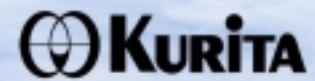




Kurita Water Industries Ltd.

● May 14, 2003



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Performance for
FY ended March 31, 2003

Business Climate for FY ended March 2003

● Water Treatment Chemicals

- Demand for discounting products continued regardless of type of industry, and the overall market contracted.

● Water Treatment Facilities

- Corporate mergers and capital investment by the electronics industry declined
- Investment by general industry also down.
- Competition was intensified in the soil remediation market because of entrances by small and large general contractors.
- Public investment shifted emphasis to incinerators and public service demand decreased.

Business Measures and Results (1)

● Water Treatment Chemicals

- ▶ Sales expanded supported by the introduction of new boiler and cooling water treatment chemicals targeting factories required to manage heat generation and by marketing based on cost reduction proposals, such as energy conservation and reduction in standard physical unit, to customers.
- ▶ Earnings expanded thanks to focus on contract-type services.
- ▶ Sales of incinerator-related treatment chemicals rose.
- ▶ Sales of paper pulp treatment chemicals up.
- ▶ Cost reductions were achieved by merging manufacturing subsidiaries and improving procurement methods.

Business Measures and Results (2)

● Water Treatment Facilities

- Orders expanded thanks to strengthened merchandising resulting from ready-made equipment and hydrogen and ozone water production equipment systems.
- Outside Japan, orders were received from the liquid crystal display market in Asia.
- Greater efficiency pursued and the business scope of Land Solution Inc. was broadened in the soil remediation business.
- Outside Japan, ultrapure water supply business has started and maintenance business was expanded.
- Ready-made product lineup was extended while also reducing procurement costs was progressed.

● Business Restructuring

Financial Summary for FY ended March 2003

(¥Billion)

	Mar.'02	Mar.'03	Change(%)
Orders	140.5	128.4	-8.6
Net Sales	142.7	141.6	-0.7
Operating Income	10.8	12.3	+14.1
Ordinary Income	11.6	12.4	+6.8
Net Income	5.7	5.5	-3.4
Net Income per Share	¥42.85	¥40.67	

Financial Performance for FY ended March 2003

Statements of Income

(¥Billion)

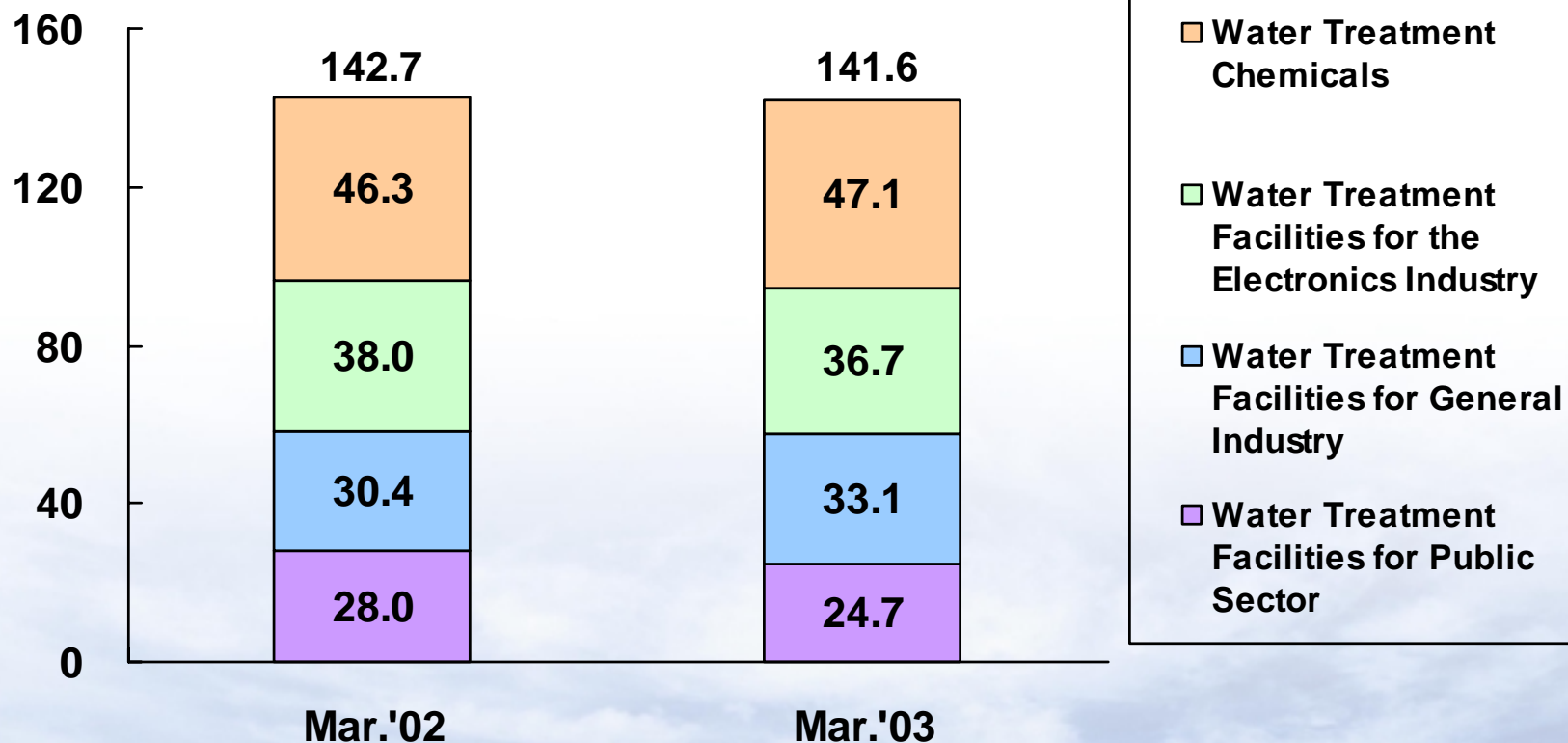
	Mar.'02	Composition of Net Sales(%)	Mar.'03	Composition of Net Sales(%)
Net Sales	142.7	100.0	141.6	100.0
Cost of Sales	99.0	69.4	97.8	69.1
Gross Profit	43.6	30.6	43.8	30.9
SG&A Expenses	32.8	23.0	31.5	22.2
Operating Income	10.8	7.6	12.3	8.7
Non-Operating Income	0.8	0.6	0.1	0.1
Ordinary Income	11.6	8.1	12.4	8.8
Special Gain/Loss	-2.5	-1.7	-2.1	-1.5
Income Taxes	4.6	3.3	5.0	3.5
Income Tax Adjustment	-1.2	-0.9	-0.3	-0.2
Net Income	5.7	4.0	5.5	3.9

Financial Performance for FY ended March 2003

Segment Information (1)

◆ Net Sales by Segments

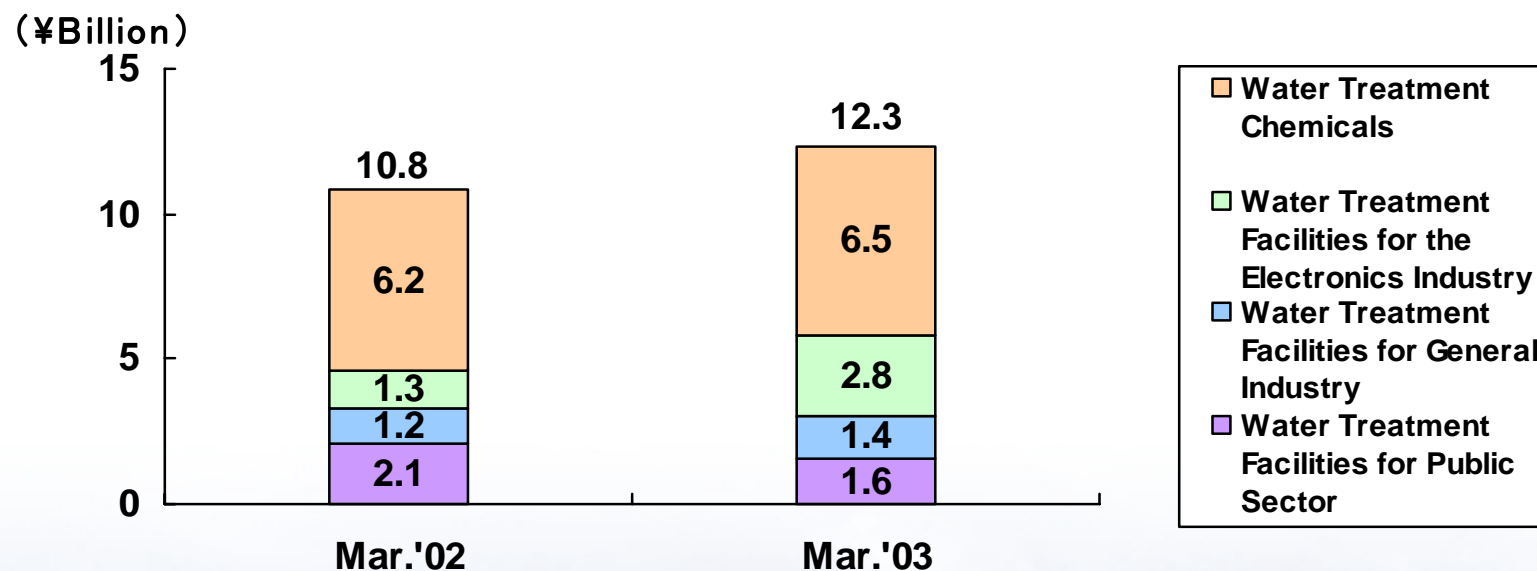
(¥Billion)



Financial Performance for FY ended March 2003

Segment Information (2)

◆ Operating Income & Ratio of Operating Income to Net Sales



	Mar.'02 Operating Income / Net Sales Ratio(%)	Mar.'03 Operating Income / Net Sales Ratio(%)
Water Treatment Chemicals	13.5	13.8
Water Treatment Facilities	4.7	6.1
for Electronic Industry	3.5	7.6
for General Industry	3.8	4.2
for Public Sector	7.5	6.5
Total	7.6	8.7

Financial Performance for FY ended March 2003

Balance Sheets

			(¥Billion)
At March 31	2002	2003	Change
Total Assets	172.1	173.7	+1.5
Current Assets	103.5	107.2	+3.7
Tangible Fixed Assets	36.4	38.3	+1.9
Intangible Assets	2.4	2.7	+0.3
Investment and Others	29.9	25.5	-4.4
Liabilities	49.0	51.8	+2.8
Shareholders' Equity	122.6	121.0	-1.6

Financial Performance for FY ended March 2003

Cash Flows

(¥Million)

	Mar.'02	Mar.'03	Change
Net Cash Provided by Operating Activities	8,713	10,402	+1,689
Net Cash Used in Investing Activities	-5,334	-6,999	-1,665
Net Cash Used in Financing Activities	-2,169	-6,270	-4,101
Net Increase (Decrease) in Cash and Cash Equivalents	1,354	-2,927	-4,281
Cash and Cash Equivalents at End of Year	32,980	31,507	-1,473
Capital Expenditures	3,268	5,593	+2,325
Depreciation	3,132	3,030	-379
Research and Development Expenses	5,071	4,484	-587
Ratio of Research and Development Expenses to Net Sales	3.6%	3.2%	-0.4pt



Basic Management Slogan

Win Trust and Make a Strong Impression

Develop extremely aggressive and excellent businesses that win the unshakable trust of customers and deeply impress them.

Vision of Kurita in Three Years

- We will have fully established our advanced water and environmental management business
- We will have an overwhelming dominance of the water treatment industry in Japan, and an expanded market position overseas.
- Establishing new environmental businesses, we will be involved in energy-related businesses.
- We will have developed technologies and products that contribute to solving the business problems of our customers and that impress them.
- Thanks to the activities of the Company and its employees, Kurita will have the reputation of a highly trustworthy company.

Performance Goals of Three-Year Plan

Kurita Group Consolidated Performance

Net Sales	175 Billion
Operating Income	20 Billion
Net Income	11.5 Billion

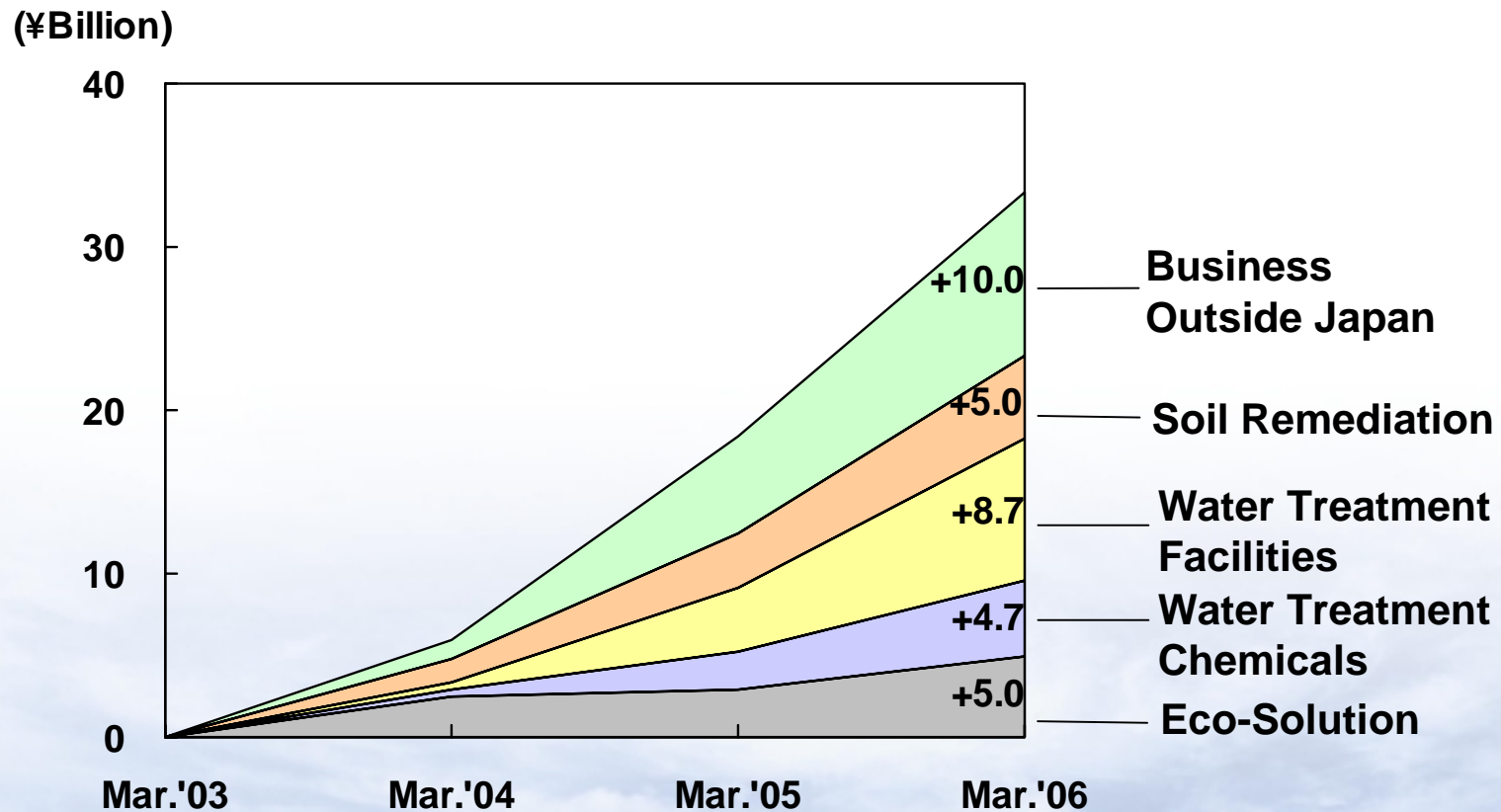
Major Strategies

- Expand our business scope and market share by strengthening our offensive and defensive businesses in domestic and international markets.
- Expand our business scope by developing our solutions and outsourcing businesses.
- Build and strengthen a Group service network centered on our customer base.
- Develop appealing products, technologies, and services that will sell globally.
- Develop new environmental and energy-related businesses.

New Organization



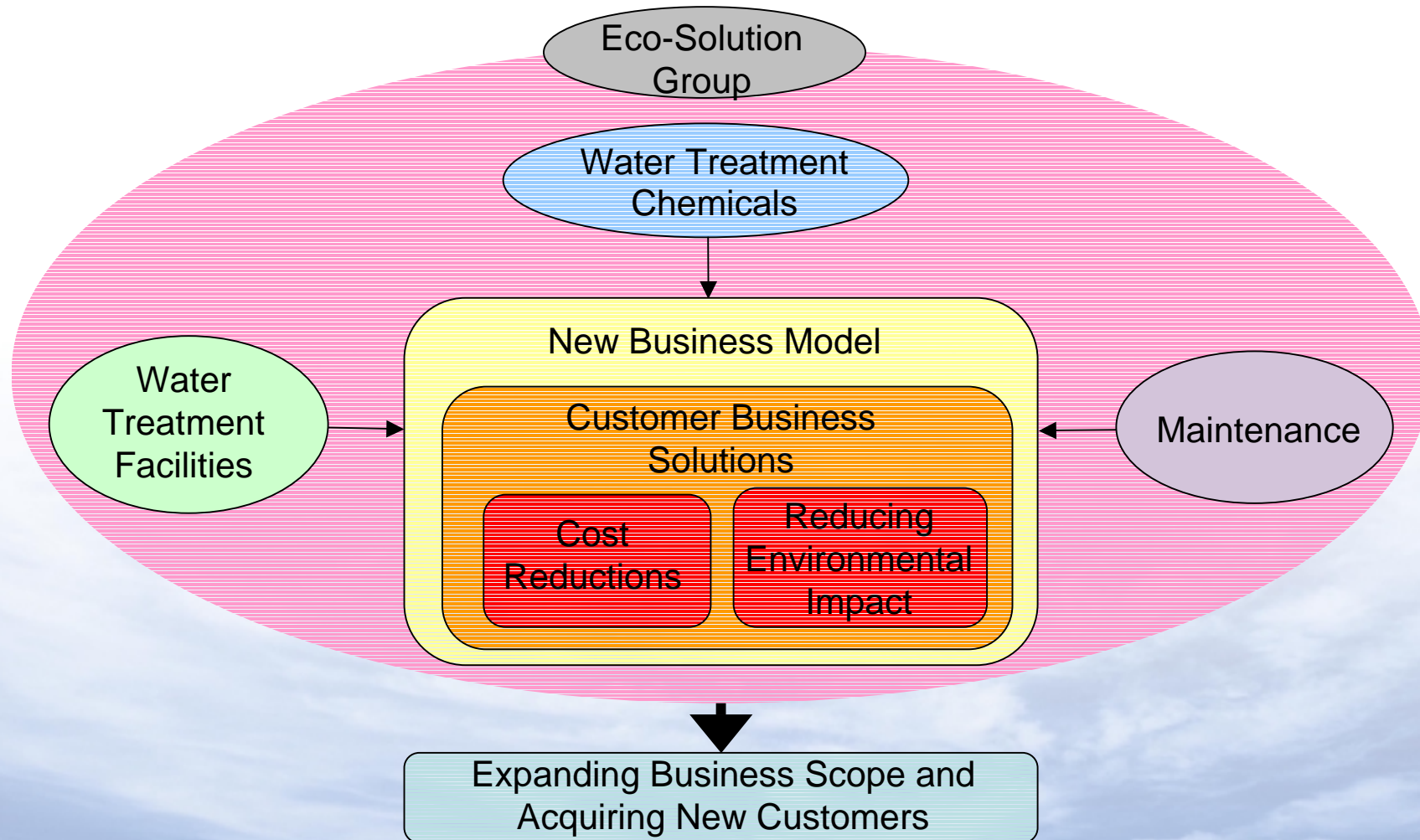
Segment Sales Growth



Note: Sales figures represent comparisons with sales for FY ended March 2003.

Strategies by Business to Achieve Three-Year Targets (1)

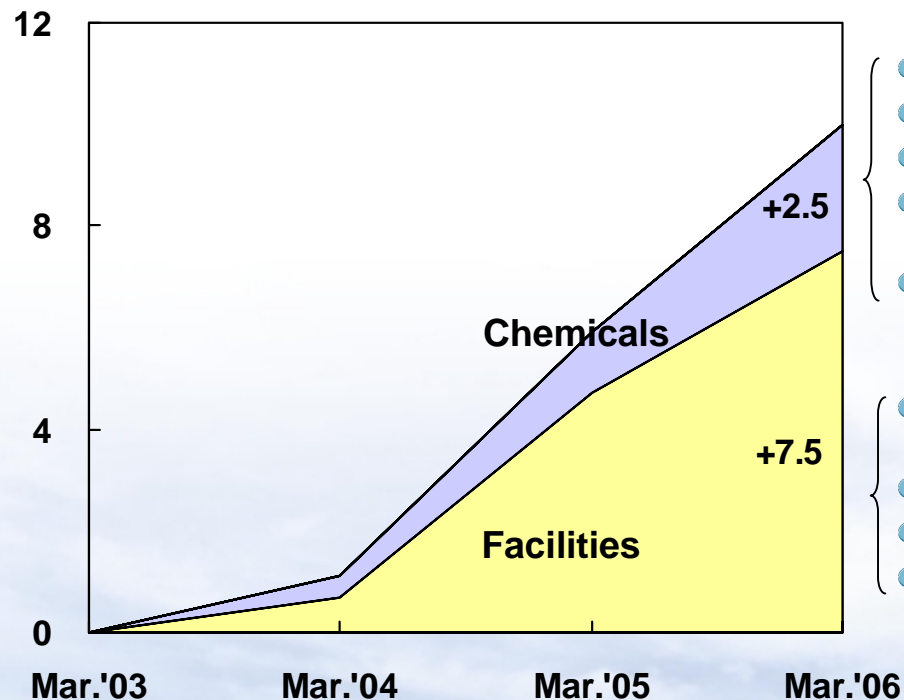
- Aggressive Business Development



Strategies by Business to Achieve Three-Year Targets (2)

● Sales Growth Outside Japan

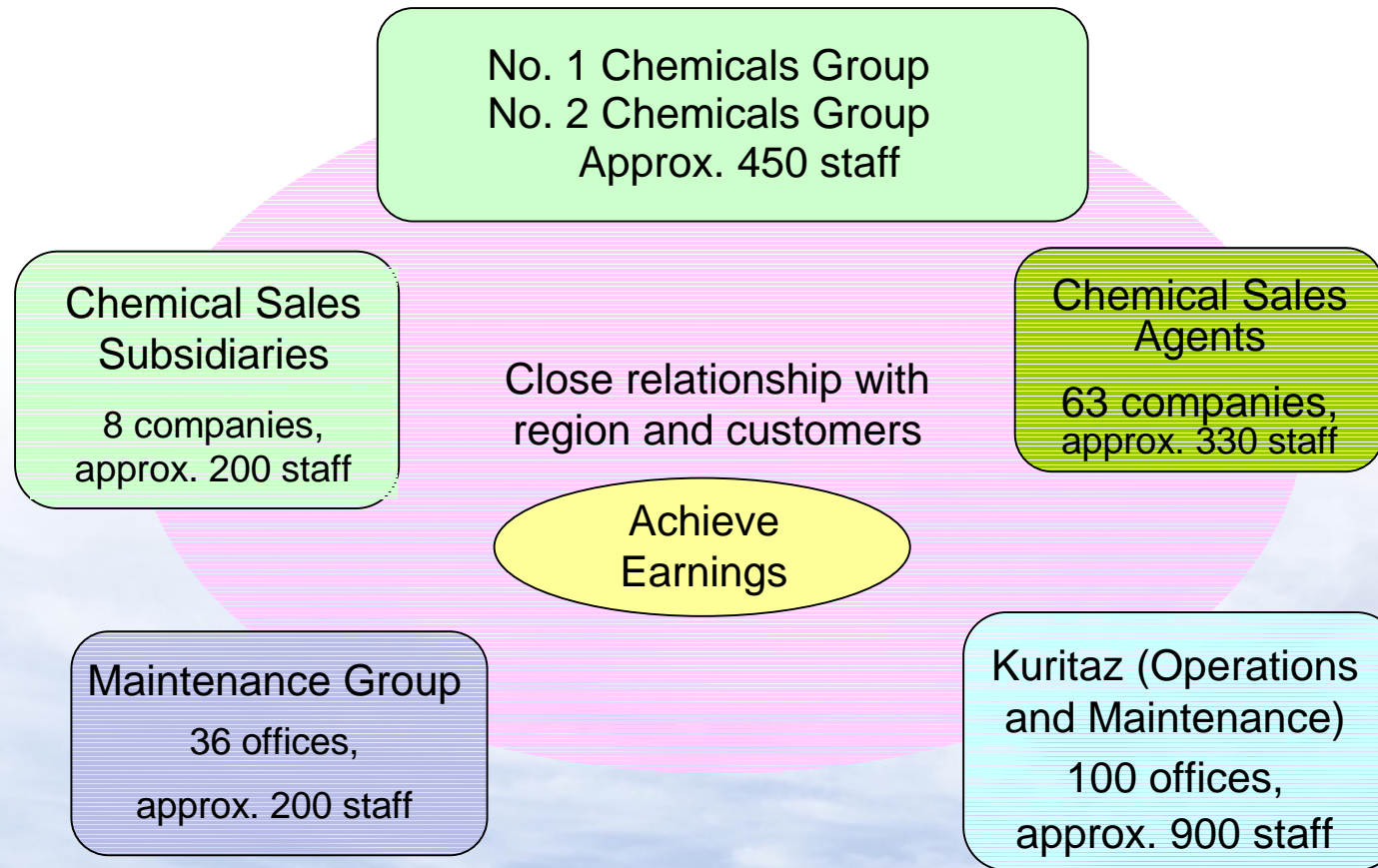
(¥Billion)



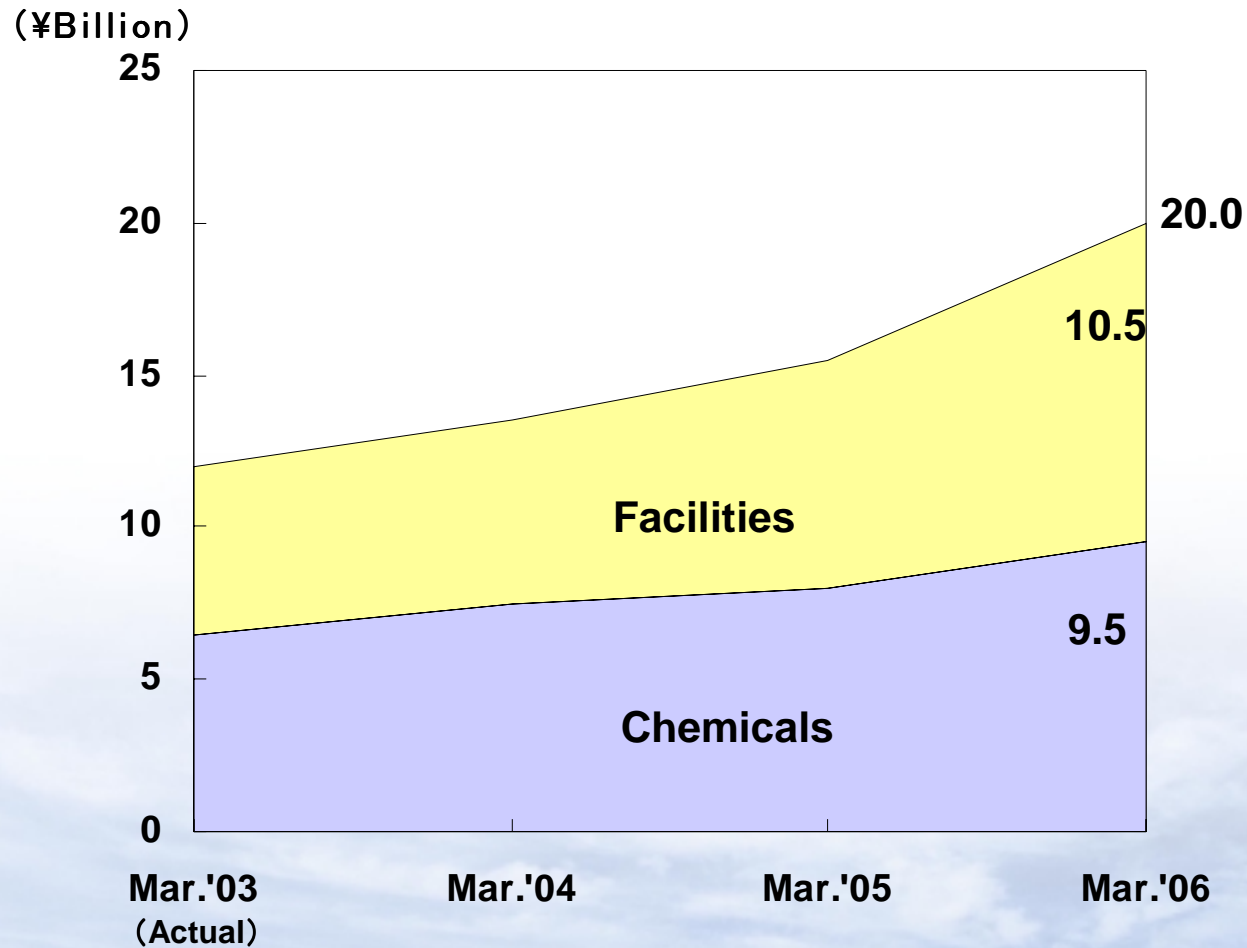
- Localizing management
 - Inject new personnel into sales force
 - Increasing business alliances
 - Entering process treatment chemicals business
 - Develop business on proposal marketing basis
-
- Develop outsourcing and solutions businesses
 - Localizing management
 - Construct assembly plant outside Japan
 - Establish procurement network

Note: Sales figures represent comparisons with sales for FY ended March 2003.

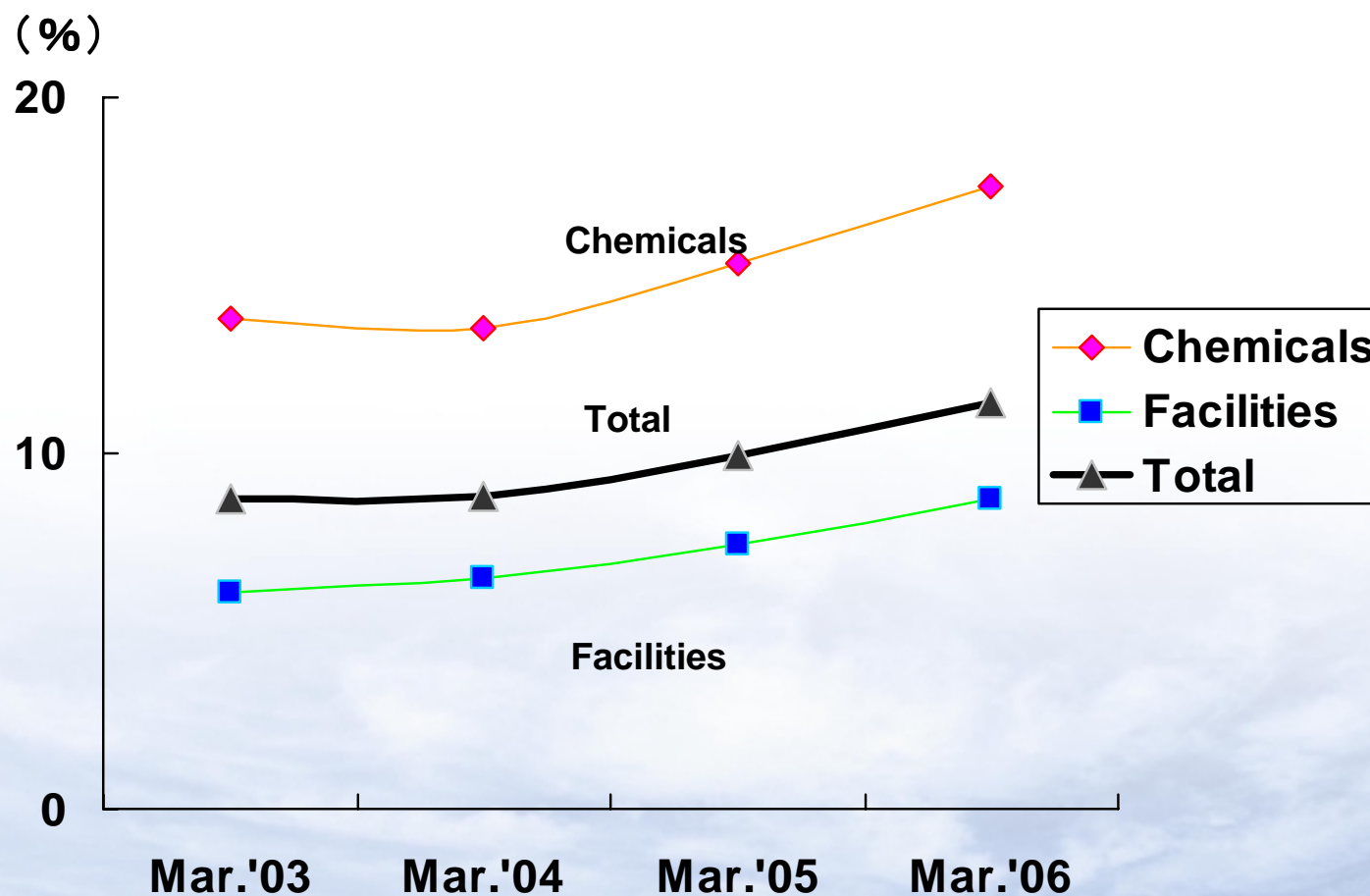
● Strengthening Group Network in Japan



Operating Income by Segments



Ratio of Operating Income to Net Sales by Segments





Current Business Plan

Business Plan

	Mar.'03	Mar.'04 (Projected)	(¥Billion) Change
Orders	128.4	149.8	+21.4
Net Sales	141.6	147.5	+5.9
Operating Income	12.3	13.0	+0.7
Ordinary Income	12.4	13.3	+0.9
Net Income	5.5	7.7	+2.2
Net Income per Share	¥40.67	¥58.90	+¥18.23

Business Plan

Major Strategies (1)

● Water Treatment Chemicals

- ▶ Improve value-added business and upgrade cost competitiveness by introducing new products and technologies for the non-coastal Japanese market.
- ▶ Expand business through contract-type services, such as comprehensive agreements for cooling water and wastewater treatment, BOO (Build, Own, Operate) agreements for small once-through boilers, and non-chemical processing of cooling water agreements. (Target of ¥3.4 billion on non-consolidated basis)
- ▶ Expand sales of treatment chemicals for incinerators for public demand.
- ▶ Achieve synergies through cooperation with maintenance.

Business Plan

Major Strategies (2)

● Water Treatment Facilities

- Expand sales of hydrogen and ozone water production equipment systems and ultrapure water supply business to the electronics industry in Japan.
- Increase acquisition of major orders from global electronics industry (Taiwan, Korea, China)
- Commit to environmental risk business with the manufacturing industry in the soil remediation business and expand Land Solution Inc.
- Maintain earnings in the maintenance group by pursuing operating and maintenance and multiple-year contracts.
- Expand the scope of applications for ready-made products, including modules, for all equipment to boost product power and reduce costs.

● Eco-Solution Group

- Starting with such concepts as reducing environmental impact and wastewater treatment in industries, such as paper pulp, food products, and IT industries, propose new business models to customers to win orders.

Business Plan

Examples of Ultrapure Water Supply Business



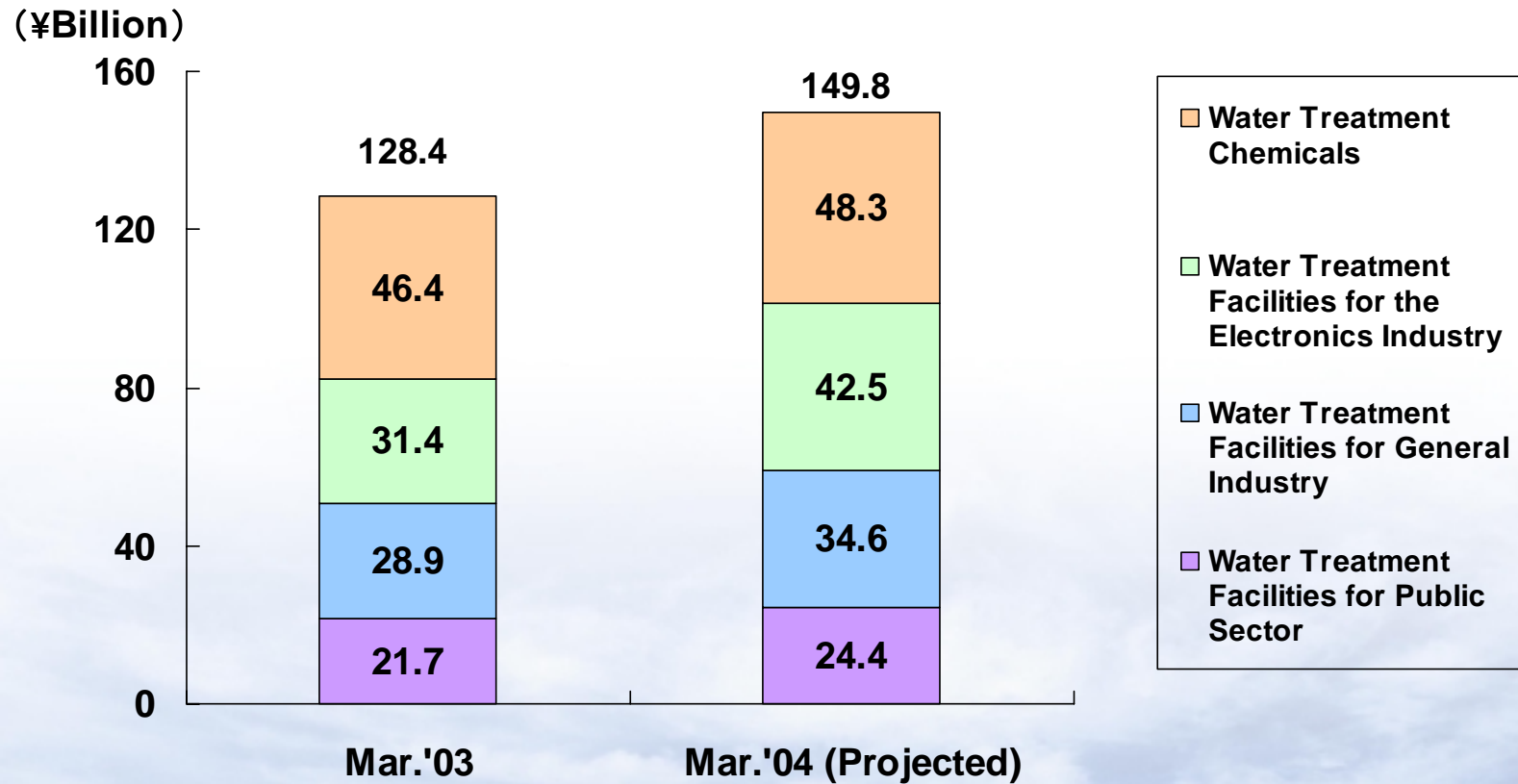
Ultrapure Water Production System of Kuritec Singapore Pte. Ltd.



Hydrogen and ozone water production equipment systems KHOW

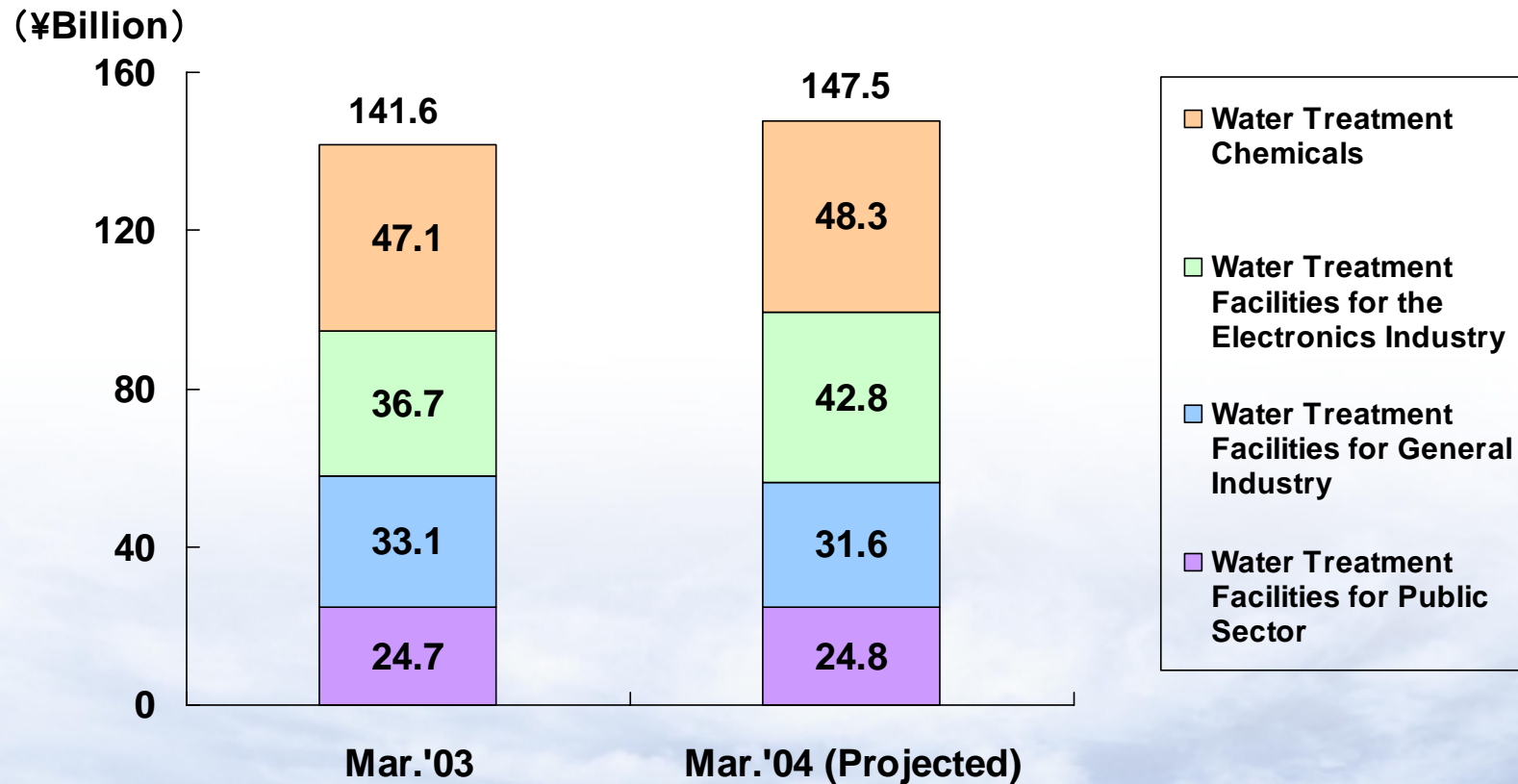
Business Plan

Orders by Segments



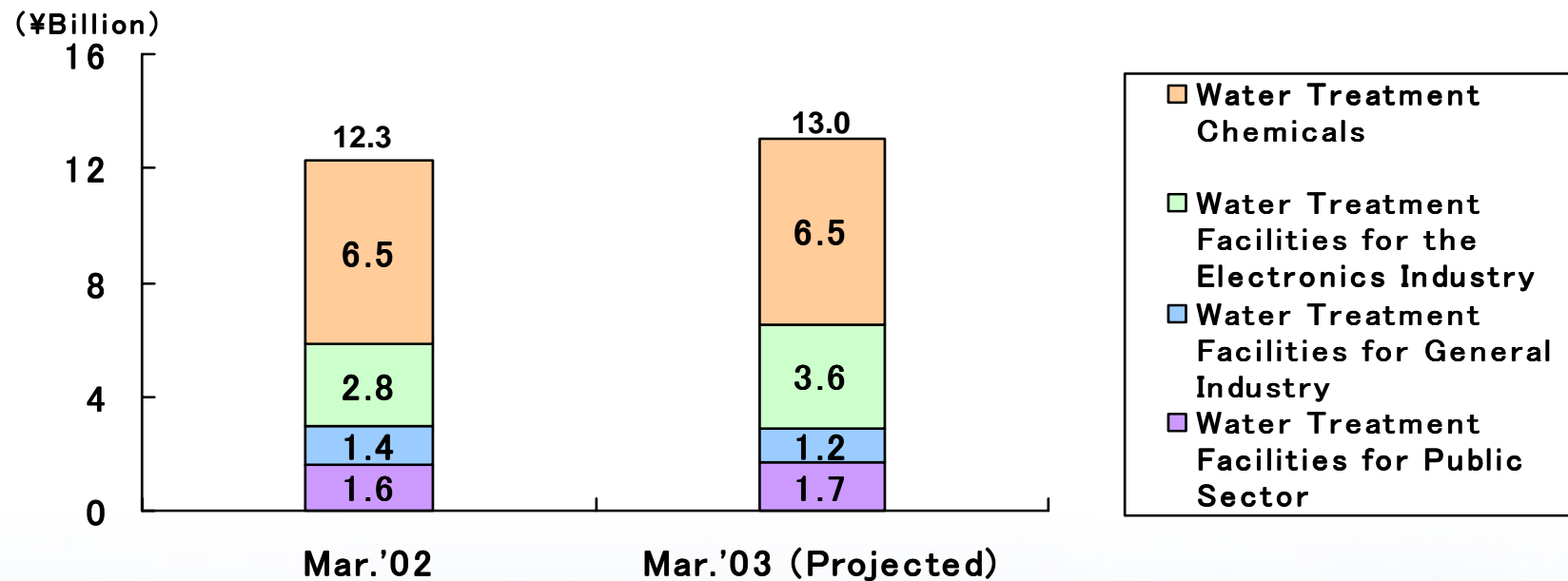
Business Plan

Net Sales by Segments



Business Plan

Operating Income & Ratio of Operating Income to Net Sales



	Mar.'03 Operating Income / Net Sales Ratio(%)	Mar.'04 Operating Income / Net Sales Ratio(%)
Water Treatment Chemicals	13.8	13.5
Water Treatment Facilities	6.1	6.6
for Electronic Industry	7.6	8.4
for General Industry	4.2	3.8
for Public Sector	6.5	6.9
Total	8.7	8.8