providing high value-added and price-competitive products and services in regions and markets where demand for water treatment is increasing, such as East Asia and Southeast Asia. The Group also worked to improve its production system and control costs thoroughly.

Segment Information

Water Treatment Chemicals

Total Group orders for the Water Treatment Chemicals segment were 59,353 million yen, down 0.1% versus the fiscal year ended March 31, 2014, while sales rose 2.0% to 59,999 million yen. Operating income was down 1.0% to 7,877 million yen.

In Japan, while process treatment chemicals for the pulp and paper industries and the steel industry rose in orders and sales, mainstay products—boiler water treatment chemicals and cooling water treatment chemicals—saw decreased orders and sales, mainly because of a tardy recovery in capacity utilization at customers' plants. Overall orders and sales fell slightly.

Overseas, orders and sales increased due to the addition of new customers especially in China and Southeast Asia.

Income in the overall segment declined, reflecting a rise in the cost to sales ratio chiefly due to a fall in sales of the profitable mainstay products in Japan.

Water Treatment Facilities

Total Group orders for the Water Treatment Facilities segment were 121,928 million yen, up 6.9% versus the previous fiscal year, sales rose 8.5%, to 129,399 million yen, and operating income increased 66.7%, to 11,560 million yen.

In Japan, in the electronics industry, plant construction and expansion projects were limited, and orders for and sales of water treatment facilities declined. Meanwhile, orders and sales in the ultrapure water supply business and maintenance services rose, mainly due to a recovery in capacity utilization at the plants of major customers. In general industries, orders for water treatment facilities declined due to a tardy recovery in capital expenditure, but sales rose, reflecting progress in construction in progress. Orders for maintenance services climbed thanks to proposals for the optimization of the operation of water treatment facilities, among other factors, and sales from maintenance services increased slightly. Orders for and sales of water treatment facilities for electric power and soil remediation services rose.

Overseas, orders and sales increased, chiefly reflecting large-scale projects in the electronics industry in China and Taiwan. Income in the overall segment climbed significantly due to the rise in sales and an improvement in the cost rate as a result of the curbing of additional costs through the tight control of costs.

Outlook for Overall Results, Including Production, Sales, and Profits and Losses

For the full fiscal year ending March 31, 2016, the Group forecasts 216,000 million yen in net sales (up 14.0% year on year), 19,500 million yen in operating income (up 0.3%), 20,000 million yen in ordinary income (up 5.6%), and 12,300 million yen in net income (up 17.9%).

During the fiscal year ending March 31, 2016, production and capital expenditure in the Japanese manufacturing industry are expected to recover moderately, reflecting massive monetary easing and the effects of the government's growth strategy. The industrial structure is continuing to change, and markets are expected to continue shrinking in some industries.

We expect that the U.S. economy will continue to recover and Europe will see a tardy recovery in demand. Although growth is slowing in China, in Asia overall, stable growth is expected to continue, backed by strong domestic demand and a recovery in exports.

In this environment, the Kurita Group will identify growth regions and markets and shift its management resources. Based on the characteristics and changes identified in each region and market, the Group will provide profitable products and services through efficient sales and production methods. We will make Group-wide efforts to enhance the quality of the solutions that we propose to customers, restore earnings power by promptly integrating the overseas operations that we have acquired and generating synergy effects early, and expand overseas operations steadily.

Outlook by Segment

Water Treatment Chemicals

The Kurita Group will focus on integrating the businesses that it has acquired in Europe and generating synergy effects. The Group will endeavor to increase sales and earnings power overseas by boosting product appeal based on local characteristics, strengthening its sales and technical assistance systems, and educating and cultivating human resources, especially sales staff, and particularly in China and Southeast Asia. In Japan, the Group will focus on new cost competitive products and sales and technical staff in promising markets to expand market share and achieve a recovery in earnings.

Water Treatment Facilities

The Group will make specialized and appealing proposals promptly to customers by facilitating cooperation between the sales and production divisions and emphasizing individual customers and stronger field activities. Meanwhile, the Group will develop and expand sales of new low-priced products offering stable quality.

Overseas, the Group will seek to enhance the sales, design, and construction capabilities of its overseas subsidiaries and affiliates, optimize quality and cost, and expand operations through the overseas subsidiaries and affiliates.

Financial Condition

Assets, liabilities and net assets

Current assets totaled 148,290 million yen at the end of the fiscal year (March 31, 2015), a decrease of 14,210 million yen from the end of the previous fiscal year (March 31, 2014). This decrease was primarily attributable to a decrease of 27,839 million yen in cash reserves, that is, cash and deposits and marketable securities, which outweighed increases of 9,307 million yen in accounts receivable-trade and 3,042 million yen in inventories. The increase in accounts receivable-trade was mainly the result of a rise in sales in the Water Treatment Facilities business in the latter half of the fiscal year under review, compared with the outcome of a year ago. The increase in inventories was attributable to the acquisition of businesses in Europe. The decrease in cash reserves was principally the result of the use of cash reserves for the acquisition of businesses in Europe, which was completed at the end of January, and the purchase of treasury stock.

Noncurrent assets totaled 144,913 million yen at the end of the fiscal year, an increase of 32,488 million yen versus the end of the previous fiscal year. The increase was principally attributable to increases of 25,754 million yen in intangible fixed assets and 10,543 million yen in investments and other assets. The increase in intangible fixed assets reflected the acquisition of 6,294 million yen's worth of assets ("Other" in intangible fixed assets), primarily technology-related assets, and the posting of goodwill of 19,391 million yen in association with the acquisition of businesses in Europe. The increase in investments and other assets primarily reflected a rise in investment securities due to a rise in stock prices.

Current liabilities totaled 47,761 million yen at the end of the fiscal year, a rise of 10,862 million yen from the end of the previous fiscal year. The rise was mainly attributable to increases of 2,142 million yen in accounts payable-trade, 4,317 million yen in accounts payable-other / accrued expenses, 2,060 million yen in income taxes payable, and 2,835 million yen in "Other" in current liabilities.

Noncurrent liabilities totaled 21,964 million yen at the end of the fiscal year, an increase of 3,092 million yen from the end of the fiscal year. The increase was chiefly due to a rise of 2,422 million yen in net defined benefit liability associated with a change in the Accounting Standard for Retirement Benefits and the acquisition of businesses in Europe.

Net assets totaled 223,478 million yen at the end of the fiscal year, an increase of 4,325 million yen from the end of the previous fiscal year primarily due to a 3,615 million yen decrease in shareholders' equity and an 8,254 million yen increase in accumulated other comprehensive income. The main factors for the decrease in shareholders' equity were a 446 million yen decrease in capital surplus in association with additional acquisitions of equity in consolidated subsidiaries, a 4,534 million yen increase in retained earnings mainly due to net income of 10,434 million yen for the fiscal year under review, which exceeded dividend payments of 5,362 million yen, the sum of year-end dividends for the previous fiscal year and interim dividends for the fiscal year under review, and a 7,703 million yen rise in treasury stock through acquisitions in the market. Accumulated other comprehensive income rose, chiefly reflecting a 6,906 million yen increase in unrealized gains on available-for-sale securities associated with the abovementioned

increase in unrealized gains from investment securities and a 1,126 million yen rise in foreign currency translation adjustments due to the weaker yen.

Cash Flows

Consolidated net cash and cash equivalents at the end of the fiscal year (March 31, 2015) totaled 55,675 million yen, an increase of 14,647 million yen from the end of the previous fiscal year (March 31, 2014). The various cash flows and related factors are outlined below.

Cash Flows from Operating Activities

Net cash provided by operating activities during the fiscal year ended March 31, 2015 totaled 23,314 million yen, a decrease of 6,352 million yen from the previous fiscal year. Inflows from income before income taxes and minority interests (18,467 million yen), depreciation and amortization (14,863 million yen) and an increase in notes and accounts payable-trade (1,868 million yen) were partially offset by an increase in notes and accounts receivable-trade (7,674 million yen) and income taxes paid (5,934 million yen).

Cash Flows from Investing Activities

Net cash provided by investing activities totaled 4,746 million yen, an increase of 21,422 million yen from the previous fiscal year. Net cash increased chiefly due to proceeds from sale and redemption of marketable securities (net of payments for purchases of marketable securities) totaling 43,039 million yen. The main cash outflows were payments into time deposits (net of withdrawals from time deposits) of 1,331 million yen, the payments for purchases of property, plant and equipment totaling 8,148 million yen, including capital expenditures for ultrapure water supply business, payments for purchases of intangible fixed assets of 4,375 million yen, and payments for the acquisition of businesses in Europe of 24,383 million yen.

Cash Flows from Financing Activities

Net cash used in financing activities totaled 13,929 million yen, an increase of 7,972 million yen from the previous fiscal year. The main cash outflows were the purchase of treasury stock of 7,703 million yen and cash dividends paid of 5,480 million yen.

Dividend Policy and Dividends for the Fiscal Year ended March 31, 2015 and the Fiscal Year ending March 31, 2016

Kurita Water Industries' basic policy is to provide shareholders with stable dividends.

Setting a payout ratio of 30 to 50% as our target, we will continuously work to increase dividends, making decisions based on the payout ratios for the most recent five years to respond flexibly to fluctuations in business performance each year. If there are excess funds after taking into account changes in business performance, business investments, and precautionary funds to prepare for rapid fluctuations in the operating environment, we will take steps to improve capital efficiency and return profits to shareholders including the acquisition of treasury stock, taking the share price into consideration.

We intend to pay a year-end dividend of 23 yen per share for the fiscal year ended March 31, 2015, 1 yen more than the previous year-end dividend. Combined with the interim dividend of 23 yen per share (1 yen more than the previous interim dividend),

the annual dividend comes to 46 yen per share, 2 yen higher than the previous fiscal year's annual dividend. For the fiscal year ending March 31, 2016, Kurita Water Industries plans to pay an interim dividend of 24 yen per share and a year-end dividend of 24 yen per share, for an annual dividend of 48 yen per share.

Business and Other Risks

The following are summaries of major foreseeable risks present in the business environments in which the Kurita Group operates. Forward-looking statements herein are based on judgments made by management as of March 31, 2015.

1) Economic and market conditions

The Group's Water Treatment Chemicals and Water Treatment Facilities businesses are affected by economic conditions in Japan and in other countries and regions where the Group operates. Demand in the Water Treatment Chemicals business fluctuates in response to factory capacity utilization rates in such industries as steel, petroleum refining and petrochemicals, and pulp and paper, which are the business' main sources of demand. Such demand fluctuations may affect the Group's operating results. Demand in the Water Treatment Facilities business fluctuates in response to trends in capital expenditure in the electronics industry and other industries that are the business' main sources of demand. Such demand fluctuations may affect the Group's operating results.

Intensification of competition with rivals in the Group's business domains could lead to declines in prices of products and services, which could lower the Group's profitability.

2) Materials and parts procurement

The Group procures raw materials and parts from outside the Group for the manufacture of products and the fabrication of facilities. The prices of raw materials and parts fluctuate based on changes in market conditions, and such fluctuations may affect the Group's operating results.

3) Overseas business development

The Group is striving to expand its business outside Japan. In contrast to the Japanese market, doing business in overseas markets involves a number of inherent, unforeseen risks, including the risk of changes to local laws and regulations, the risk of political and economic instability, and the risk of foreign exchange rate fluctuations. If such risks materialized, the Group's operating results could be affected.

4) New product development

The Group continuously endeavors to develop new technology and competitive new products. The success of new technology and product development efforts cannot be guaranteed. The Group may not be able to offer new technologies and products that meet the needs of its customers or launch new products in a timely fashion. The Group may also fail to keep pace with rapid changes in technological innovation and changing customer needs. If the Group were to fail to develop competitive new products, this could hamper its future growth and profitability or otherwise affect its operating results.

5) Intellectual property

The Group recognizes the importance of intellectual property and continually seeks to register its own intellectual property while avoiding infringement of the intellectual property rights of third parties, both in Japan and overseas. Given the wide scope of the Group's business, however, there is potential for the Group's intellectual property

rights to be infringed and potential for the Group to infringe upon the rights held by third parties. Such occurrences may affect the Group's operating results.

6) Information systems

The Group's use of information systems is increasing, as is the importance of information systems to the Group's business. If a computer virus or some other factor were to obstruct the functions of the Group's information systems, the Group's business activities, operating results, and financial condition could be negatively affected.

7) Large-scale natural disasters

If an earthquake, typhoon, or other kind of natural disaster were to directly or indirectly upset the Group's business execution, the Group's business activities, operating results, and financial condition could be negatively affected.

Management Policy

(1) Basic management policy

The Kurita Group operates under corporate philosophy, "Study the properties of water, master them, and we will create an environment in which nature and man are in harmony." In line with this philosophy, the Group conducts business with the goal of becoming an advanced water and environmental management company.

The Group also seeks to enhance management transparency by making appropriate and timely information disclosures to shareholders, investors, and other stakeholders.

(2) Issues to be addressed

In the medium-term management plan TA-14 (Take Action 2014) starting from fiscal year ended March 2013, we sought to solidify our revenue base further through a rapid expansion of overseas business and an increase in our domestic market share based on the theme of Execution and Evolution.

However, profits and sales declined in the fiscal year ended March 2013 and the fiscal year ended March 2014 for two consecutive years, and profitability has yet to improve enough, although both profits and sales increased in the fiscal year ended March 2015, the final year of the medium-term management plan. Meanwhile, with respect to overseas business, we were able to embark on the groundwork for a rapid expansion of overseas business in Europe as a result of acquiring the water treatment-related businesses of BK Giulini GmbH in Germany.

During the fiscal year under review, the Kurita Group initiated the three-year medium-term management plan CK-17 (Competitive Kurita 2017). Financial targets for the final year (fiscal year ending March 2018) of the CK-17 plan are as follows:

	Consolidated
Net Sales	¥235.0 billion
Operating income	¥24.5 billion
Ratio of operating income to sales	10.4%

In the CK-17, setting the "review of all jobs from the ground up to provide customers with high added values" as the basic policy, we will work on the following focused initiatives at higher speed, regarding the exertion of the Group's comprehensive strength, the expansion of overseas business, and improvement in profitability as challenges for sustainable growth.

(Focused initiatives)

1) Creation of competitive products and services

We will provide distinctive products and services by grasping customer needs accurately.

Bringing together three functions of water treatment chemicals, water treatment facilities and maintenance services, characteristics of the Group, we will assist customers in their problem solving by creating comprehensive and competitive products and services that meet customer needs. Actively adopting sensing technologies and data analysis methods unique to the Group, we will differentiate our products and services from those of other companies.

2) Cultivation of new markets

We will actively devote our management resources to the expansion of overseas business.

We will establish a strong presence for the Group in both Japanese and European markets by exerting synergy and strengthening our responsiveness to customer needs through the enhancement of product lineup and services by promoting the integration of businesses we have acquired in Europe with the Group. We will also advance our efforts to expand our business in North America, as well as in Europe.

3) Optimization of the production system and the utilization of the Group network

We will strive to increase revenues by reviewing the function and role of bases around the world and optimizing our system.

In the production system, we will reduce costs by strengthening the engineering, procurement and construction control functions of overseas Kurita Group companies. We will also respond to customer needs for both quality and low cost by promoting the downsizing and standardization of facilities. We will increase sales of the Group's products and services, taking advantage of its global network.

Basic concept for the selection of accounting standards

The Kurita Group is considering improvements to the accounting standards and accounting processing procedures of the Group and the timing for applying them in preparation for the application of the International Financial Reporting Standards (IFRS).

Financial Statements — Consolidated

Balance Sheet — Consolidated

	As of March 31, 2014	(Million yen) As of March 31, 2015
	Amount	Amount
Assets		
Current assets		
Cash and deposits	47,336	52,497
Notes receivable – trade	7,287	7,513
Accounts receivable – trade	50,503	59,810
Marketable securities	47,999	14,999
Finished products	1,788	3,206
Work in process	2,568	3,078
Raw materials and supplies	1,455	2,569
Deferred tax assets	2,193	1,728
Other	1,551	3,147
Allowance for doubtful accounts	(184)	(261)
Total current assets	162,500	148,290
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	61,177	61,862
Accumulated depreciation	(39,477)	(43,199)
Buildings and structures (net)	21,700	18,662
Machinery, equipment and vehicles	93,982	102,598
Accumulated depreciation	(61,048)	(73,062)
Machinery, equipment and vehicles (net)	32,934	29,535
Land	13,953	13,972
Leased assets	7,990	8,199
Accumulated depreciation	(2,350)	(2,713)
Leased assets (net)	5,639	5,486
Construction in progress	1,742	4,156
Other	11,867	13,245
Accumulated depreciation	(9,983)	(11,012)
Other (net)	1,884	2,232
Total property, plant and equipment	77,855	74,046
Intangible fixed assets		
Goodwill	-	19,391
Software	1,281	1,450
Other	297	6,490
Total intangible fixed assets	1,578	27,332
Investments and other assets		
Investment securities	24,717	36,070
Deferred tax assets	6,586	4,423
Other	2,097	3,342
Allowance for doubtful accounts	(409)	(302)
Total investments and other assets	32,991	43,534
Total noncurrent assets	112,425	144,913
Total assets	274,925	293,204

	As of March 31, 2014	(Million yen) As of March 31, 2015
	Amount	Amount
Liabilities		
Current liabilities		
Notes payable – trade	1,860	1,650
Accounts payable – trade	17,027	19,169
Accounts payable – other	5,541	9,858
Income taxes payable	2,535	4,595
Accrued employees' bonuses	2,246	2,255
Provision for loss on construction contracts	1,311	1,037
Provision for product warranties	801	784
Other	5,575	8,410
Total current liabilities	36,899	47,761
Noncurrent liabilities		
Lease obligations	5,389	5,159
Deferred tax liabilities related to revaluation	1,303	1,181
Accrued retirement benefits for directors and corporate auditors	98	75
Net defined benefit liability	11,363	13,785
Other	718	1,763
Total noncurrent liabilities	18,872	21,964
Total liabilities	55,772	69,726
Net assets		
Shareholders' equity		
Common stock	13,450	13,450
Capital surplus	11,426	10,980
Retained earnings	185,159	189,693
Treasury stock	(2)	(7,705)
Total shareholders' equity	210,034	206,419
Accumulated other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	7,862	14,768
Deferred gains (losses) on hedges	-	66
Revaluation reserve for land	(564)	(442)
Foreign currency translation adjustments	384	1,510
Remeasurements of defined benefit plans	(25)	8
Total accumulated other comprehensive income	7,657	15,911
Minority interests	1,461	1,147
Total net assets	219,153	223,478
Total liabilities and net assets	274,925	293,204

Statements of Income and Comprehensive Income — Consolidated

Statement of Income

	(Million yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
	Amount	Amount
Net sales	178,137	189,398
Cost of sales	122,870	130,509
Gross profit	55,267	58,889
Selling, general and administrative expenses		
Directors' and corporate auditors' compensations, salaries and allowances	15,780	16,064
Provision for bonuses	1,223	1,216
Retirement benefit expenses	1,018	1,117
Traveling and transportation expenses	2,808	2,767
Research and development expenses	4,534	4,397
Other	15,013	13,889
Total Selling, general and administrative expenses	40,380	39,454
Operating income	14,886	19,435
Non-operating income		
Interest income	165	241
Dividend income	336	395
Foreign exchange gains	174	-
Equity in earnings of unconsolidated subsidiaries and affiliates	302	286
Other	442	508
Total non-operating income	1,420	1,431
Non-operating expenses		
Interest expense	60	84
Settlement	56	-
Loss on disposal of noncurrent assets	23	-
Rent expenses on noncurrent assets	24	37
Foreign exchange losses	-	86
Acquisition-related costs	-	1,626
Other	69	96
Total non-operating expenses	234	1,932
Ordinary income	16,072	18,934
Extraordinary losses		
Loss on retirement of non-current assets	-	241
Impairment loss	-	226
Provision for building demolition expenses	197	-
Contribution	500	-
Total extraordinary losses	697	467
Income before income taxes and minority interests	15,375	18,467
Income taxes		
Current	6,614	7,718
Deferred	(737)	242
Total income taxes	5,877	7,961
Income before minority interests	9,498	10,506
Minority interests in earnings of consolidated subsidiaries	145	71
Net income	9,352	10,434

Statement of Comprehensive Income

	Year ended March 31, 2014	(Million yen) Year ended March 31, 2015
	Amount	Amount
Income before minority interests	9,498	10,506
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	3,782	6,916
Deferred gains (losses) on hedges	-	66
Revaluation reserve for land	-	121
Foreign currency translation adjustments	1,792	1,049
Remeasurements of defined benefit plans, net of tax	-	33
Share of other comprehensive income of associates accounted for using equity method	204	115
Total other comprehensive income	5,780	8,303
Comprehensive income	15,278	18,809
Components:		
Comprehensive income attributable to owners of the parent company	14,989	18,688
Comprehensive income attributable to minority interests	288	121

Statement of Changes in Shareholders' Equity — Consolidated

Year ended March 31, 2014 (April 1, 2013 - March 31, 2014)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of the beginning of the fiscal year	13,450	11,426	202,807	(21,859)	205,826
Cumulative effects of changes in accounting policies					-
Restated balance	13,450	11,426	202,807	(21,859)	205,826
Change during the period					
Dividend from surplus			(5,124)		(5,124)
Net income			9,352		9,352
Purchase of treasury stock				(2)	(2)
Retirement of treasury stock			(21,859)	21,859	-
Reversal of revaluation reserve for land			-		-
Changes of equity interest in consolidated subsidiaries			-		-
Other			(17)		(17)
Net change in items other than shareholders' equity during the period					
Total change during the period	-	-	(17,648)	21,856	4,208
Balance as of the end of the fiscal year	13,450	11,426	185,159	(2)	210,034

	Accumulated other comprehensive income						Minority interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of the beginning of the fiscal year	4,079	-	(564)	(1,469)	-	2,045	1,246	209,118
Cumulative effects of changes in accounting policies								-
Restated balance	4,079	-	(564)	(1,469)	-	2,045	1,246	209,118
Change during the period								
Dividend from surplus								(5,124)
Net income								9,352
Purchase of treasury stock								(2)
Retirement of treasury stock								-
Reversal of revaluation reserve for land								-
Changes of equity interest in consolidated subsidiaries								-
Other								(17)
Net change in items other than shareholders' equity during the period	3,783	-	-	1,853	(25)	5,611	215	5,827
Total change during the period	3,783	-	-	1,853	(25)	5,611	215	10,035
Balance as of the end of the fiscal year	7,862	-	(564)	384	(25)	7,657	1,461	219,153

Year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of the beginning of the fiscal year	13,450	11,426	185,159	(2)	210,034
Cumulative effects of changes in accounting policies			(501)		(501)
Restated balance	13,450	11,426	184,657	(2)	209,532
Change during the period					
Dividend from surplus			(5,362)		(5,362)
Net income			10,434		10,434
Purchase of treasury stock				(7,703)	(7,703)
Retirement of treasury stock					-
Reversal of revaluation reserve for land					-
Changes of equity interest in consolidated subsidiaries		(445)			(445)
Other			(36)		(36)
Net change in items other than shareholders' equity during the period					
Total change during the period	-	(445)	5,035	(7,703)	(3,113)
Balance as of the end of the fiscal year	13,450	10,980	189,693	(7,705)	206,419

	Accumulated other comprehensive income						Minority interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of the beginning of the fiscal year	7,862	-	(564)	384	(25)	7,657	1,461	219,153
Cumulative effects of changes in accounting policies								(501)
Restated balance	7,862	-	(564)	384	(25)	7,657	1,461	218,652
Change during the period								
Dividend from surplus								(5,362)
Net income								10,434
Purchase of treasury stock								(7,703)
Retirement of treasury stock								-
Reversal of revaluation reserve for land								-
Changes of equity interest in consolidated subsidiaries								(445)
Other								(36)
Net change in items other than shareholders' equity during the period	6,905	66	121	1,126	33	8,253	(314)	7,939
Total change during the period	6,905	66	121	1,126	33	8,253	(314)	4,826
Balance as of the end of the fiscal year	14,768	66	(442)	1,510	8	15,911	1,147	223,478

Statement of Cash Flows — Consolidated

	Year ended March 31, 2014	(Million yen) Year ended March 31, 2015
	Amount	Amount
Cash flows from operating activities		
Income before income taxes and minority interests	15,375	18,467
Depreciation and amortization	14,774	14,863
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(302)	(286)
Increase (decrease) in net defined benefit liability	454	781
Increase (decrease) in other allowances	1,559	(547)
Interest and dividend income	(501)	(636)
Interest expense	60	84
Other non-operating (income) losses	(290)	1,263
Other extraordinary (income) losses	500	-
(Gains) losses on sale/disposal of property, plant and equipment	14	231
Impairment loss	-	226
(Gains) losses on sale of investment securities	(0)	(39)
(Gains) losses on valuation of investment securities	-	17
(Increase) decrease in notes and accounts receivable - trade	4,997	(7,674)
(Increase) decrease in inventories	(673)	(504)
(Increase) decrease in other current assets	204	177
Increase (decrease) in notes and accounts payable - trade	(26)	1,868
Increase (decrease) in other current liabilities	(222)	1,515
Other	(88)	26
Sub-total	35,835	29,835
Interest and dividend received	751	783
Other proceeds	426	452
Interest paid	(62)	(84)
Other payments	(631)	(1,738)
Income taxes paid	(6,652)	(5,934)
Net cash provided by (used in) operating activities	29,666	23,314
Cash flows from investing activities		
Deposits into time deposit accounts	(19,315)	(38,175)
Withdrawals from time deposits	17,798	36,844
Payments for purchases of marketable securities	(99,999)	(45,000)
Proceeds from sale and redemption of marketable securities	91,000	88,039
Payments for purchases of property, plant and equipment	(5,670)	(8,148)
Proceeds from sale of property, plant and equipment	105	38
Payments for purchase of intangible assets	(441)	(4,375)
Payments for purchases of investment securities	(145)	(8)
Proceeds from sale and redemption of investment securities	4	32
Payments associated with acquisition of business	-	(24,383)
Other payments	(227)	(562)
Other proceeds	214	445
Net cash provided by (used in) investing activities	(16,676)	4,746

	Year ended March 31, 2014	(Million yen) Year ended March 31, 2015
	Amount	Amount
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(164)	605
Repayment of finance lease obligations	(595)	(588)
Purchase of treasury stock	(2)	(7,703)
Proceeds from share issuance to minority shareholders	-	54
Cash dividends paid	(5,122)	(5,362)
Cash dividends paid to minority shareholders	(71)	(118)
Purchase of shares of subsidiaries without change in scope of consolidation	-	(815)
Net cash provided by (used in) financing activities	(5,957)	(13,929)
Effect of exchange rate changes on cash and cash equivalents	683	515
Net increase (decrease) in cash and cash equivalents	7,715	14,647
Cash and cash equivalents at the beginning of the period	33,313	41,028
Cash and cash equivalents at the end of the period	41,028	55,675

Information for business combinations, etc.

Business combination through acquisition

1. Outline of business combination

(1) Name of the counterparty companies and the content of their business

Name of the counterparty companies: BK Giulini GmbH and its affiliates

Content of business: Businesses related to the manufacturing, sales and research and development of water treatment chemicals, paper solutions, and alumina compounds

(2) Main reasons for business combination

The addition of broad-ranging customer bases in Europe of the water solutions business, the paper solutions business, and the alumina compounds business (the “target businesses”) to the business foundation in Japan and Asia where the Group has a strong presence will significantly advance the expansion of the Group’s overseas business. In addition, as the Group and the target businesses have high complementarity in technologies and product lineup, we expect that their amalgamation will enable us to develop new products and services.

(3) Date of business combination

January 31, 2015

(4) Legal form of business combination

Acquisition of business with cash as consideration

(5) Company names after combination

Kurita Europe APW GmbH, Kurita Water Industries (Jiangyin) Co., Ltd. and other seven companies

(6) Ratio of voting rights acquired

100%

(7) Main grounds to determine the acquirer

The Group acquired businesses with cash as consideration.

2. The period of business results of the acquired companies to be included in consolidated financial statements

As the Group acquired businesses on January 31, 2015, only their balance sheets are consolidated in the fiscal year under review.

3. Acquisition cost of businesses acquired and the breakdown of consideration by type

Consideration for acquisition	Cash	¥32,317 million
Acquisition cost		¥32,317 million

4. Breakdown and amount of major acquisition-related cost

Advisory fees, etc. ¥1,536 million

5. Amount, cause, amortization method and amortization period of goodwill generated

(1) Amount of goodwill generated

¥18,825 million

The amount of goodwill is tentatively calculated as the allocation of the acquisition cost has yet to be completed.

(2) Cause of generation

Goodwill was generated due to an excess earnings capability expected in the future.

(3) Amortization method and amortization period

Straight-line method over 15 years

6. Amount and major breakdown of assets acquired and liabilities assumed on the date of business combination

Current assets	¥5,124 million
Noncurrent assets	¥10,756 million
Total assets	¥15,880 million
Current liabilities	¥1,191 million
Noncurrent liabilities	¥1,196 million
Total liabilities	¥2,388 million

7. Allocation of acquisition cost

The allocation of acquisition cost is not yet finished because the fair value of discernable assets and liabilities as of the date of business combination had not been fully identified and calculated by the end of the fiscal year under review.

8. Estimated amount and method of calculation of the impact of the acquisition of businesses on the consolidated statement of income for the fiscal year under review on the assumption that the acquisition of businesses has been completed on the beginning date of the fiscal year under review
Not stated as it is difficult to calculate the estimated amount.

Segment Information

1. Overview of reportable segments

The Company's reportable segments are components of the Group about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

The Company's business divisions are based on product and service categories. Each of the divisions conduct business based on comprehensive strategies formulated for the products and services that they handle in Japan and overseas. The Company's consolidated subsidiaries conduct business under the supervision of the relevant business divisions.

The Group's operations are therefore classified into two reportable segments, the Water Treatment Chemicals segment and the Water Treatment Facilities segment, based on the products and services handled by each of the divisions.

The Water Treatment Chemicals segment manufactures and sells water treatment chemicals and equipment and provides maintenance services. The Water Treatment Facilities segment manufactures and sells water treatment equipment and facilities, provides ultrapure water, chemical cleaning, tool cleaning, soil and groundwater remediation services, and provides maintenance services that encompass operation, maintenance, and management of water treatment facilities.

2. Method for calculating sales, income and loss, assets and liabilities, and other amounts by reportable segment

Accounting methods applied in reportable segments are consistent with the methods applied in preparation of consolidated financial statements. Segment income represents operating income. Inter-segment sales and transfers between consolidated-group companies reflect values based on market prices. Inter-segment sales and transfers between the Company's divisions are based primarily on book values.

3. Sales, income and loss, assets and liabilities, and other amounts by reportable segment

Year ended March 31, 2014 (April 1, 2013 - March 31, 2014)

	Reportable segment			Adjustments (see note)	(Million yen)
	Water Treatment Chemicals	Water Treatment Facilities	Total		Amounts reported on the statements of income
Sales					
(1) Sales to outside customers	58,844	119,292	178,137	-	178,137
(2) Inter-segment sales and transfers	278	252	530	(530)	-
Total	59,122	119,545	178,668	(530)	178,137
Segment income	7,954	6,934	14,888	(2)	14,886
Segment assets	37,310	133,620	170,931	103,994	274,925
Segment liabilities	15,824	40,087	55,911	(139)	55,772
Other amounts					
Depreciation	1,386	13,387	14,774	-	14,774
Change in property, plant and equipment and intangible fixed assets	1,792	3,917	5,709	-	5,709

Year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

	Reportable segment			Adjustments (see note)	(Million yen)
	Water Treatment Chemicals	Water Treatment Facilities	Total		Amounts reported on the statements of income
Sales					
(1) Sales to outside customers	59,999	129,399	189,398	-	189,398
(2) Inter-segment sales and transfers	377	231	608	(608)	-
Total	60,376	129,631	190,007	(608)	189,398
Segment income	7,877	11,560	19,437	(2)	19,435
Segment assets	78,109	136,931	214,501	78,703	293,204
Segment liabilities	25,365	44,581	69,947	(220)	69,726
Other amounts					
Depreciation	1,406	13,457	14,863	-	14,863
Impairment loss	-	226	226	-	226
Change in property, plant and equipment and intangible fixed assets	5,378	7,486	12,864	-	12,864

Note: "Adjustments" represents the following:

1. Sales: Elimination of inter-segment transactions.
2. Segment income: Amount resulting from eliminations of inter-segment transactions.
3. Segment assets: Consisting mainly of corporate assets (cash deposits, securities in trust, and long-term investments) unallocated to reportable segments. Corporate assets totaled 104,135 million yen at March 31, 2014 and 78,926 million yen at March 31, 2015.
4. Segment liabilities: Amount resulting from eliminations of inter-segment claims and liabilities.

Related information

Year ended March 31, 2014 (April 1, 2013 - March 31, 2014)

1. Information by product and service

The Company has omitted disclosure here because equivalent information appears in the segment information.

2. Information by geographic region

(1) Sales

(Million yen)					
Japan	Asia	North America	Europe	Other	Total
144,546	27,162	1,765	1,330	3,331	178,137

Note: Sales are allocated to regions based on the location of the customer to which the products or services are provided.

(2) Property, plant and equipment

The Company has omitted disclosure here because property, plant and equipment holdings in Japan account for more than 90% of the amount of property, plant and equipment reported on the consolidated balance sheet.

3. Information by major customer

(Million yen)		
Name of customer	Sales	Name of transacting segment
Sharp Corporation	26,850	Water Treatment Facilities

Year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

1. Information by product and service

The Company has omitted disclosure here because equivalent information appears in the segment information.

2. Information by geographic region

(1) Sales

(Million yen)

Japan	Asia	North America	Europe	Other	Total
150,291	32,092	2,028	1,514	3,471	189,398

Note: Sales are allocated to regions based on the location of the customer to which the products or services are provided.

(2) Property, plant and equipment

The Company has omitted disclosure here because property, plant and equipment holdings in Japan account for more than 90% of the amount of property, plant and equipment reported on the consolidated balance sheet.

3. Information by major customer

(Million yen)

Name of customer	Sales	Name of transacting segment
Sharp Corporation	26,298	Water Treatment Facilities

Information on impairment of reportable segments' noncurrent assets

Year ended March 31, 2014 (April 1, 2013 - March 31, 2014)

Not applicable

Year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

The Company has omitted disclosure here because equivalent information appears in the segment information.

Goodwill amortization and unamortized balance of goodwill by segment

Year ended March 31, 2014 (April 1, 2013 - March 31, 2014)

Not applicable

Year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

(Million yen)

	Reportable segment			Elimination or corporate	Total
	Water Treatment Chemicals	Water Treatment Facilities	Total		
Goodwill amortization	-	-	-	-	-
Unamortized balance of goodwill	19,391	-	19,391	-	19,391

Information on negative goodwill

Year ended March 31, 2014 (April 1, 2013 - March 31, 2014)

Not applicable

Year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

Not applicable

Per Share Information

	Year ended March 31, 2014	Year ended March 31, 2015
Net assets per share	1,826.84 yen	1,907.80 yen
Net income per share	78.48 yen	87.81 yen

Notes: 1. Fully diluted net income per share was not reported here because there were no dilutive securities outstanding.

2. The calculation bases for net assets per share are as follows.

	(Million yen unless otherwise stated)	
	As of March 31, 2014	As of March 31, 2015
Total net assets	219,153	223,478
Amount deducted from total net assets (Those with minority interests)	1,461 (1,461)	1,147 (1,147)
Net assets attributed to common stock	217,691	222,330
Number of common stock used in calculation of net assets per share (shares)	119,163,469	116,538,033

Note: The calculation bases for net income per share are as follows.

	(Million yen unless otherwise stated)	
	Year ended March 31, 2014	Year ended March 31, 2015
Net income	9,352	10,434
Amount not attributed to common stockholders	-	-
Net income attributed to common stock	9,352	10,434
Average number of shares outstanding (shares)	119,164,231	118,825,349

Significant Subsequent Events

Not applicable

Supplementary Information - Consolidated

(1) Net Sales

(Million yen)

Business segment	Year ended March 31,			
	2014		2015	
	Amount	%	Amount	%
Water Treatment Chemicals	58,844	33.0	59,999	31.7
Water Treatment Facilities	119,292	67.0	129,399	68.3
Total	178,137	100.0	189,398	100.0

(2) Order Intake and Backlog

(Million yen)

Business segment		Year ended March 31,			
		2014		2015	
		Amount	%	Amount	%
Order Intake	Water Treatment Chemicals	59,413	34.3	59,353	32.7
	Water Treatment Facilities	114,049	65.7	121,928	67.3
	Total	173,463	100.0	181,282	100.0
Order Backlog	Water Treatment Chemicals	4,445	7.8	3,799	7.7
	Water Treatment Facilities	52,804	92.2	45,334	92.3
	Total	57,250	100.0	49,133	100.0

(3) Production Results

(Million yen)

Business segment	Year ended March 31,			
	2014		2015	
	Amount	%	Amount	%
Water Treatment Chemicals	59,119	33.1	60,636	31.9
Water Treatment Facilities	119,723	66.9	129,665	68.1
Total	178,842	100.0	190,301	100.0

Note: The amounts were based on sales amounts.

(4) Capital Expenditures (Property, Plant and Equipment)

(Million yen)

Business segment	Year ended March 31,			
	2014		2015	
	Amount	%	Amount	%
Water Treatment Chemicals	1,599	30.4	1,369	16.1
Water Treatment Facilities	3,669	69.6	7,119	83.9
Total	5,268	100.0	8,489	100.0

(5) Depreciation (Property, Plant and Equipment)

(Million yen)

Business segment	Year ended March 31,			
	2014		2015	
	Amount	%	Amount	%
Water Treatment Chemicals	1,162	8.2	1,206	8.4
Water Treatment Facilities	13,088	91.8	13,172	91.6
Total	14,250	100.0	14,378	100.0