

Kurita Water Industries Ltd.

**Earnings for the Six Months Ended September 30, 2009
(First Half of the Fiscal Year Ending March 31, 2010)**

(Stock code : 6370)

November 5, 2009

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-

【1】 Financial Highlights

(Billions of Yen)

	03/2009 First-half results	03/2010 First-half projections	03/2010 First-half results	Year-on-year change
Orders	106.8	93.2	88.1	- 17.5%
Net Sales	95.7	90.0	83.8	- 12.4%
Operating Income	13.2	11.0	12.9	- 2.5%
Ordinary Income	13.7	11.3	13.2	- 3.6%
Net Income	7.5	6.3	8.1	+ 8.9%

【2】 Factors Behind Consolidated Financial Results

Water Treatment Chemicals Segment

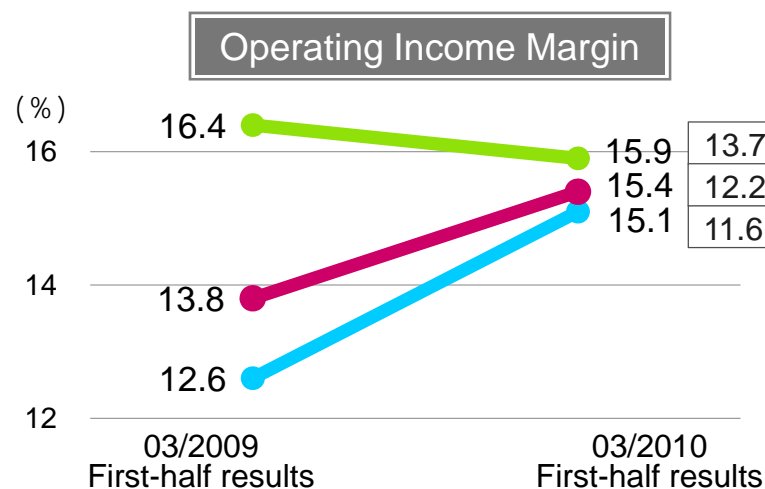
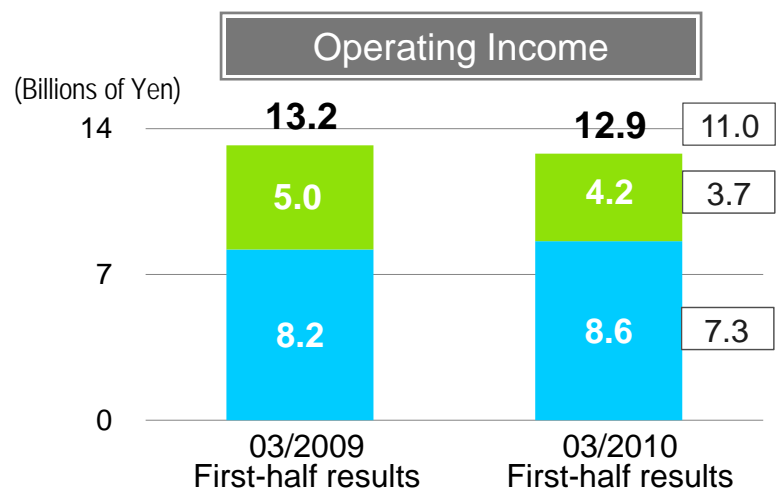
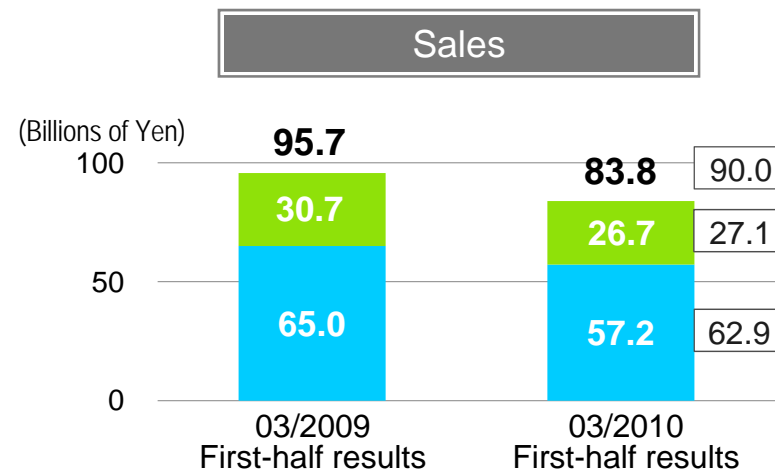
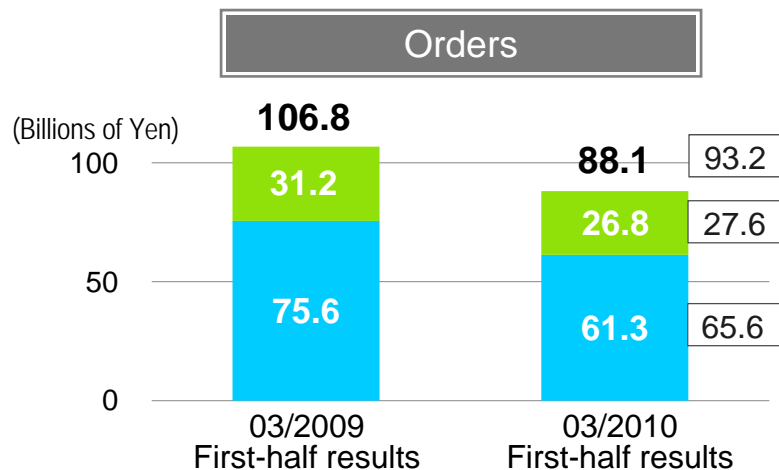
- Declining capacity utilization among Japanese and overseas customers
- Reduction of costs of sales and SG&A expenses

Water Treatment Facilities Segment

- Curtailing of capital expenditure in all industries
- Bottoming out of capacity utilization in the electronics industry
- Steady expansion of the ultrapure water supply business

【3】 Orders, Sales, Operating Income, and Operating Income Margin

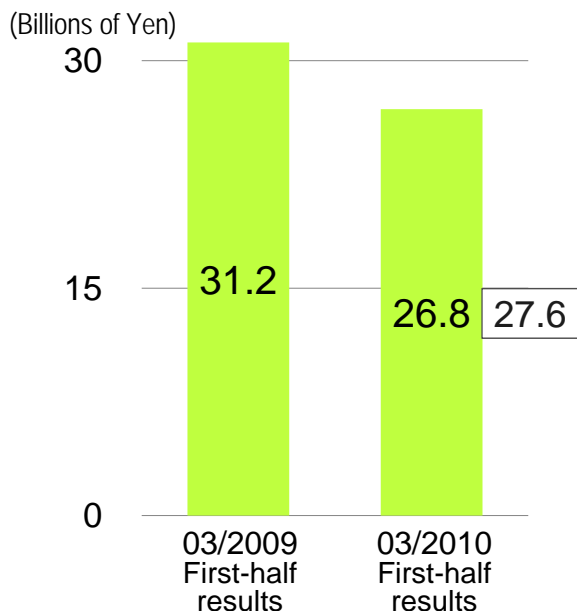
■ Water treatment chemicals
 ■ Water treatment facilities
 ● Total
 * □ denotes initial projections



【4】 Water treatment chemicals

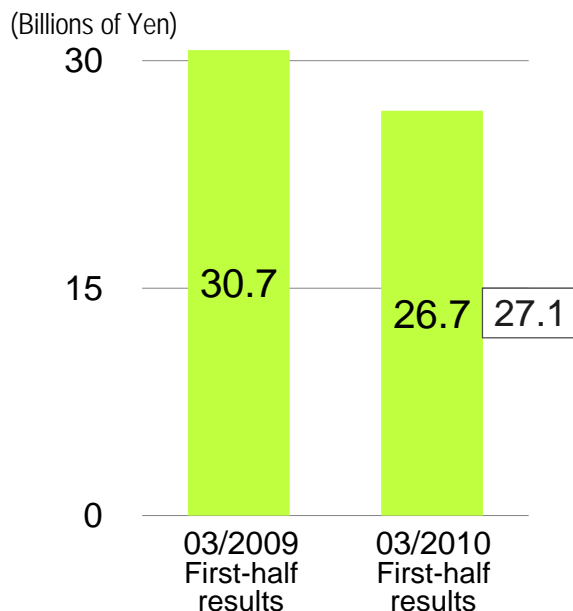
Orders

* □ denotes initial projections



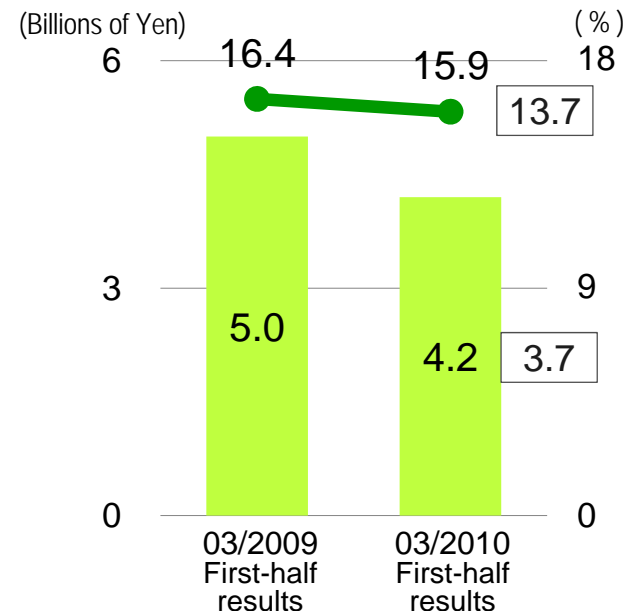
Sales

* □ denotes initial projections



Operating Income and Operating Income Margin

■ Operating income
●—● Operating income margin
* □ denotes initial projections



【 Major determinants of growth/decline in orders/sales 】

- Decline for all products in all regions of Japan
- Decline in overseas demand

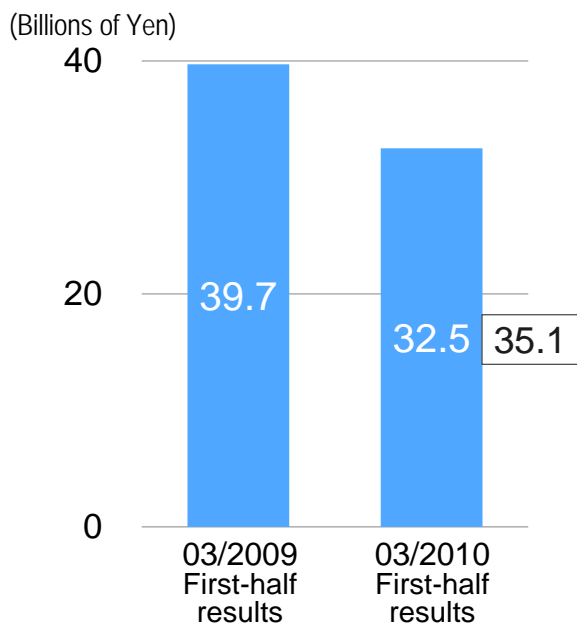
【 Major determinants of change 】

- Lower revenue in Japan and overseas
- Switch to high-value-added products
- Curbing of SG&A expenses

【5】 Water treatment facilities (for the electronics industry)

Orders

* □ denotes initial projections

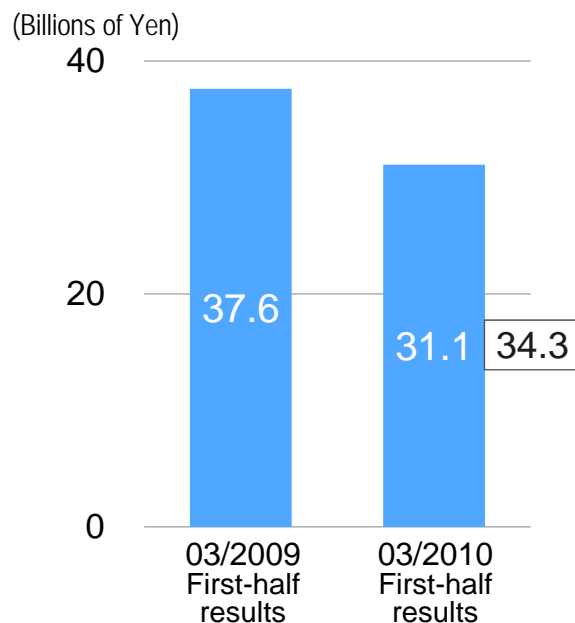


【 Major determinants of change 】

- Decline in hardware in Japan and overseas
- Decline in maintenance services in Japan
- Growth in the ultrapure water supply business

Sales

* □ denotes initial projections

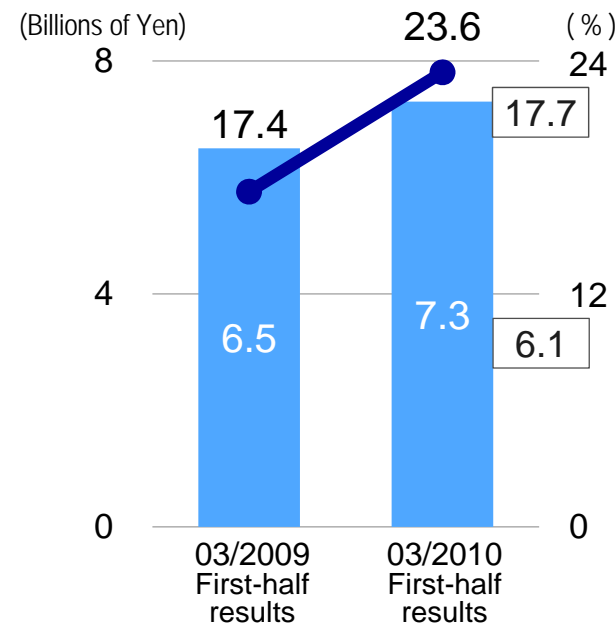


【 Major determinants of change 】

- Decline in hardware in Japan and overseas
- Decline in maintenance service in Japan
- Growth in the ultrapure water supply business

Operating Income and Operating Income Margin

■ Operating income
●—● Operating income margin
* □ denotes initial projections



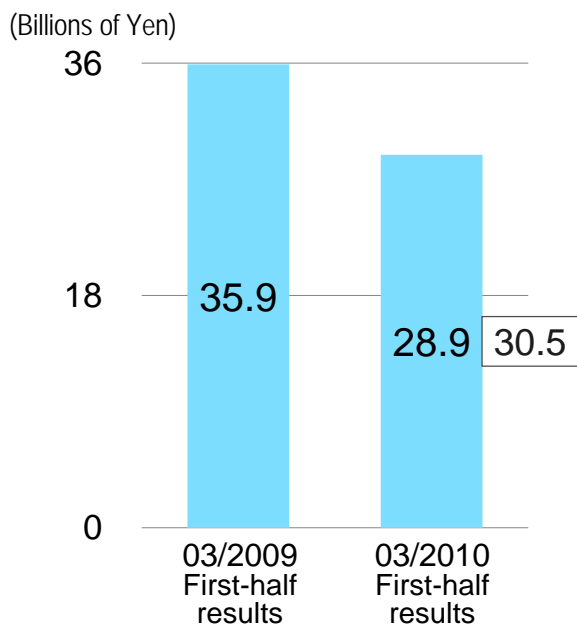
【 Major determinants of change 】

- Revenue growth in the ultrapure water supply business
- Curbing of SG&A expenses

【6】 Water treatment facilities (for general industries)

Orders

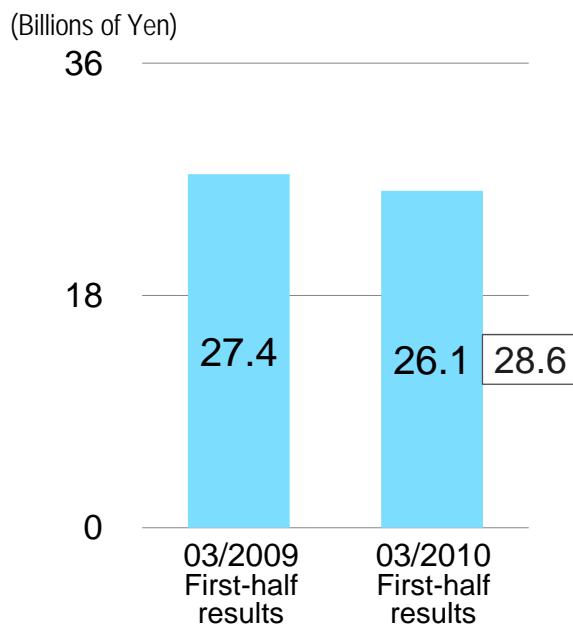
* □ denotes initial projections



- 【 Major determinants of change 】
- Decline in hardware
 - Decline in maintenance services

Sales

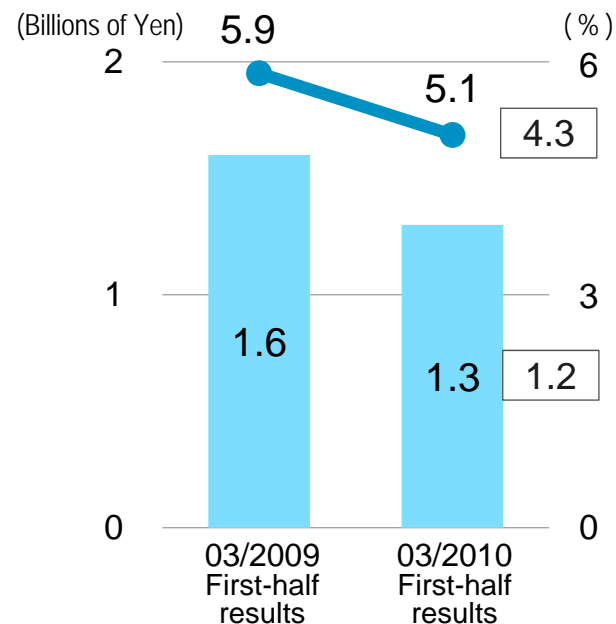
* □ denotes initial projections



- 【 Major determinants of change 】
- Decline in maintenance services

Operating Income and Operating Income Margin

■ Operating income
●—● Operating income margin
* □ denotes initial projections

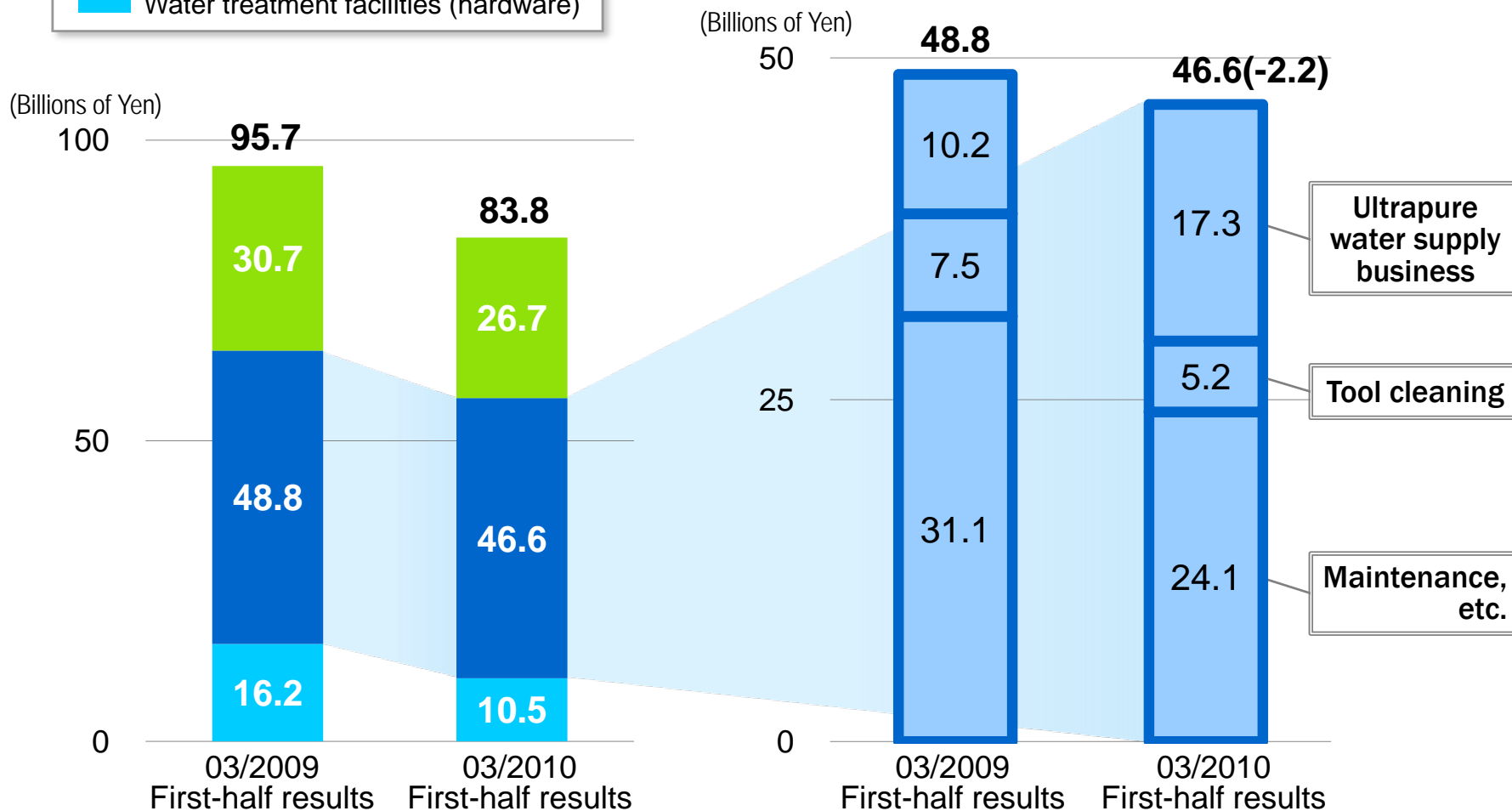


- 【 Major determinants of change 】
- Decline in maintenance services
 - Curbing of SG&A expenses

【7】 Service Business Revenue

- Water treatment chemicals
- Water treatment facilities (services)
- Water treatment facilities (hardware)

Service Business Revenue in the Water Treatment Facilities Segment



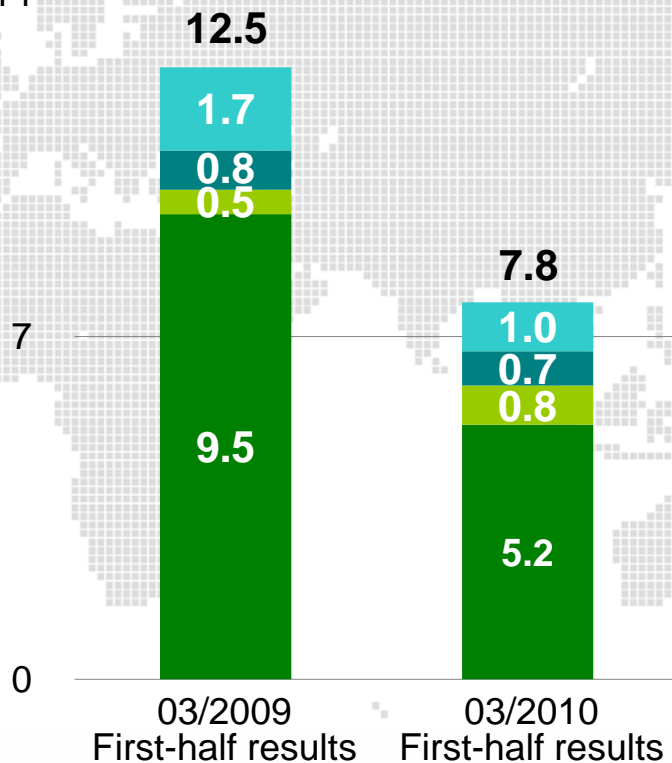
【8】 Overseas Businesses

Sales by Region



(Billions of Yen)

14

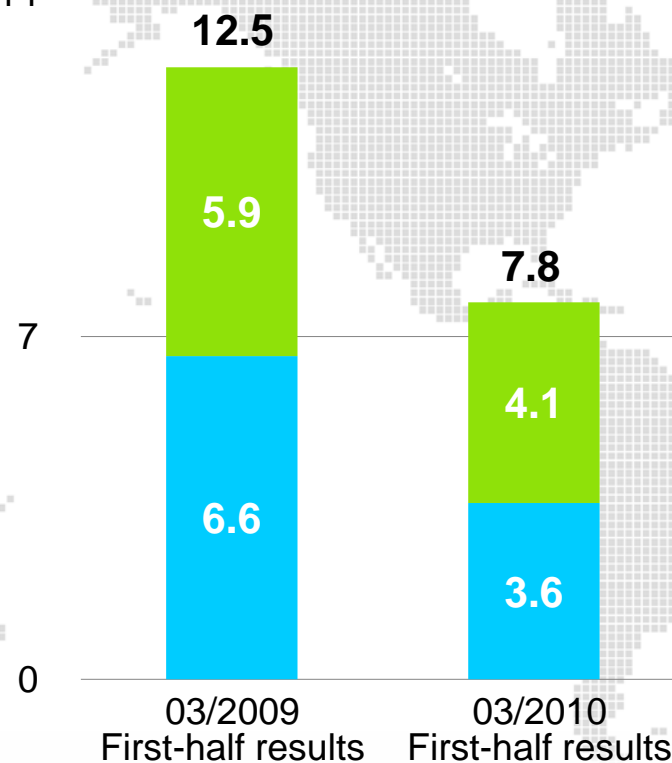


Sales by Overseas Business Segment



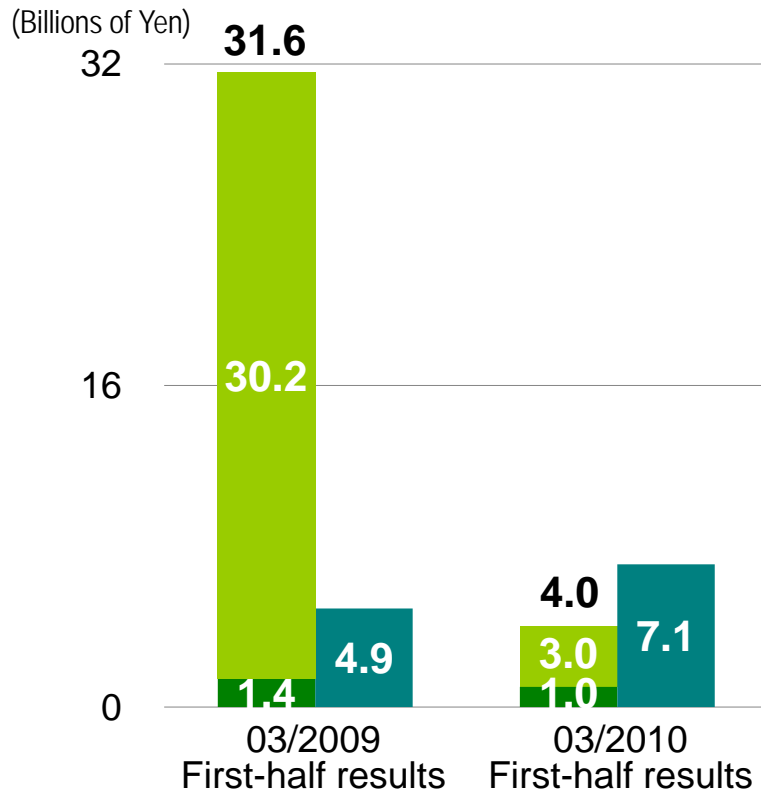
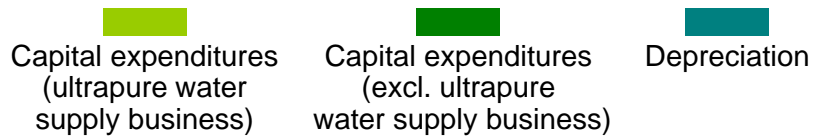
(Billions of Yen)

14

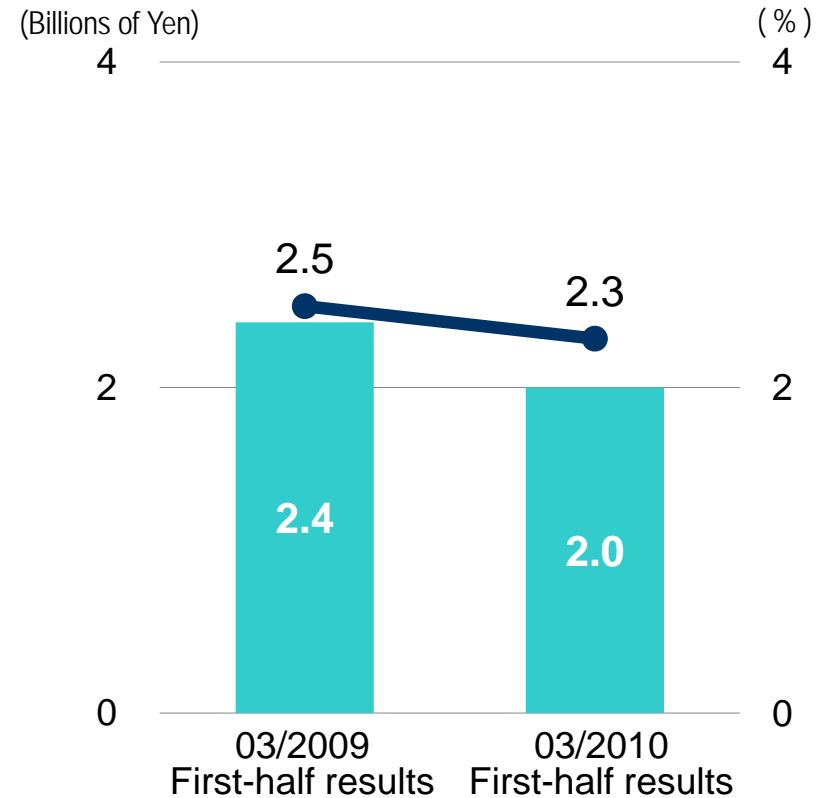
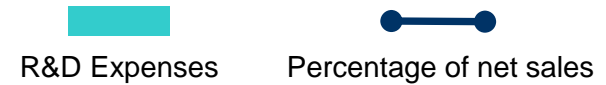


【9】 Capital Expenditures, Depreciation, and R&D Expenses

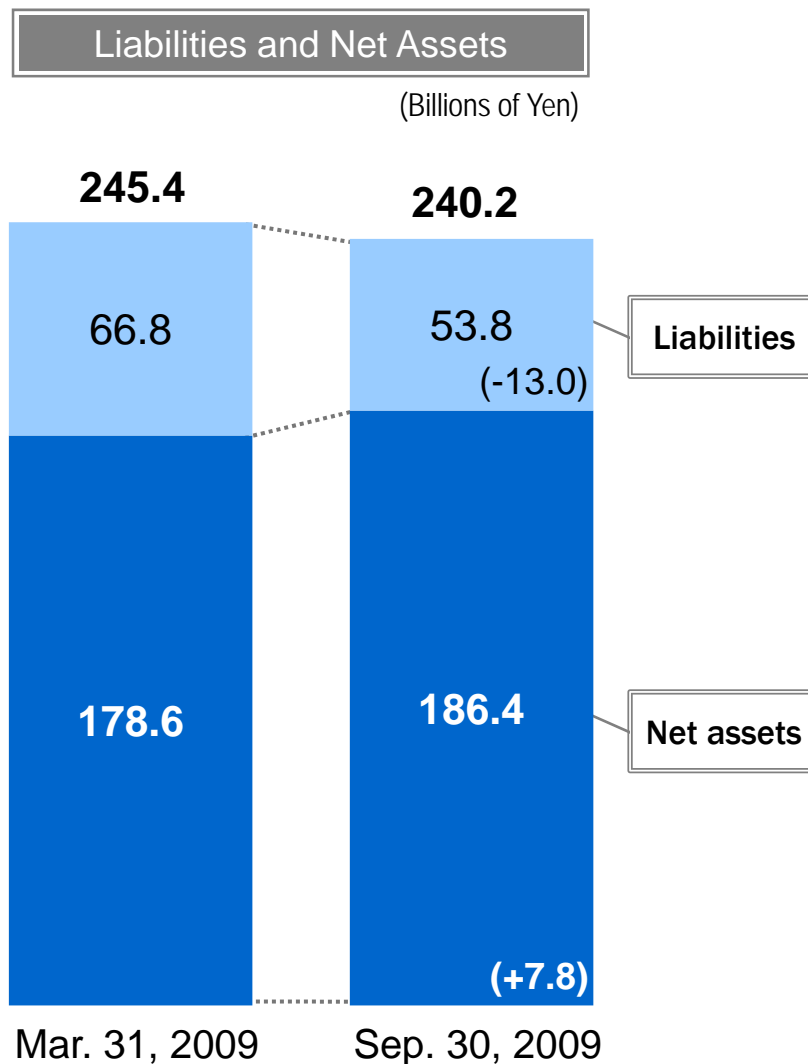
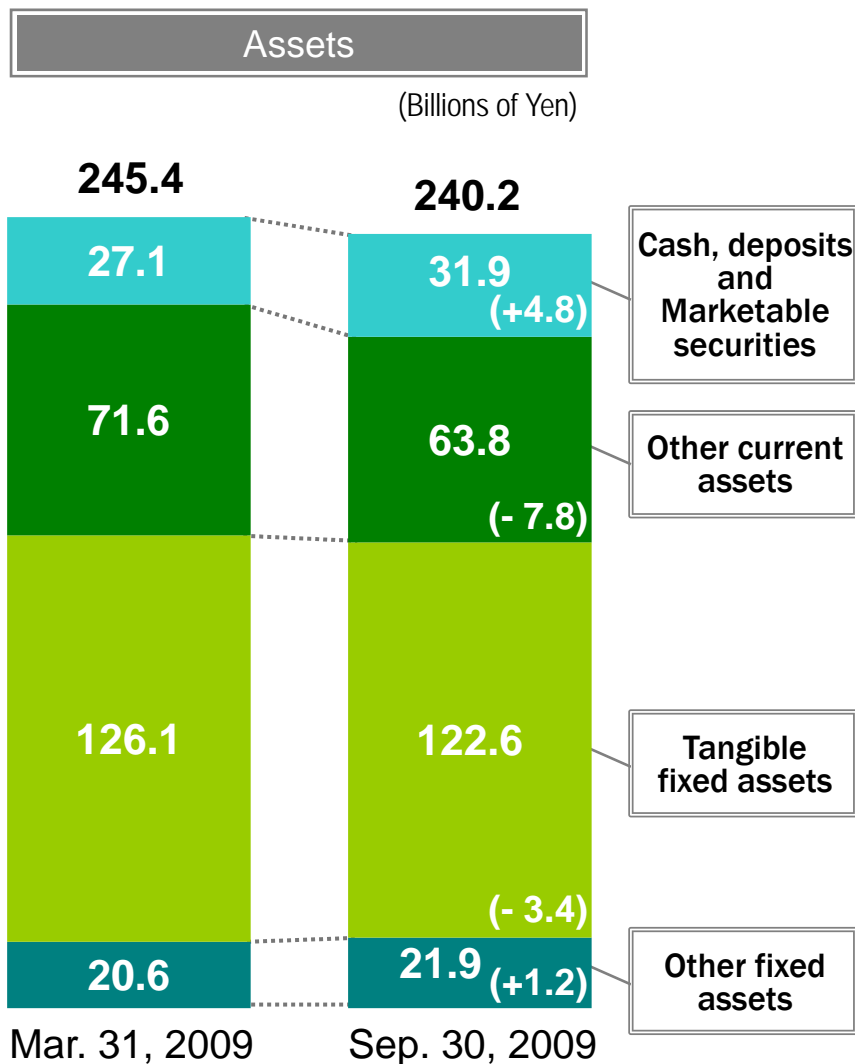
Capital Expenditures and Depreciation



R&D Expenses



【10】 Financial Condition



- 【 1 】 Key Assumptions**
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 - 【 9 】 Outlook for the Ultrapure Water Supply Business**
 - 【10】 Ultrapure Water Supply Business (Trends)**
 - 【11】 Capital Expenditures, Depreciation, and R&D Expenses**
 - 【12】 Dividend Policy**
-

【1】 Key Assumptions

Water Treatment Chemicals Segment

- Customers will continue to face a strong need to boost productivity, save energy, and reduce their environmental footprint
- Demand will recover in Asia and emerging economies
- Raw materials prices remain relatively low but may resurge

Water Treatment Facilities Segment

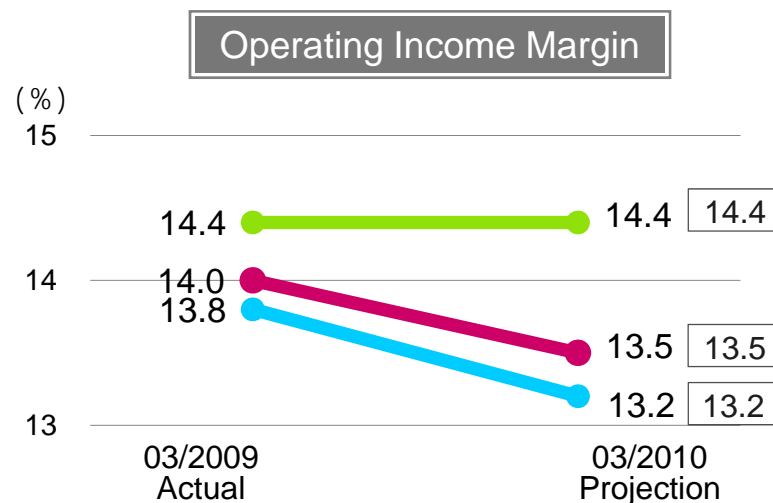
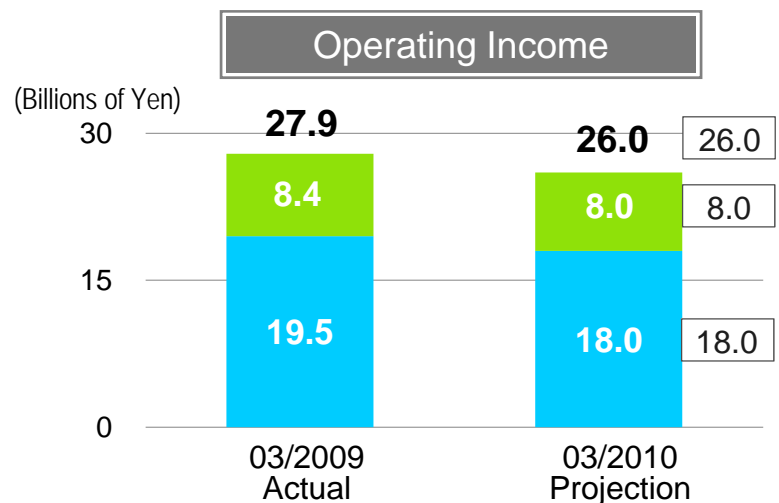
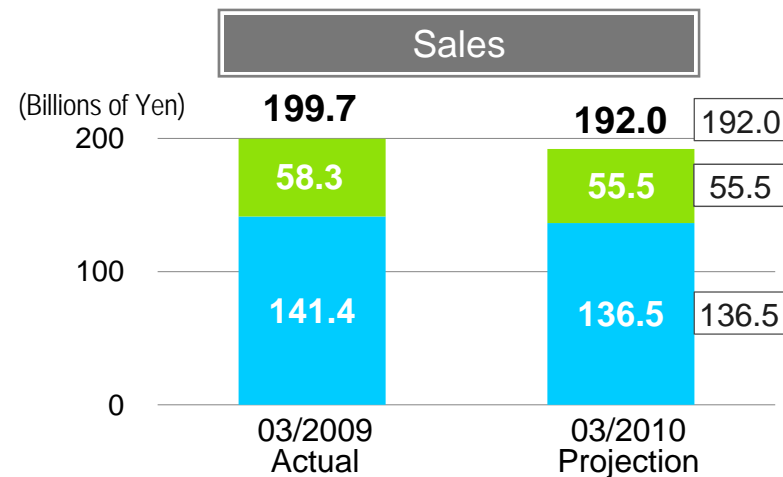
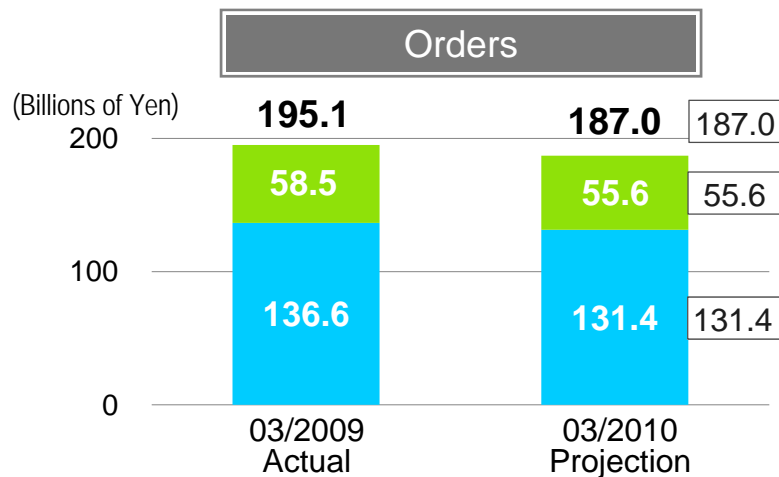
- Net growth in the ultrapure water supply business
- Capital expenditure demand will rise in the Asian electronics industry
- Demand for maintenance services will bottom out in Japan

【2】 Overview

	(Billions of Yen)		
	03/2009 Actual	03/2010 Current Projection	Year-on-year change
Orders	195.1	187.0	- 4.1%
Net Sales	199.7	192.0	- 3.9%
Operating Income	27.9	26.0	- 6.9%
Ordinary Income	28.9	26.5	- 8.4%
Net Income	16.3	15.0	- 8.0%

【3】 Orders, Sales, Operating Income, and Operating Income Margin

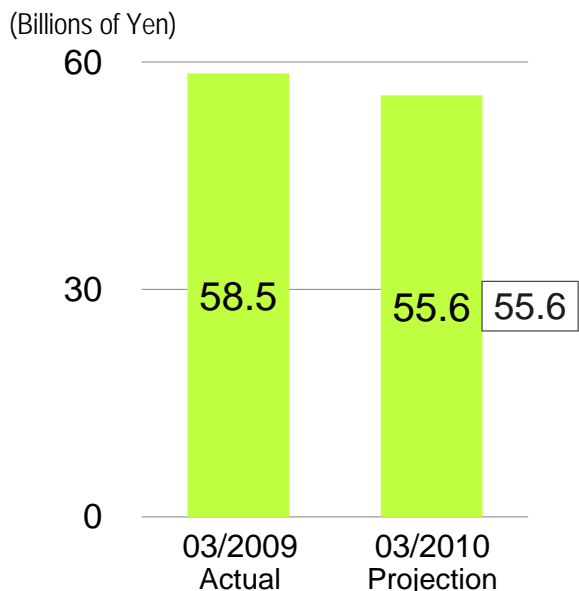
■ Water treatment chemicals
 ■ Water treatment facilities
 ● Total
 * □ denotes initial projections



【4】 Water treatment chemicals

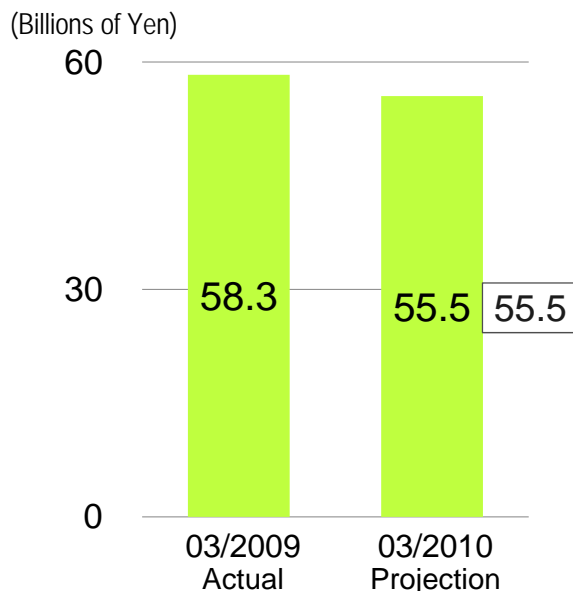
Orders

* □ denotes initial projections



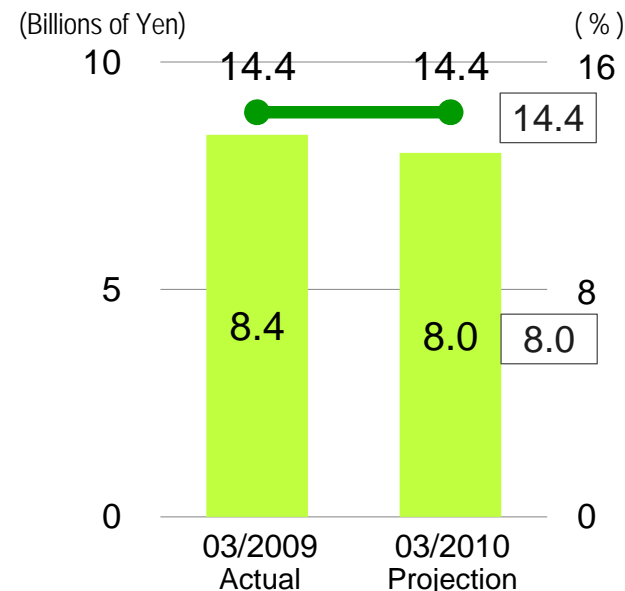
Sales

* □ denotes initial projections



Operating Income and Operating Income Margin

■ Operating income
●—● Operating income margin
* □ denotes initial projections



【 Major areas of growth/decline in orders/sales 】

- Japan: Demand pickup in the second half
- Overseas: Recovery in the second half

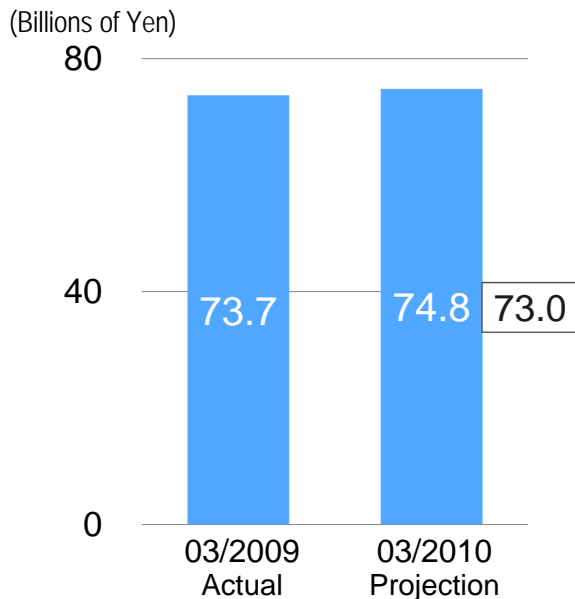
【 Major determinants of change 】

- Decline in revenues in Japan and overseas
- Curbing of SG&A expenses
- Declines/rebounds in raw materials prices

【5】 Water treatment facilities (for the electronics industry)

Orders

* □ denotes initial projections

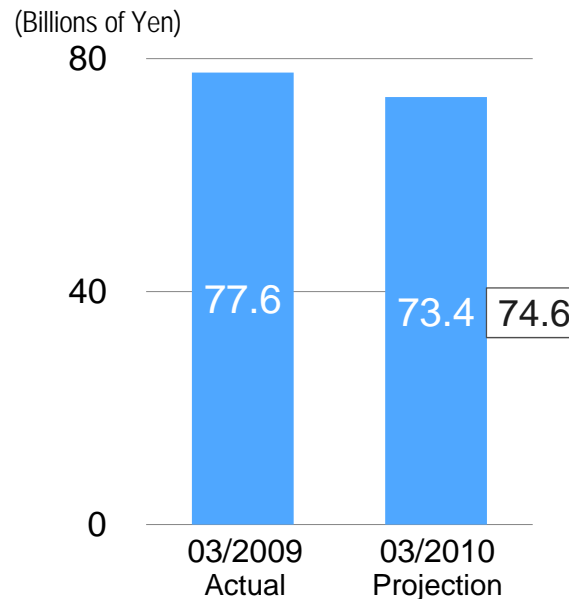


【 Major determinants of change 】

- Growth in the ultrapure water supply business
- Decline in maintenance services
- Growth in hardware orders from the electronics industry overseas

Sales

* □ denotes initial projections

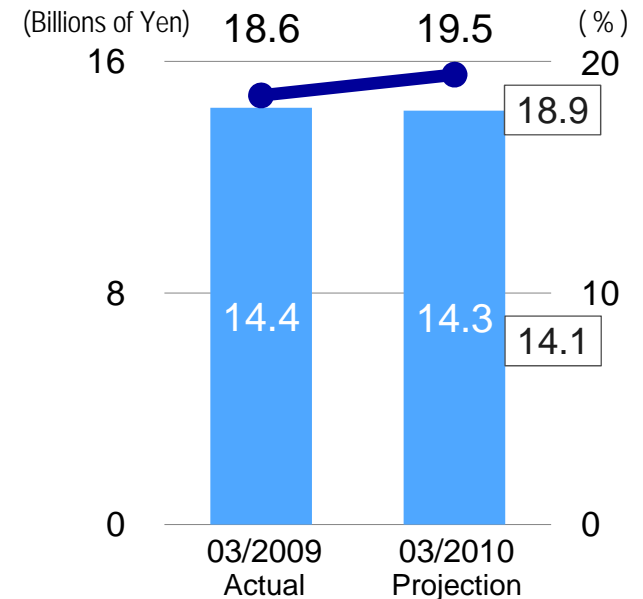


【 Major determinants of change 】

- Growth in the ultrapure water supply business
- Decline in hardware
- Decline in maintenance services

Operating Income and Operating Income Margin

■ Operating income
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* □ denotes initial projections



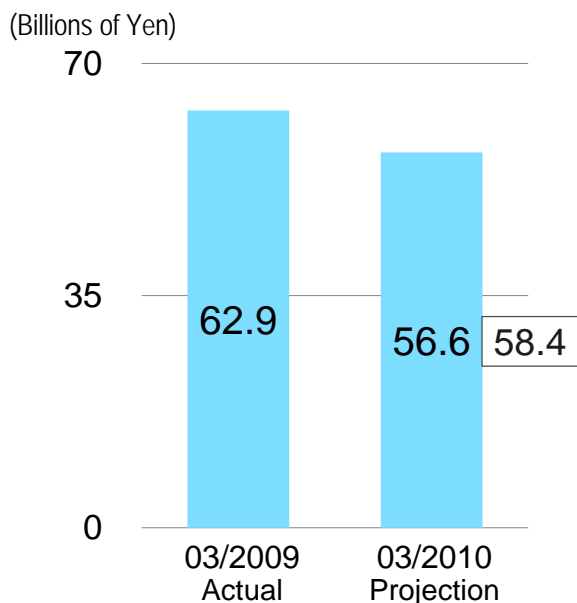
【 Major determinants of change 】

- Revenue growth in the ultrapure water supply business
- Decline in hardware revenue
- Decline in maintenance services revenue

【6】 Water treatment facilities (for general industries)

Orders

* □ denotes initial projections

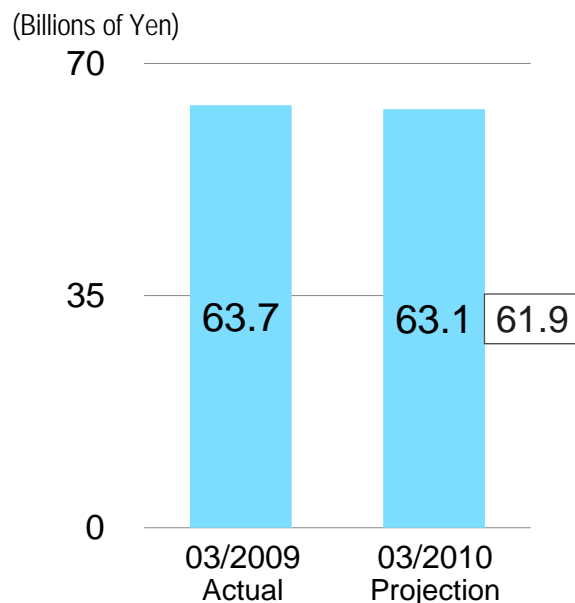


【 Major determinants of change 】

- Decline in maintenance services

Sales

* □ denotes initial projections

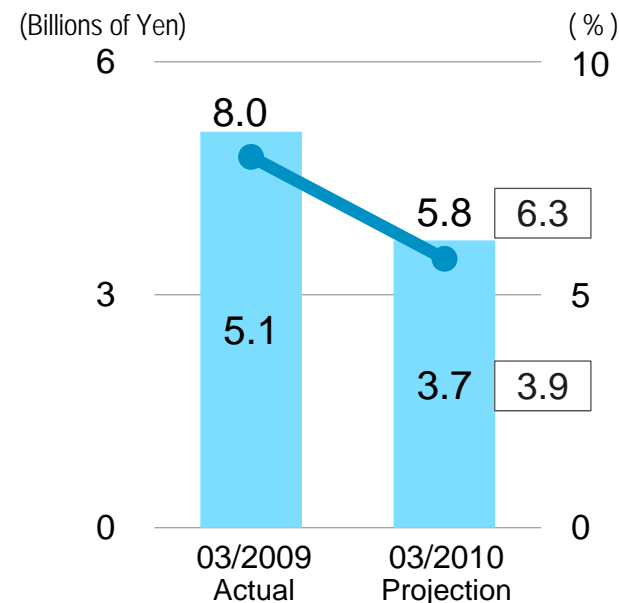


【 Major determinants of change 】

- Decline in maintenance services

Operating Income and Operating Income Margin

■ Operating income
●—● Operating income margin
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【 Major determinants of change 】

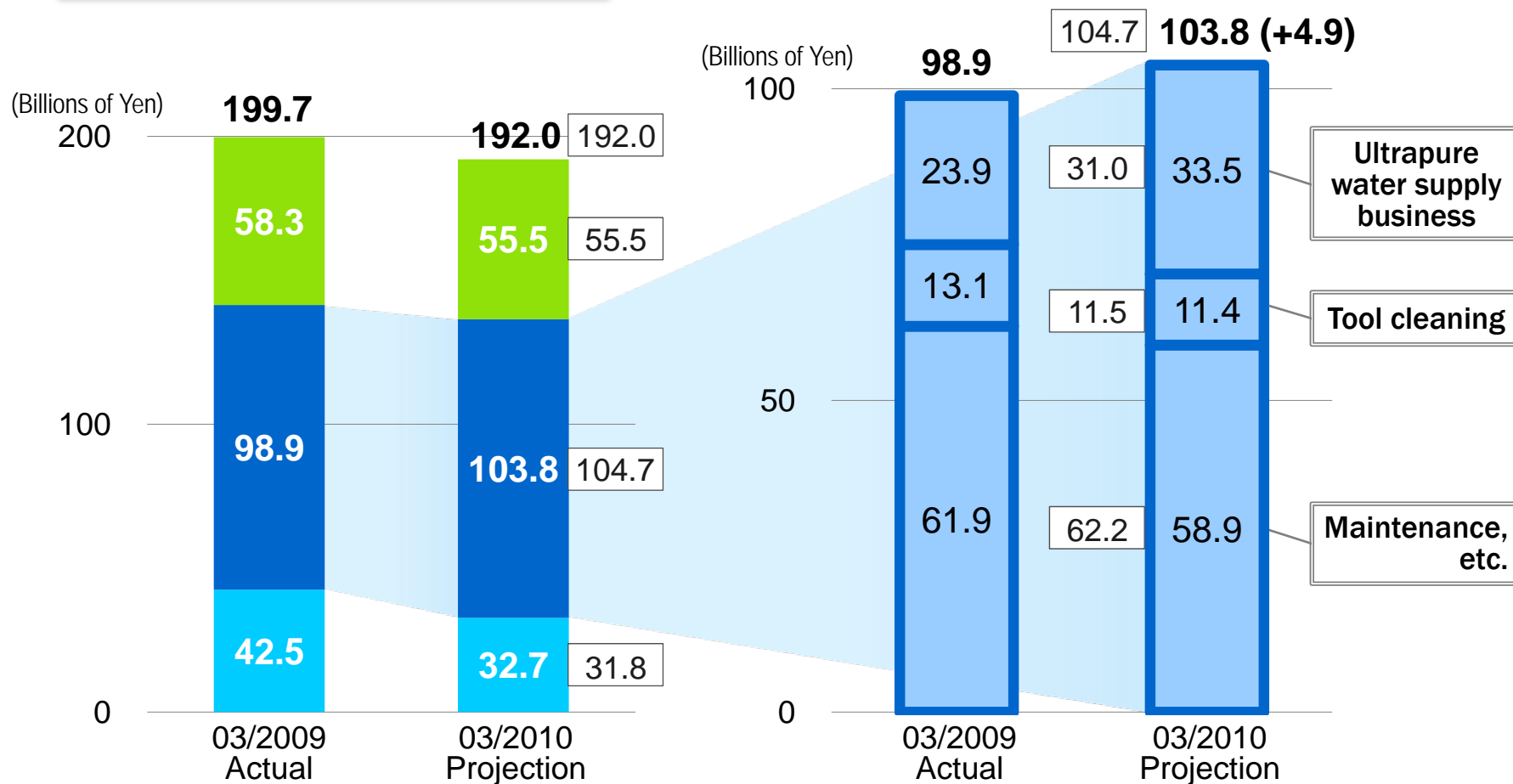
- Decline in hardware revenue
- Decline in maintenance services revenue

【7】 Service Business Revenue

- Water treatment chemicals
- Water treatment facilities (services)
- Water treatment facilities (hardware)

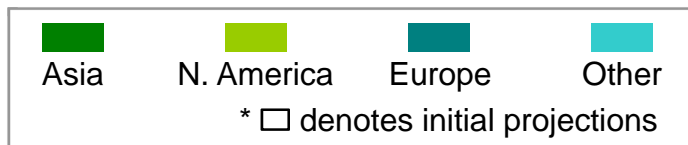
Service Business Revenue in the Water Treatment Facilities Segment

* □ denotes initial projections

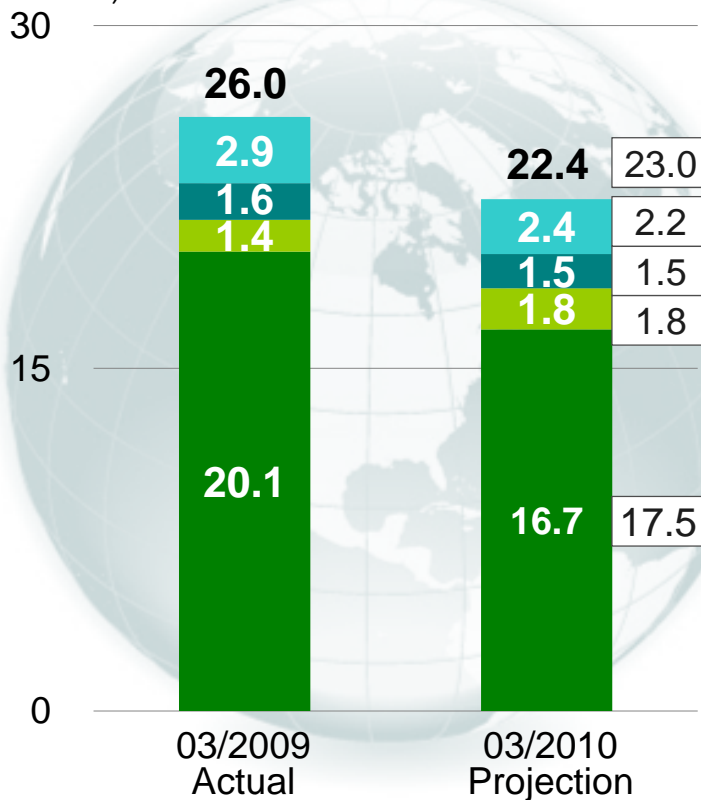


【8】 Overseas Businesses

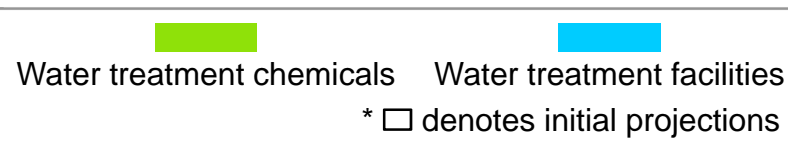
Sales by Region



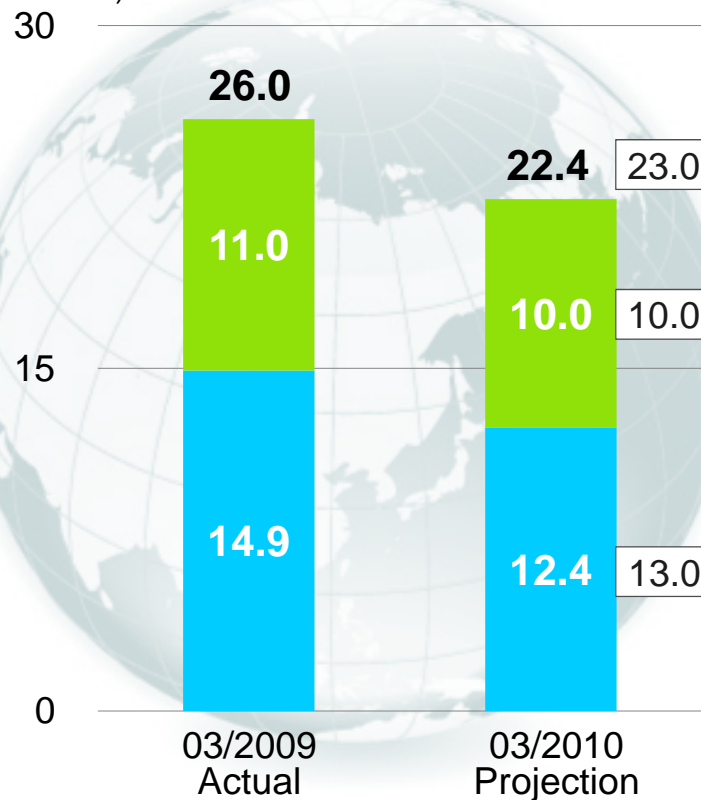
(Billions of Yen)



Sales by Overseas Business Segment



(Billions of Yen)



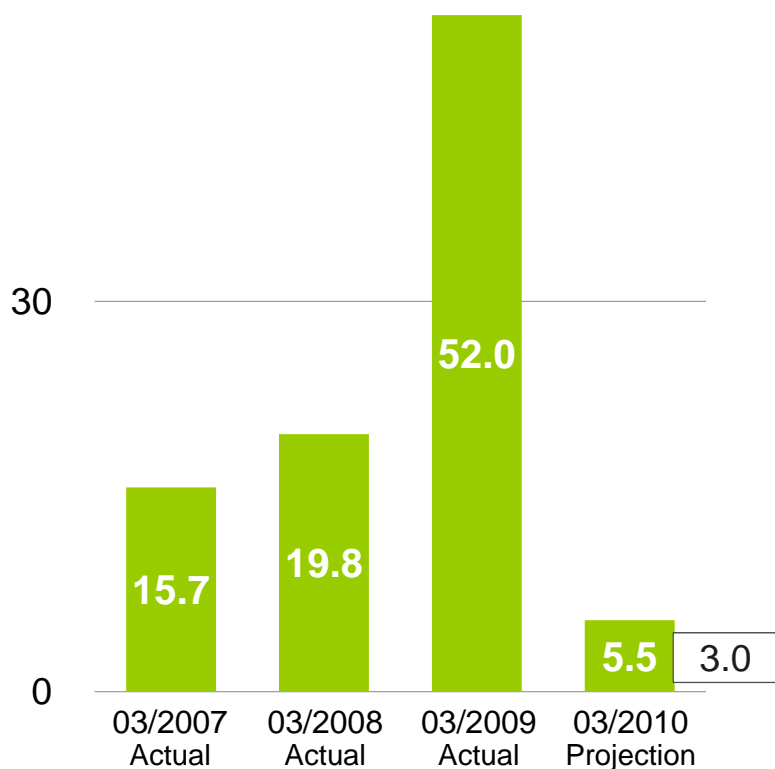
【9】 Outlook for the Ultrapure Water Supply Business

Capital Expenditures

* □ denotes initial projections

(Billions of Yen)

60

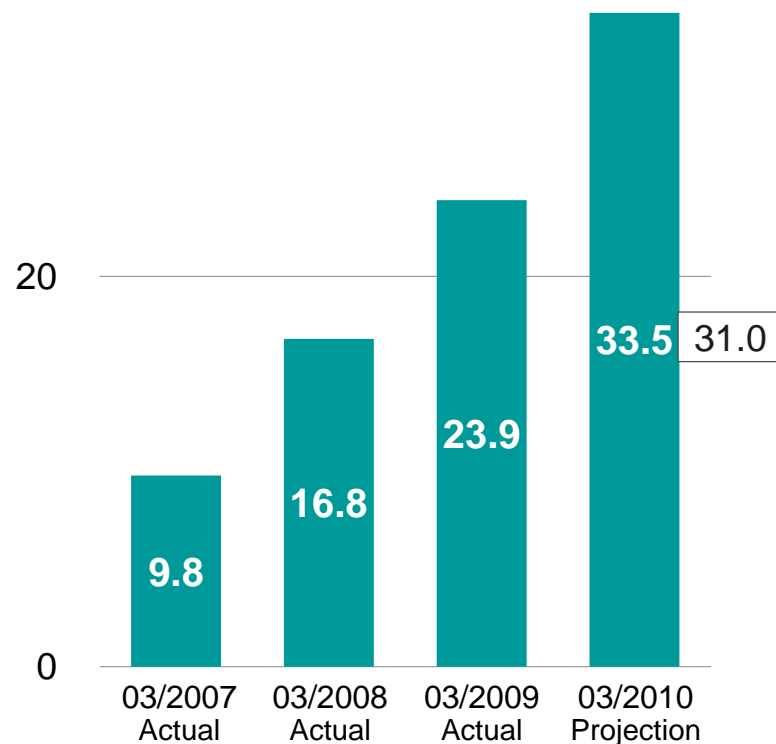


Sales

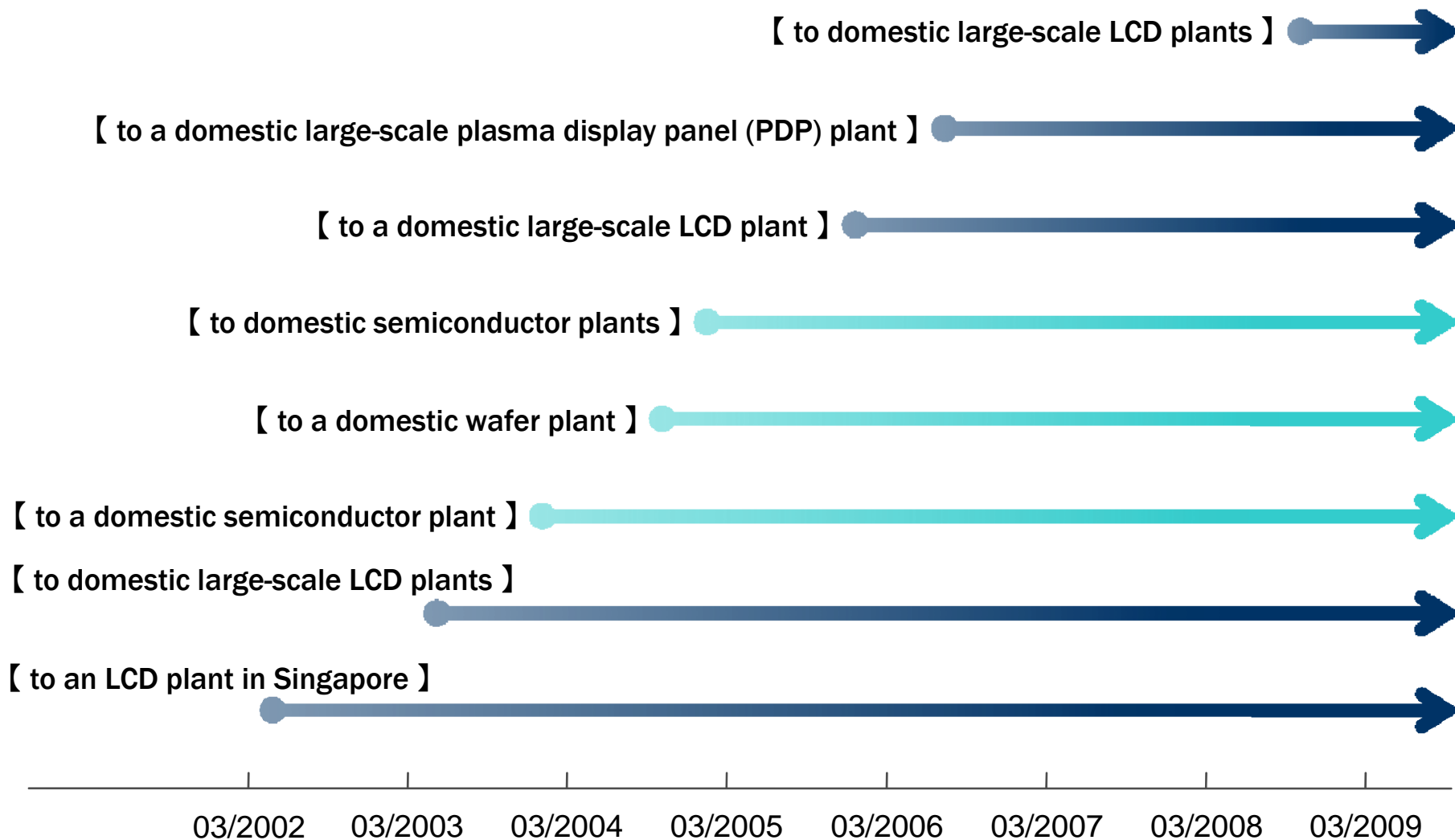
* □ denotes initial projections

(Billions of Yen)

40

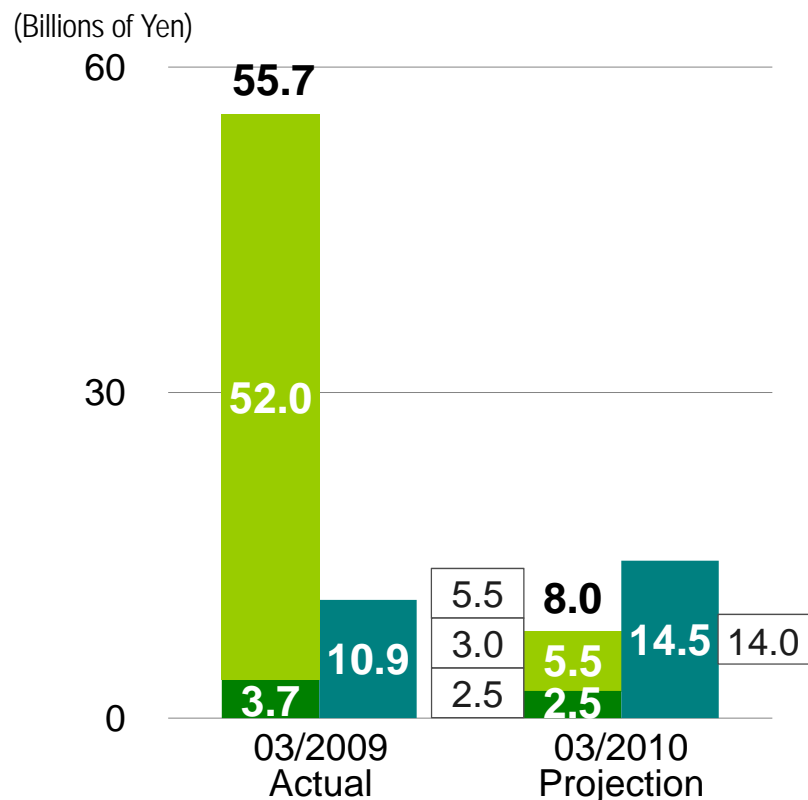
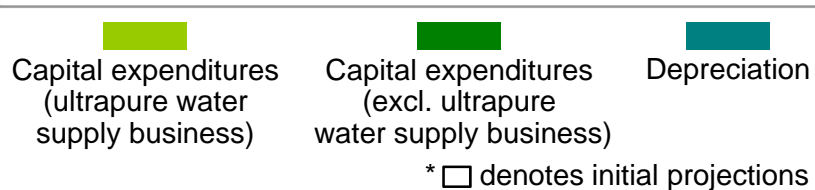


【10】 Ultrapure Water Supply Business (Trends)

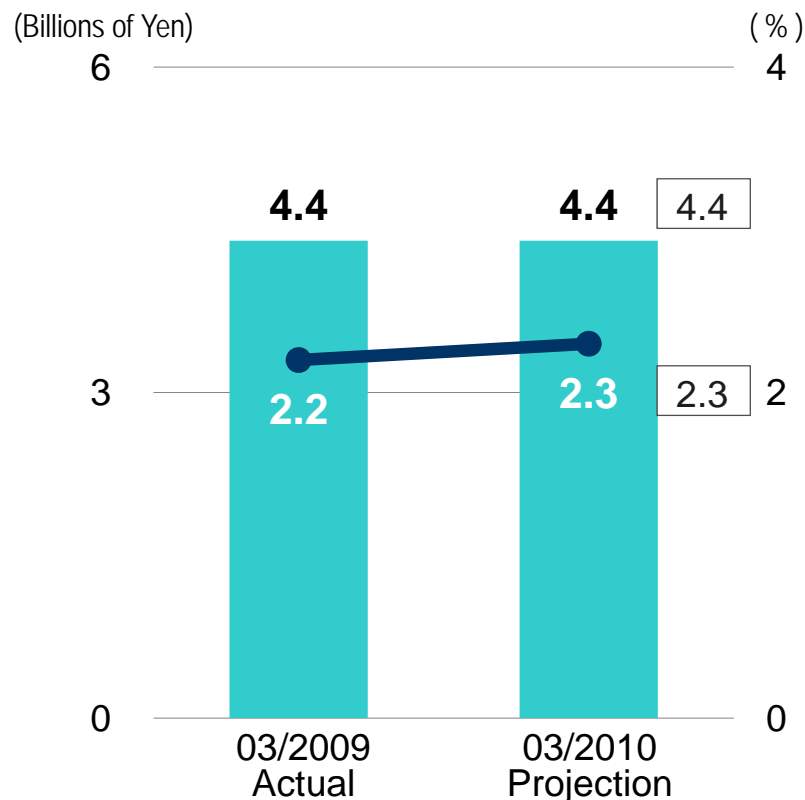
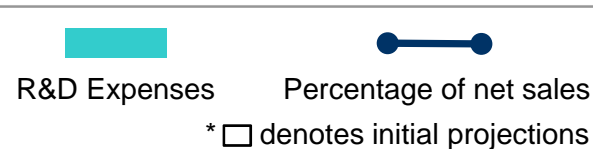


【11】 Capital Expenditures, Depreciation, and R&D Expenses

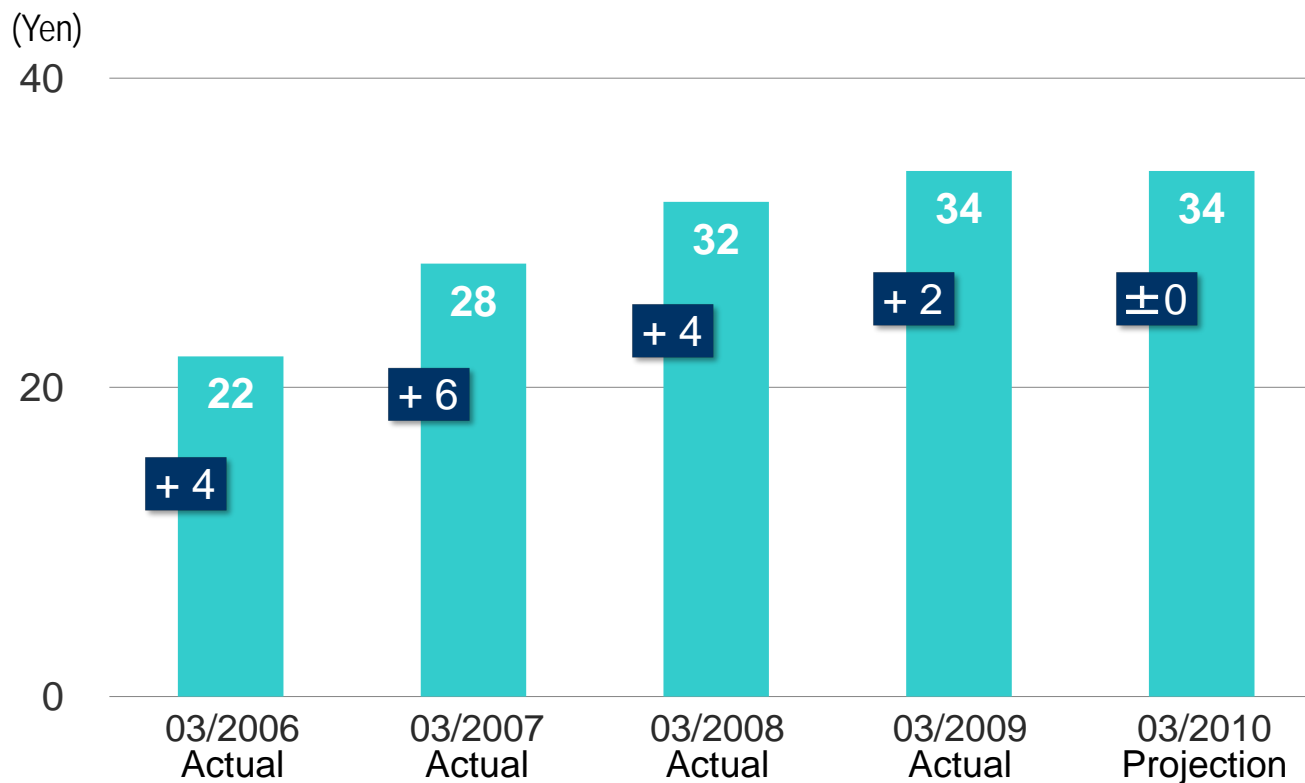
Capital Expenditures and Depreciation



R&D Expenses



【12】 Dividend Policy

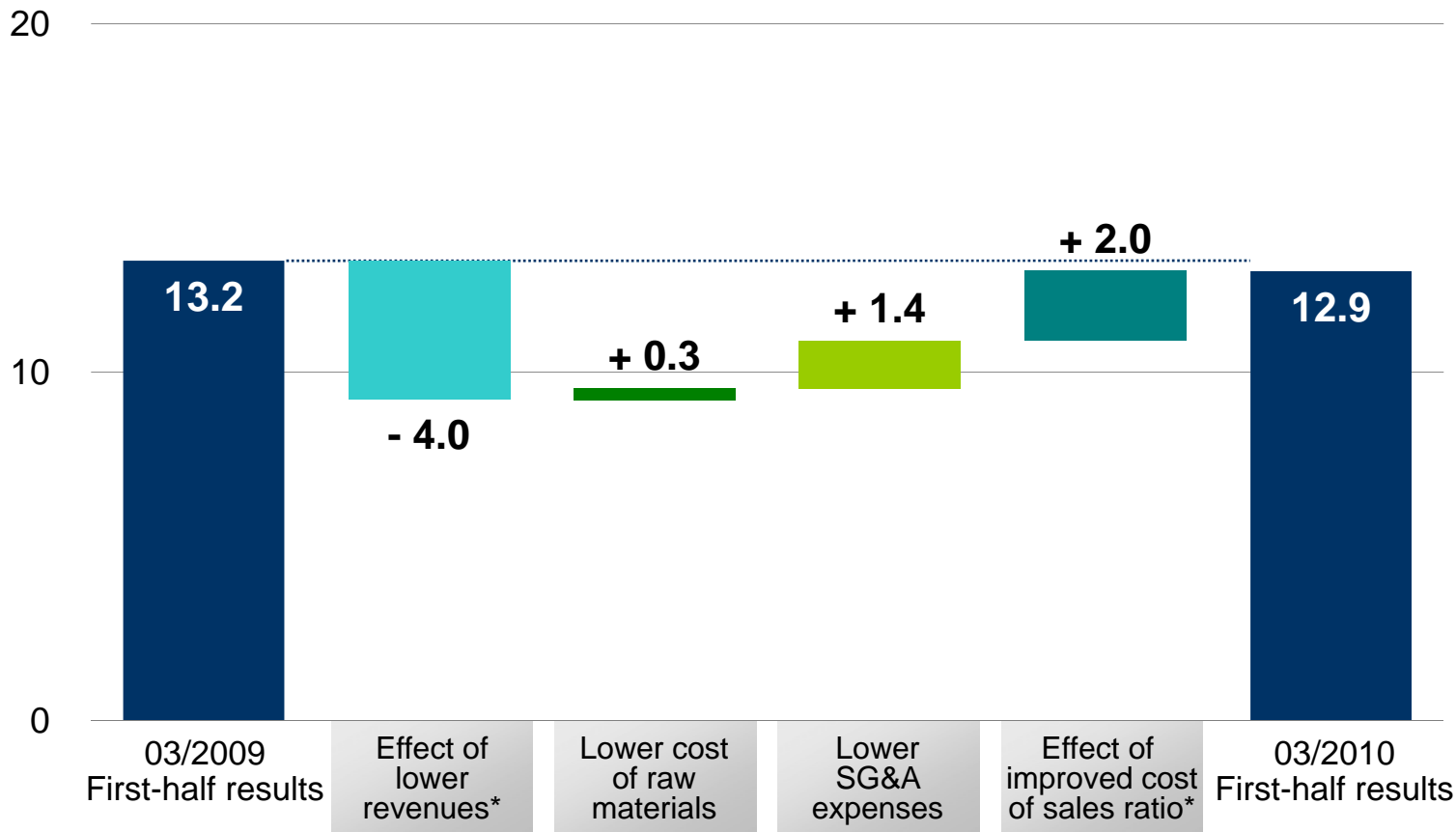


Basic Dividend Policy

Kurita's basic policy is to maintain stable dividends, and the company will work to increase dividends while giving due consideration to trends in results and investments in its businesses.

Analysis of Changes in First-half Operating Income for the Fiscal Year Ending March 31, 2010

(Billions of Yen)



Effects of lower revenues and improved cost of sales ratio* are calculated using the gross profit margin.

*Cost of sales ratio: Costs of sales / Sales

Kurita Water Industries Ltd.

■ U R L ■ <http://www.kurita.jp/>

■ M A I L ■ ir@kurita.co.jp

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.