

Kurita Water Industries Ltd.

Earnings for the Six Months Ended September 30, 2010

First Half of the Fiscal Year Ending March 31, 2011



(Stock code : 6370)

November 2, 2010

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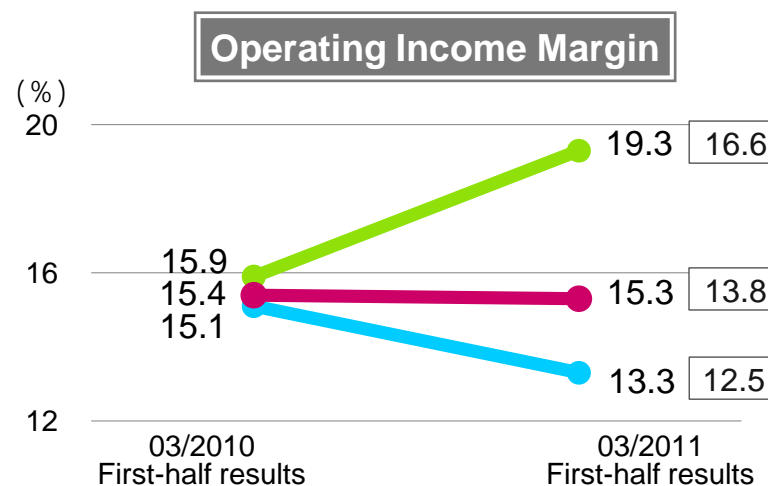
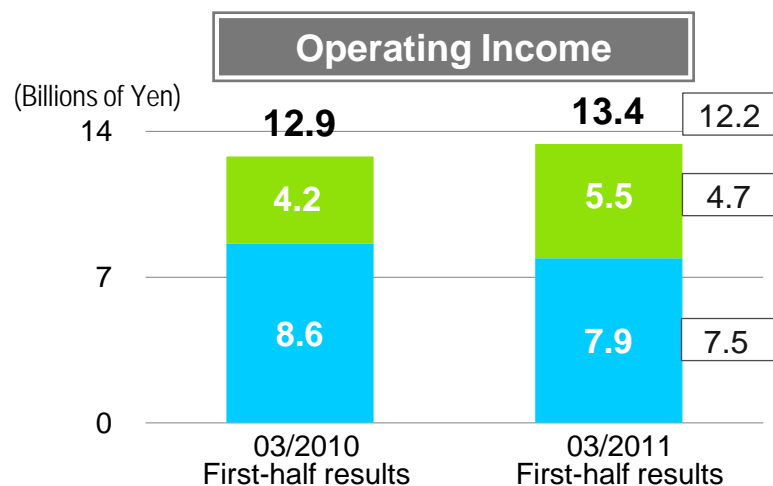
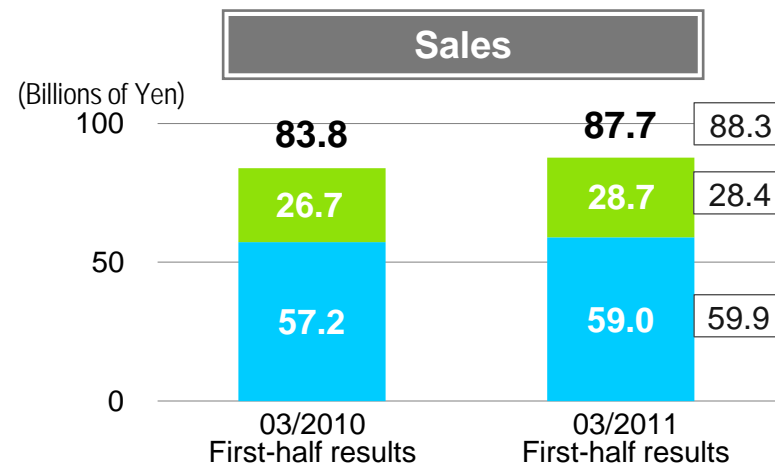
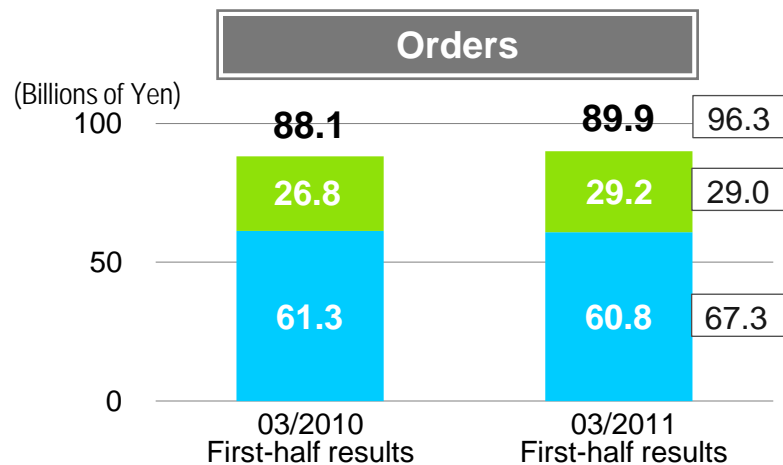
【1】 Financial Highlights

(Billions of Yen)

	Fiscal year to March 2010 First-half results	Fiscal year to March 2011 Initial first-half projection	Fiscal year to March 2011 First-half results	Year-on-year change
Orders	88.1	96.3	89.9	+ 2.1%
Net Sales	83.8	88.3	87.7	+ 4.6%
Operating Income	12.9	12.2	13.4	+ 4.1%
Ordinary Income	13.2	12.4	13.9	+ 5.6%
Net Income	8.1	7.5	8.2	+ 0.7%

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

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

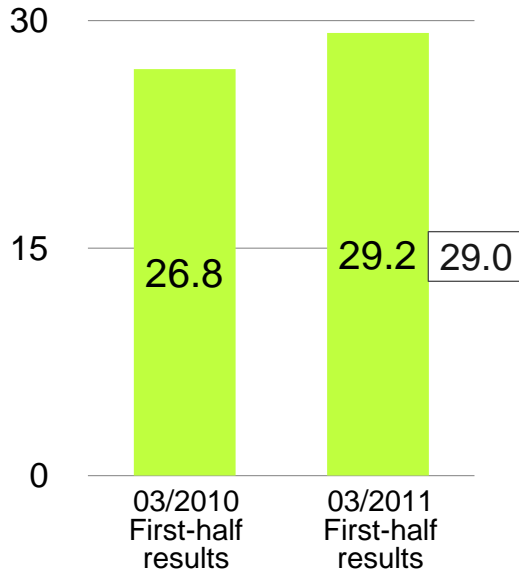


【3】 Water treatment chemicals

Orders

* □ denotes initial projections

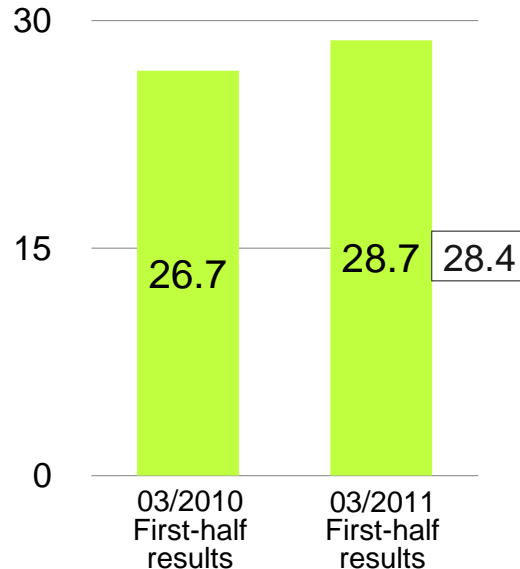
(Billions of Yen)



Sales

* □ denotes initial projections

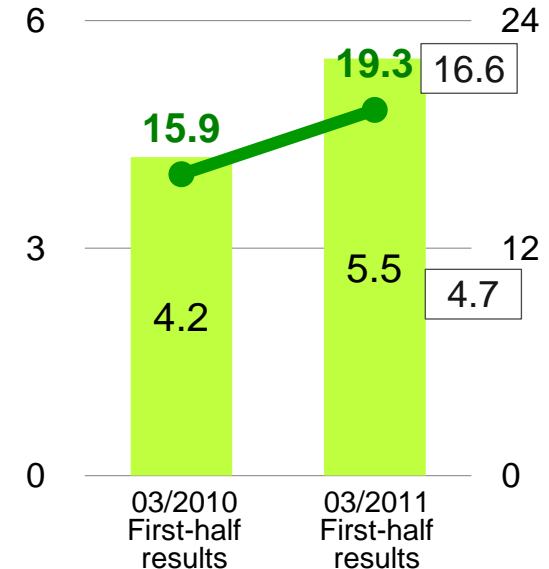
(Billions of Yen)



Operating Income and Operating Income Margin

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

(Billions of Yen)



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

- Japan : Increase for mainstay products, particularly cooling water treatment chemicals from August (+)
- Overseas : Substantial growth in Indonesia, China, Singapore, Taiwan, Brazil, etc. (+)

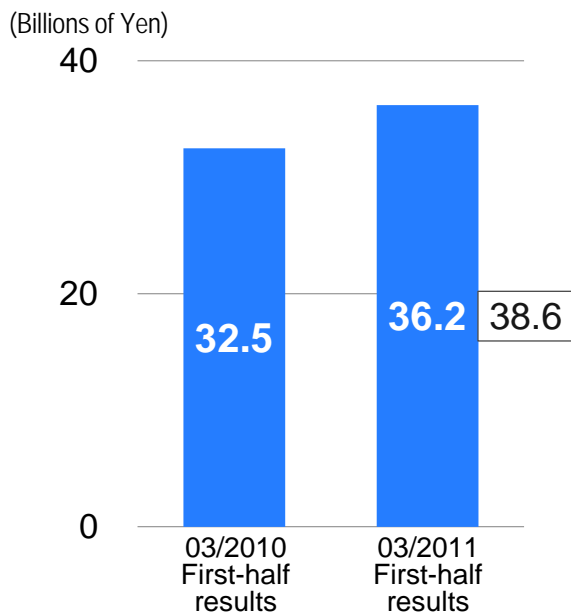
【 Major determinants of change 】

- Impact of revenue growth (+)
- Efforts to reduce cost of sales (+)

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

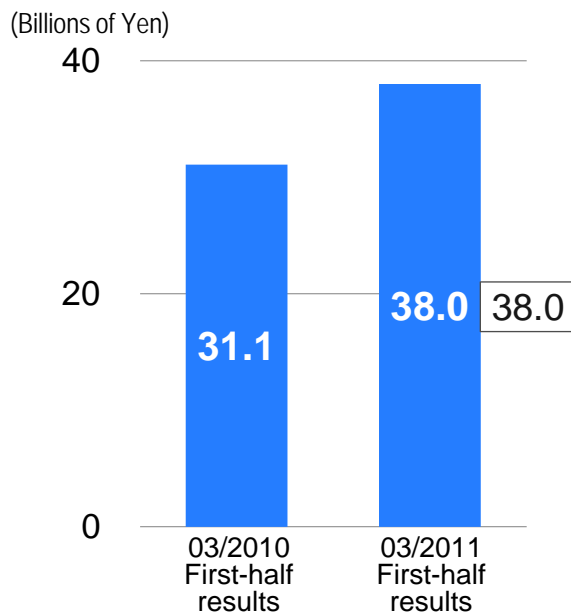
Orders

* □ denotes initial projections



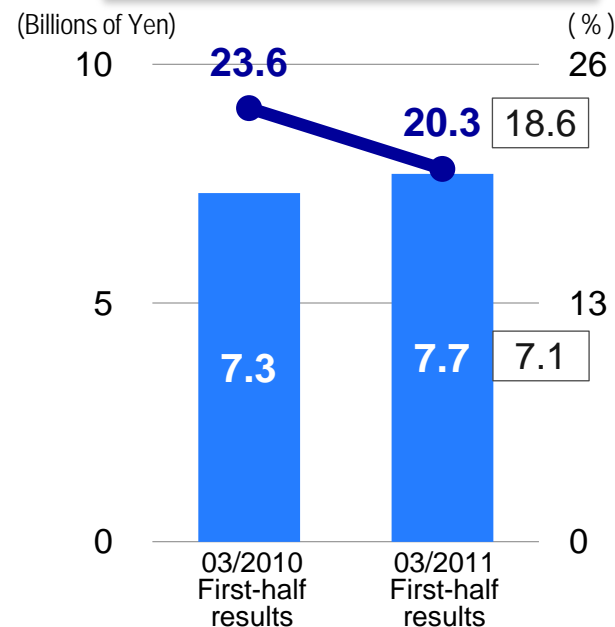
Sales

* □ denotes initial projections



Operating Income and Operating Income Margin

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



【 Major areas of change 】

- Increase in hardware overseas (+)
- Recovery in maintenance services (+)
- Decline in hardware in Japan (-)
- Marginal increase in the ultrapure water supply business (+)

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- Increase in hardware overseas (+)
- Increase in hardware in Japan (+)
- Recovery in maintenance services (+)
- Marginal increase in the ultrapure water supply business (+)

【 Major determinants of change 】

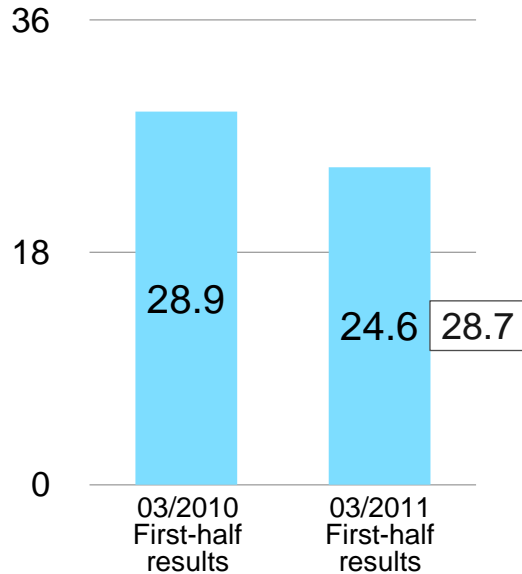
- Effect of improved cost of sales (+)
- Recovery in maintenance services (+)
- Cost increases in the ultrapure water supply business (-)

【5】 Water treatment facilities (for general industries)

Orders

* □ denotes initial projections

(Billions of Yen)



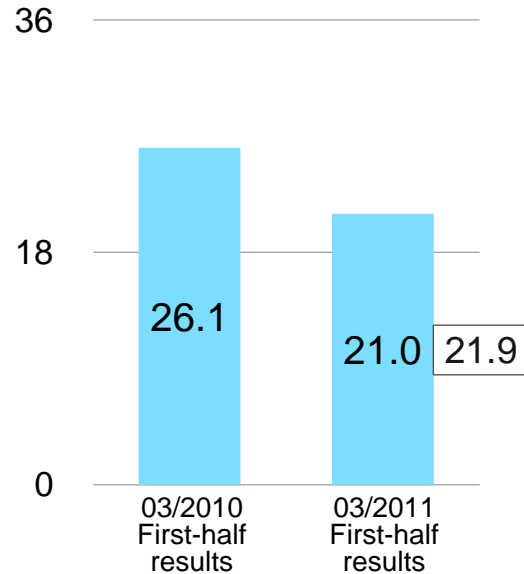
【 Major areas of change 】

- Decline in hardware (-)
- Decline in orders from the electric power industry (-)
- Decline in soil remediation (-)
- Recovery in maintenance services (+)

Sales

* □ denotes initial projections

(Billions of Yen)



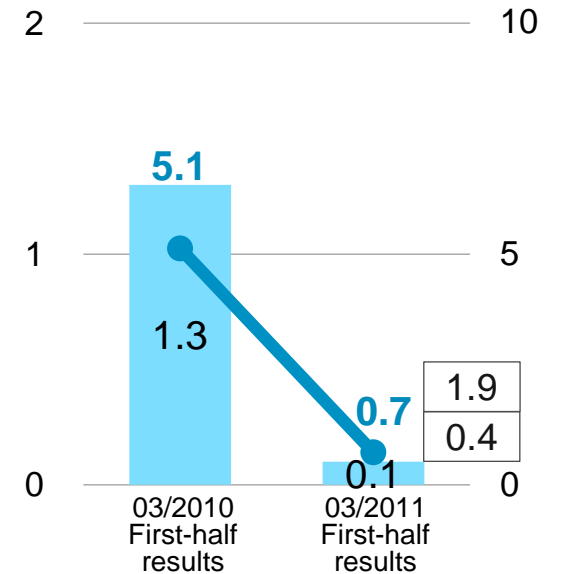
【 Major areas of change 】

- Decline in hardware (-)
- Decline in soil remediation (-)
- Recovery in maintenance services (+)

Operating Income and Operating Income Margin

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

(Billions of Yen)

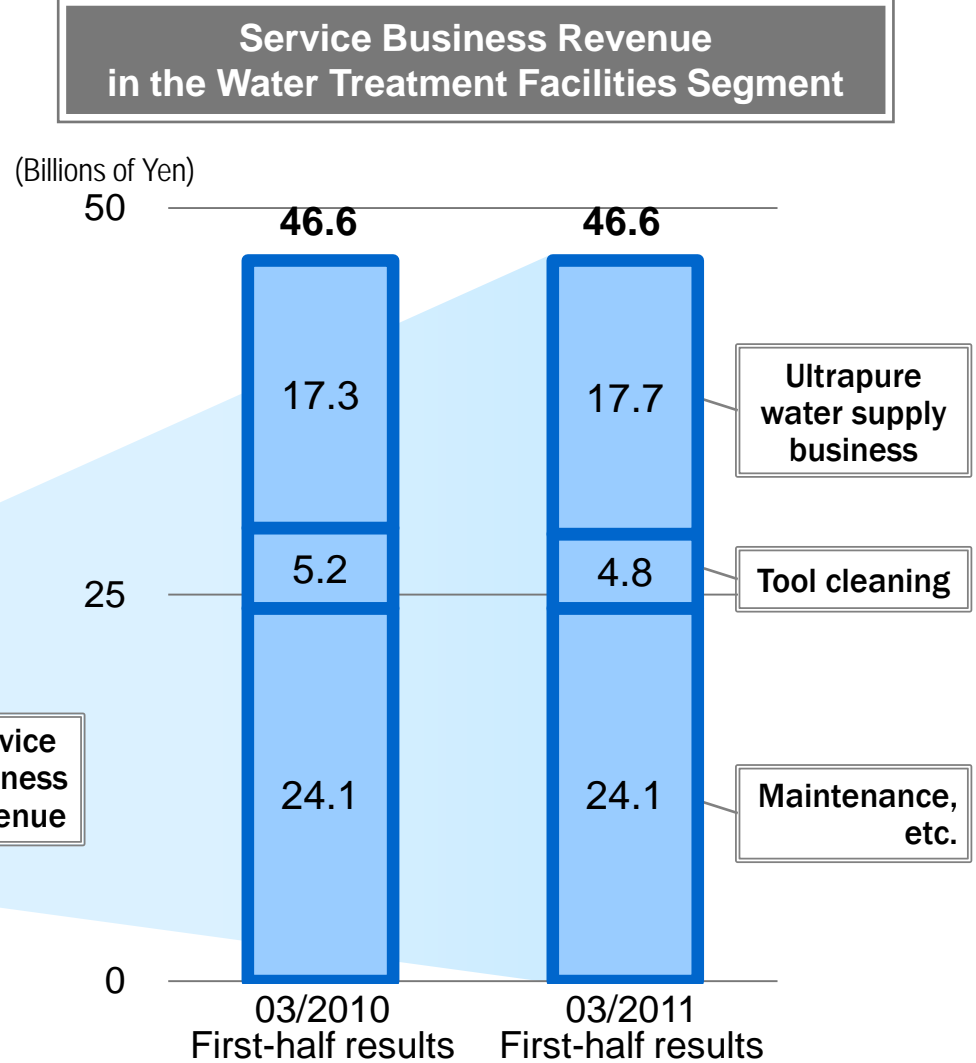
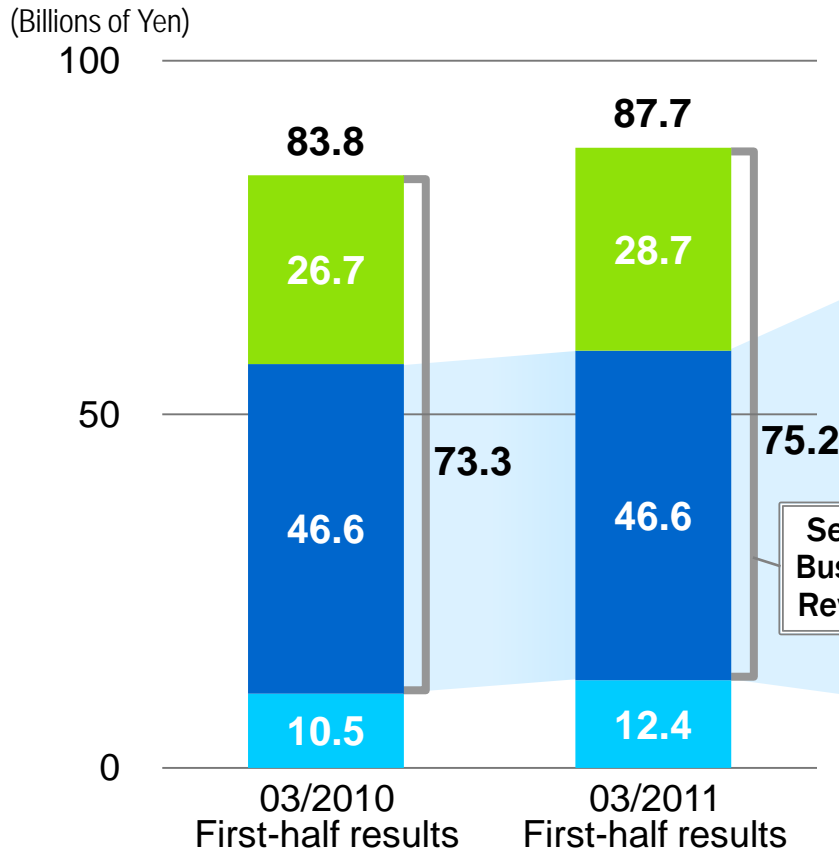


【 Major determinants of change 】

- Decline in hardware (-)
- Recovery in maintenance services (+)
- Decline in soil remediation (-)

【6】 Service Business Revenue

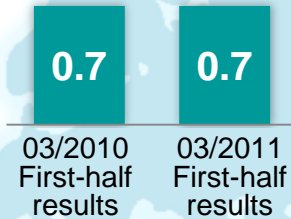
- Water treatment chemicals
- Water treatment facilities (services)
- Water treatment facilities (hardware)



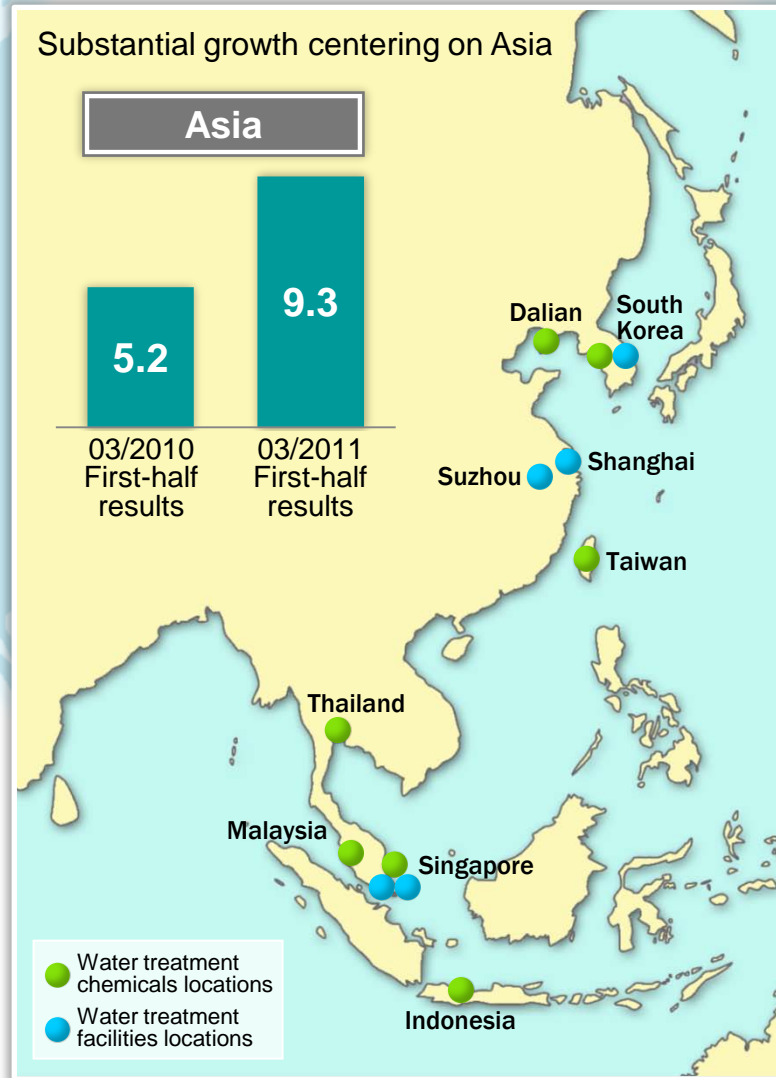
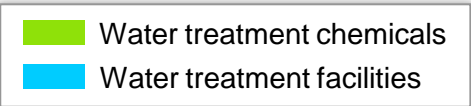
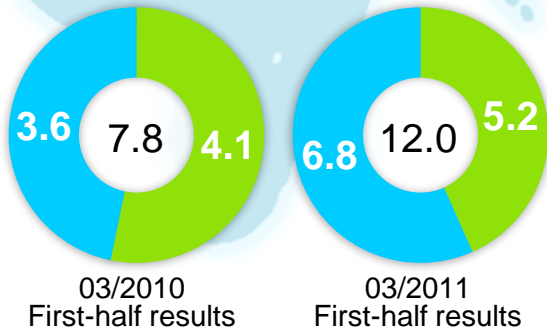
【7】 Overseas Businesses (sales by region and business & map of Asian locations)

(Billions of Yen)

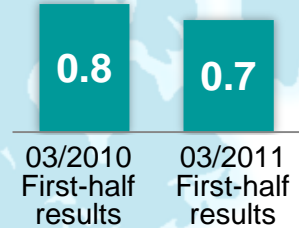
Europe



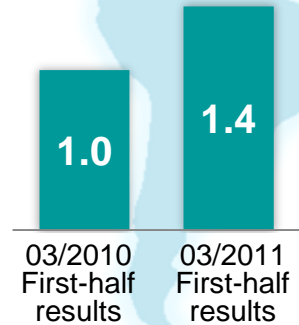
Business Segment



N. America

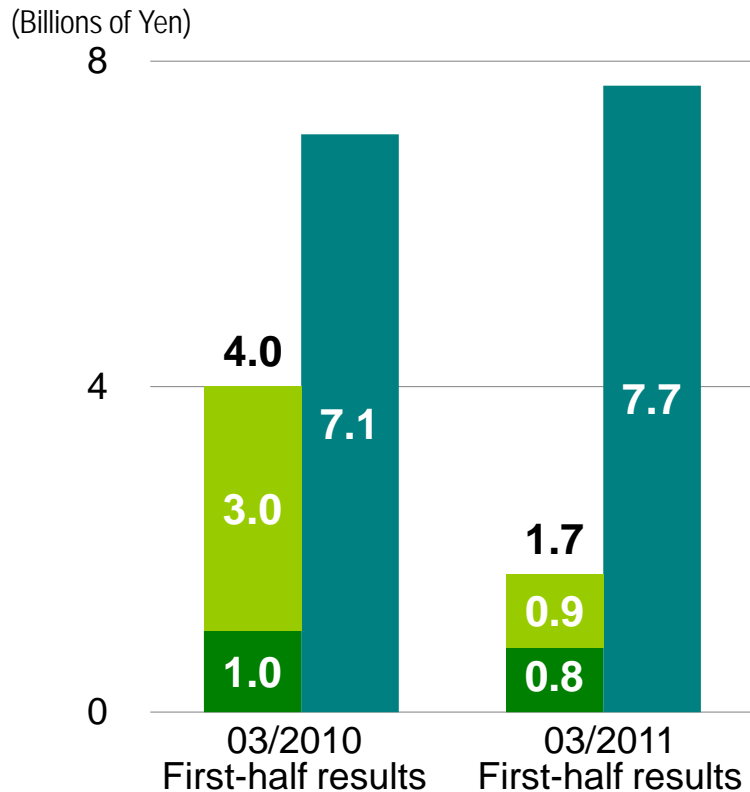
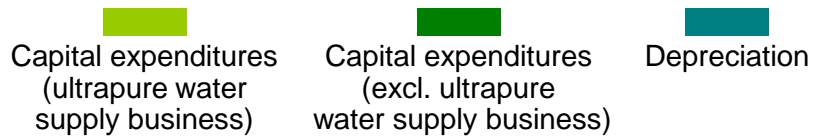


Other

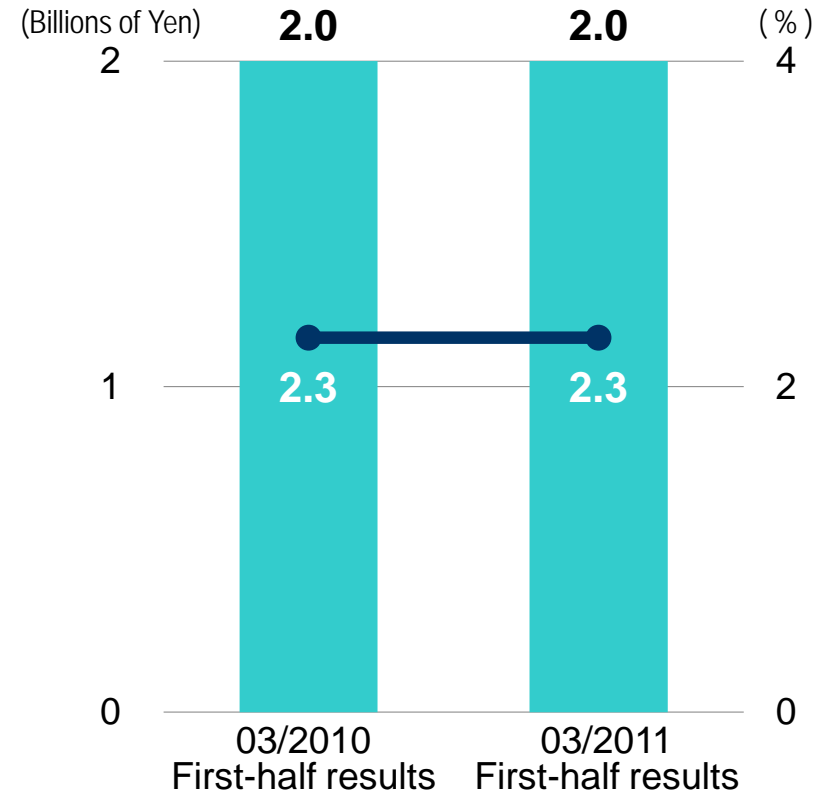
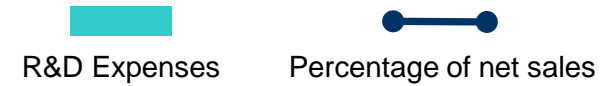


【8】 Capital Expenditures, Depreciation, and R&D Expenses

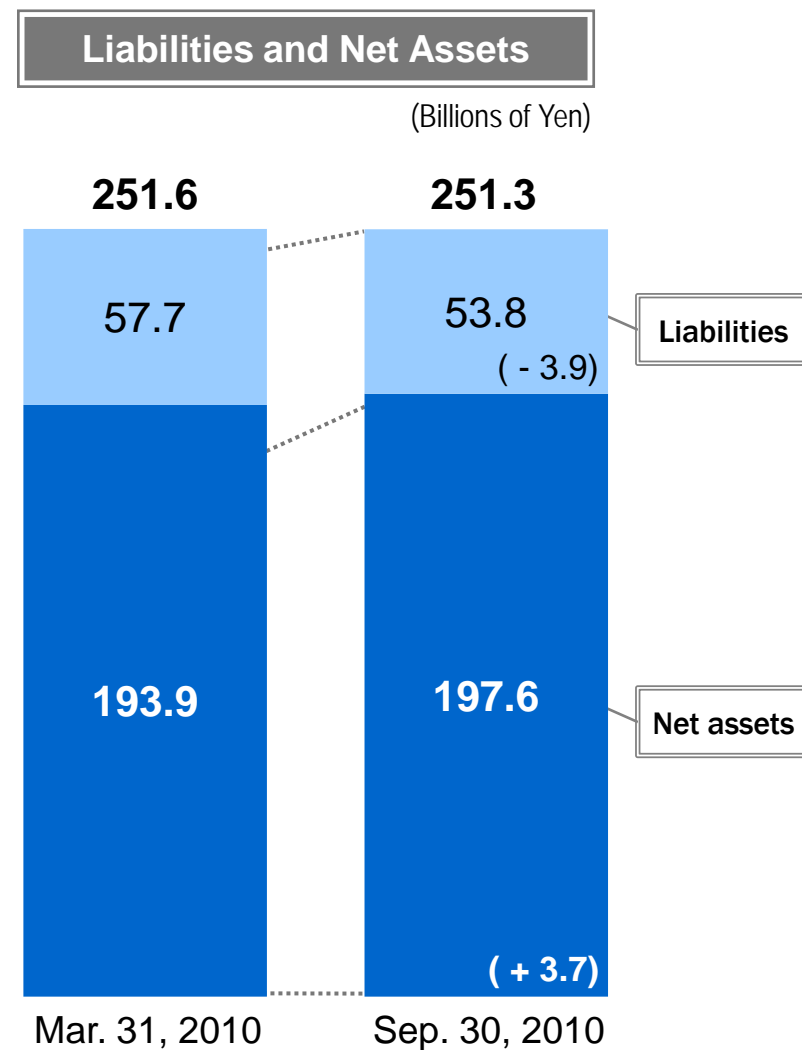
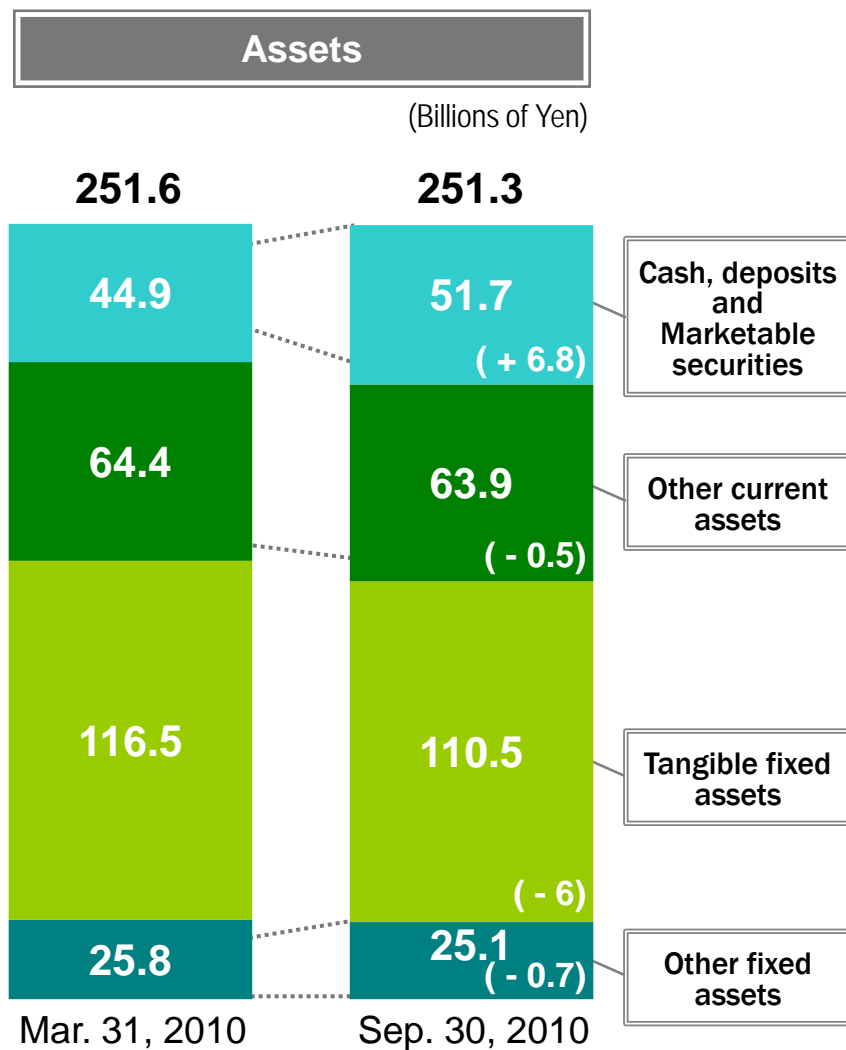
Capital Expenditures and Depreciation



R&D Expenses



【9】 Financial Condition



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

【1】 Key Assumptions

Water Treatment Chemicals Segment



- Demand will grow in Asia and emerging countries
- Demand will stay at low level in Japan
- Raw materials prices may rise

Water Treatment Facilities Segment



- Capital expenditure demand will rise in the Asian electronics industry
- Subdued capital expenditure in Japan
- Demand for maintenance services will bottom out in Japan

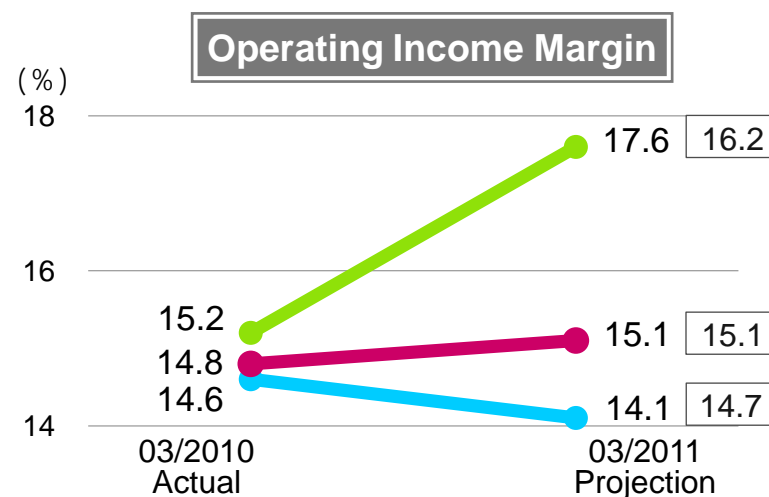
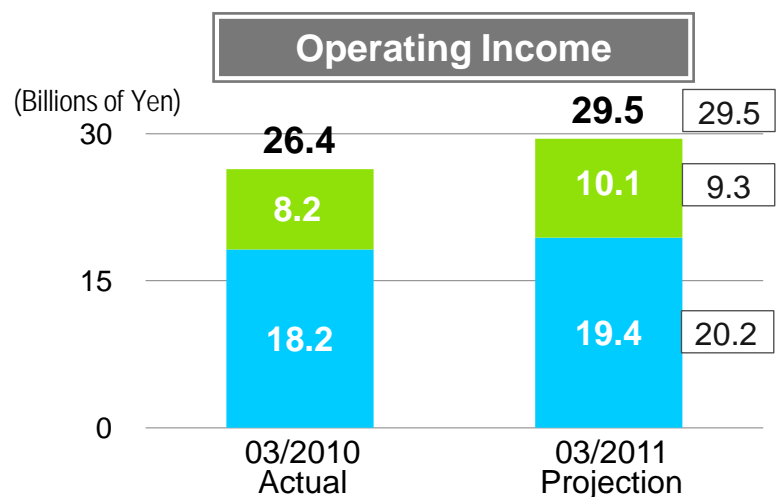
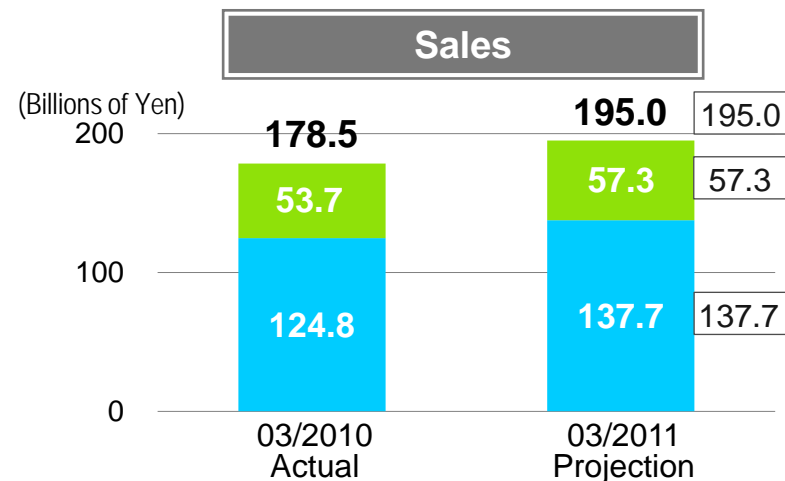
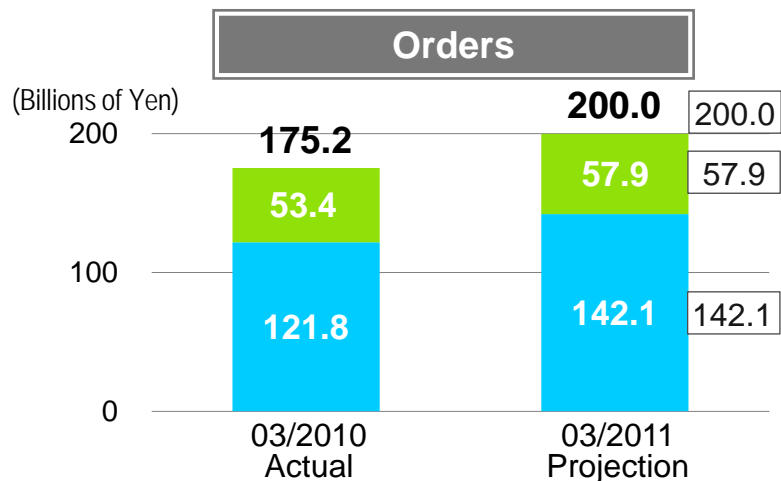
【2】 Overview

(Billions of Yen)

	Fiscal year to March 2010 Actual	Fiscal year to March 2011 Initial projection	Fiscal year to March 2011 Projection	Year-on-year change
Orders	175.2	200.0	200.0	+ 14.2%
Net Sales	178.5	195.0	195.0	+ 9.2%
Operating Income	26.4	29.5	29.5	+ 11.9%
Ordinary Income	27.1	30.0	30.0	+ 10.7%
Net Income	17.3	17.3	17.3	+ 0.1%

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

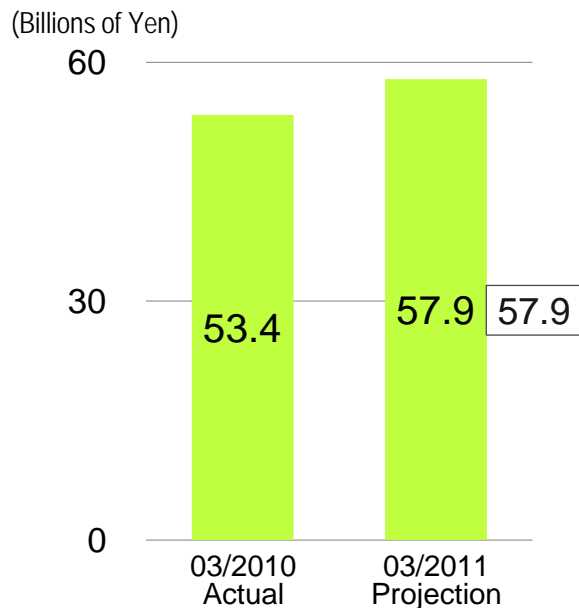
■ Water treatment chemicals
 ■ Water treatment facilities
 ● Total
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【4】 Water treatment chemicals

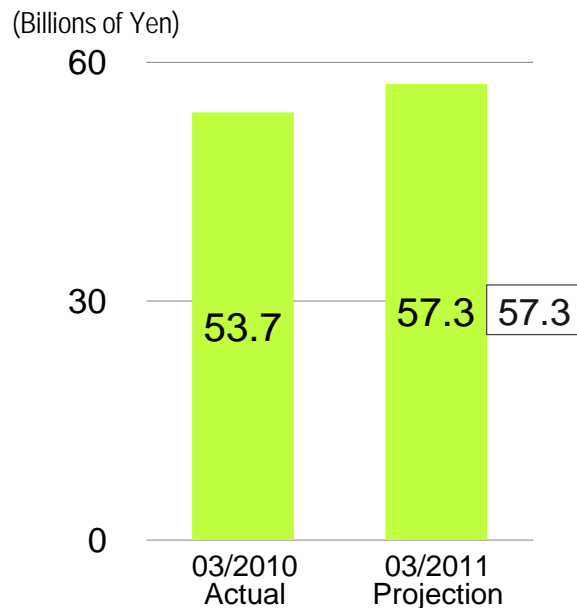
Orders

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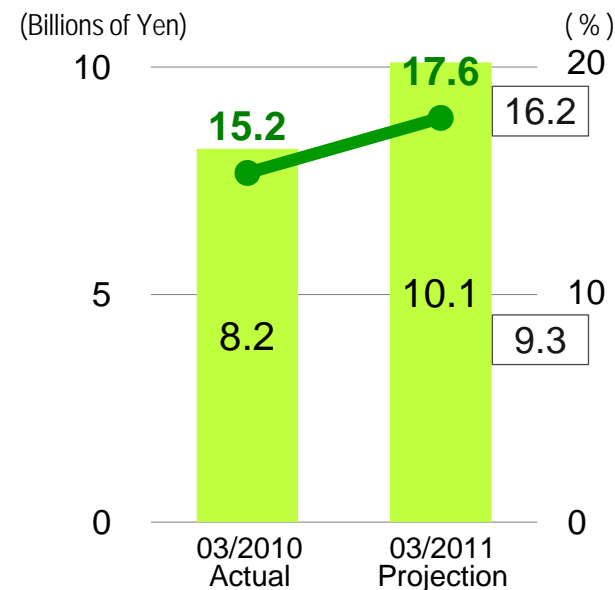
Sales

* □ denotes initial projections



Operating Income and Operating Income Margin

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

- Japan : Growth in mainstay products (+)
- Overseas : Expansion of demand centering on Asia (+)

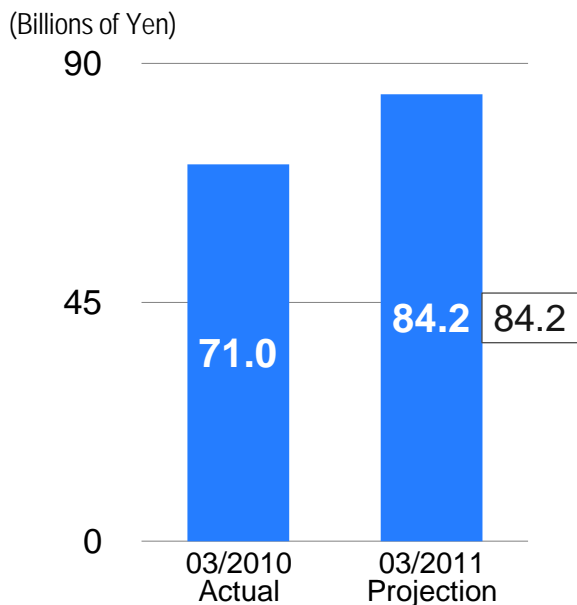
【 Major determinants of change 】

- Impact of revenue growth (+)
- Efforts to reduce cost of sales (+)
- Increase in raw materials prices (-)

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

Orders

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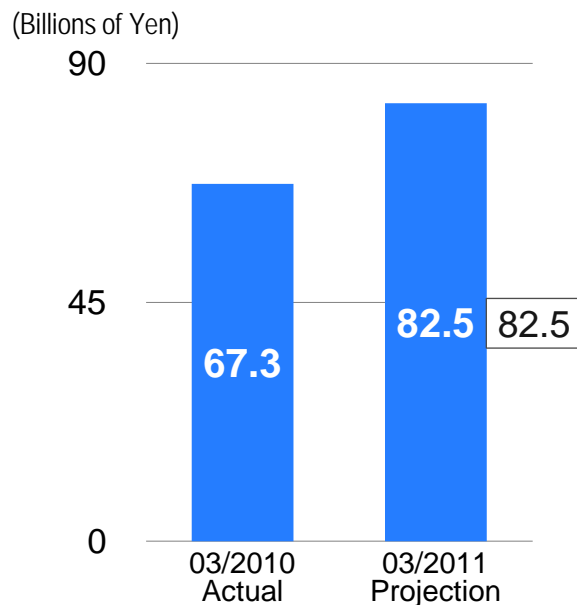


【 Major areas of change 】

- Expansion in hardware overseas (+)
- Subdued capex in Japan (-)
- Recovery in maintenance services (+)

Sales

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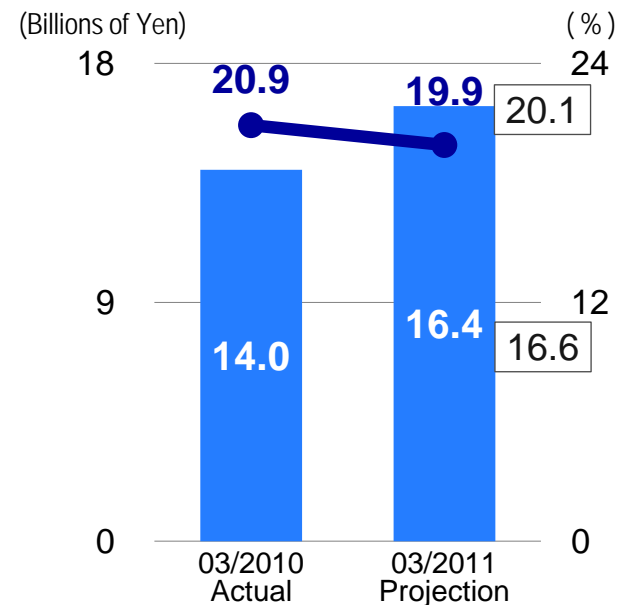


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Operating Income and Operating Income Margin

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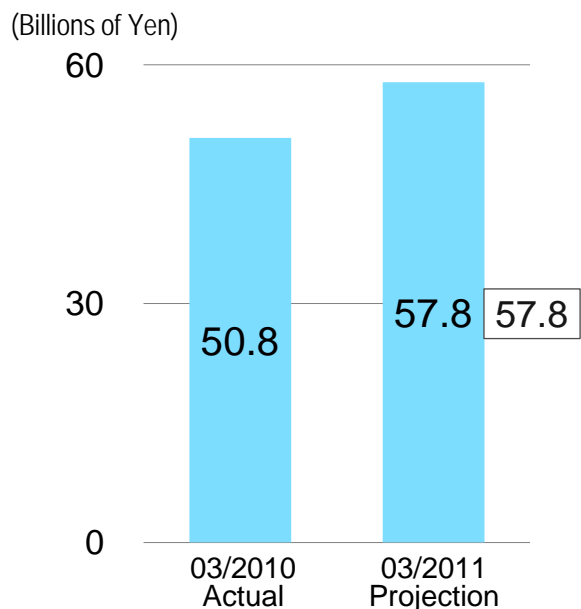
【 Major determinants of change 】

- Impact of revenue growth(+)
- Effect of improved cost of sales (+)
- Cost increases in the ultrapure water supply business (-)

【6】 Water treatment facilities (for general industries)

Orders

* □ denotes initial projections

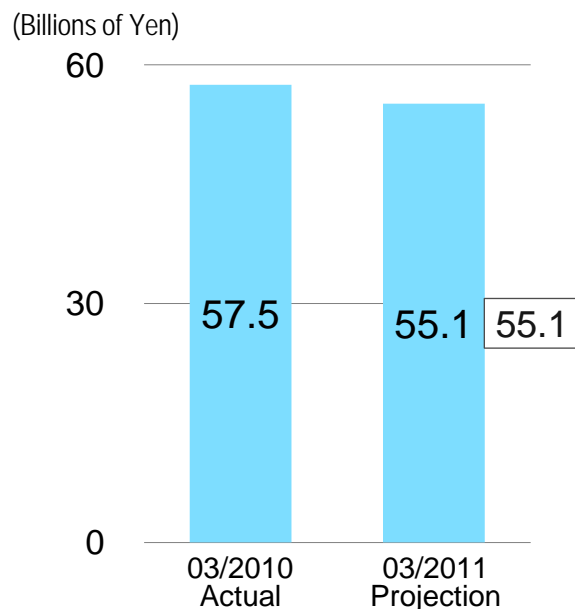


【 Major determinants of change 】

- Recovery in maintenance services (+)
- Decline in soil remediation (-)

Sales

* □ denotes initial projections

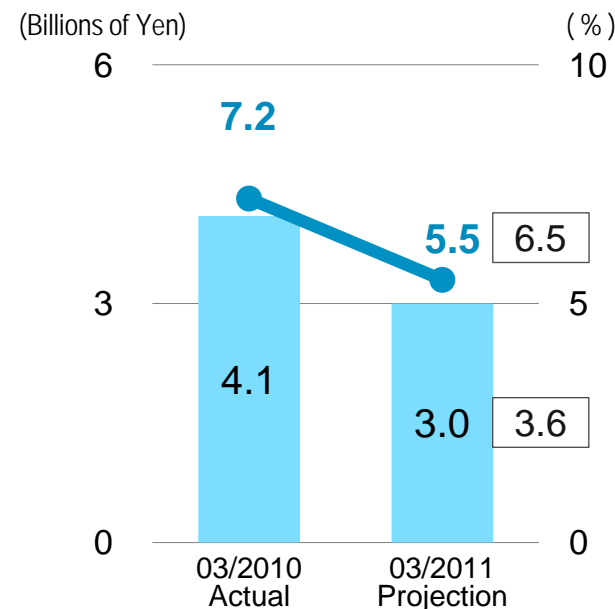


【 Major determinants of change 】

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- Recovery in maintenance services (+)
- Decline in soil remediation (-)

Operating Income and Operating Income Margin

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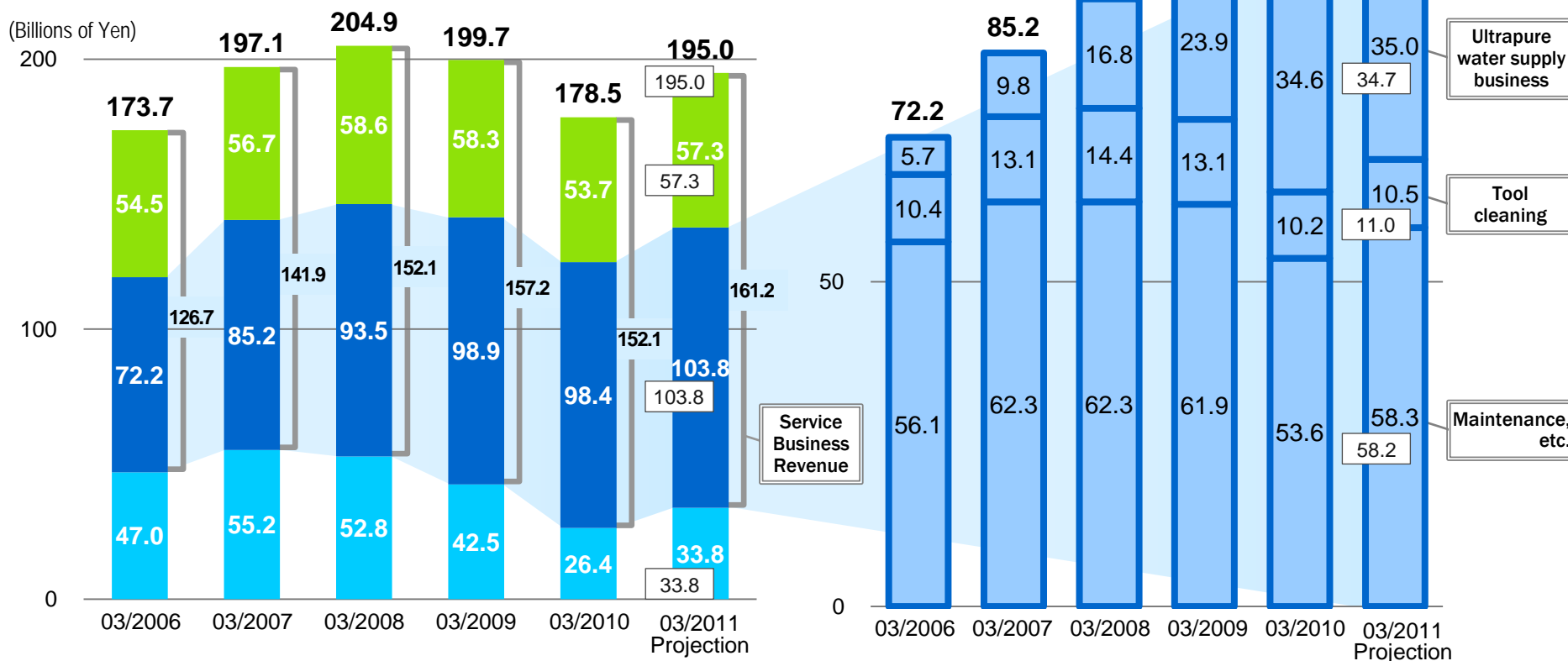
【 Major determinants of change 】

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- Recovery in maintenance services (+)
- Decline in soil remediation (-)

【7】 Service Business Revenue

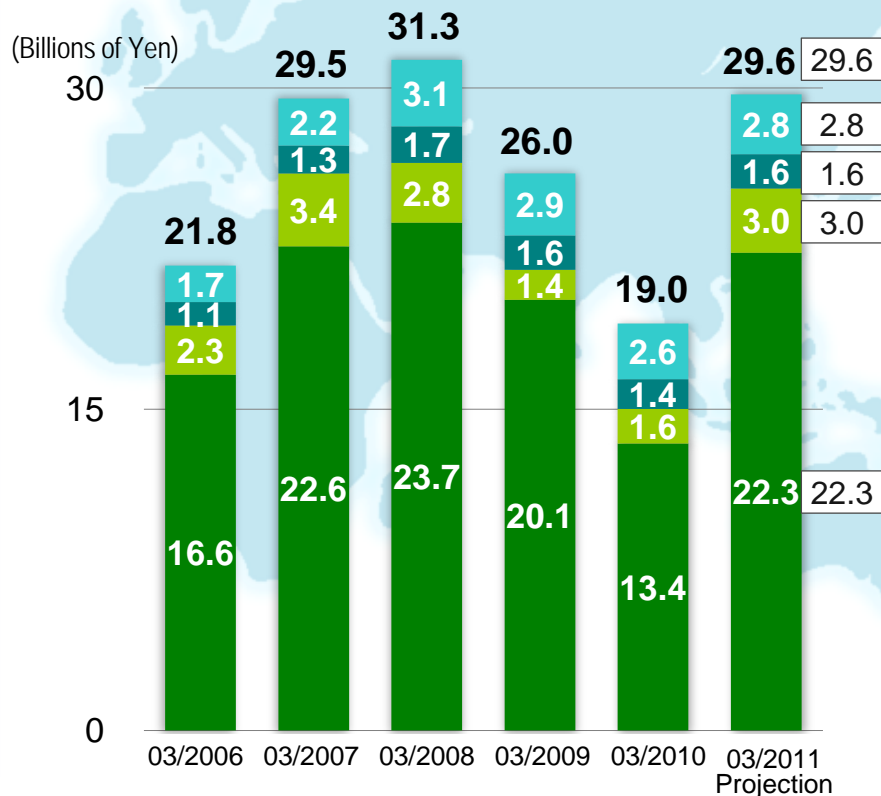
- Water treatment chemicals
- Water treatment facilities (services)
- Water treatment facilities (hardware)
- * □ denotes initial projections

Service Business Revenue in the Water Treatment Facilities Segment

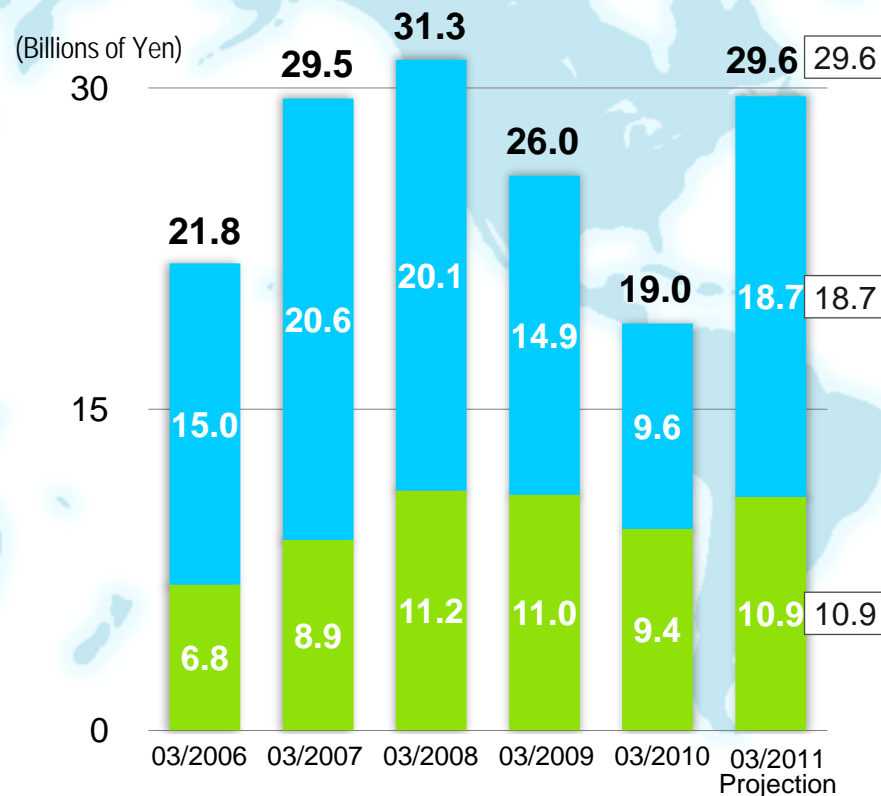
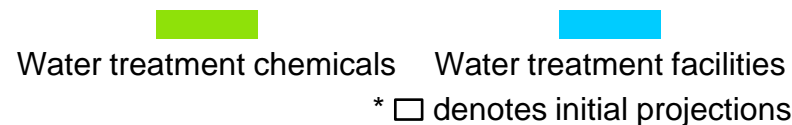


【8】 Overseas Businesses (sales by region and business)

Sales by Region



Sales by Overseas Business Segment



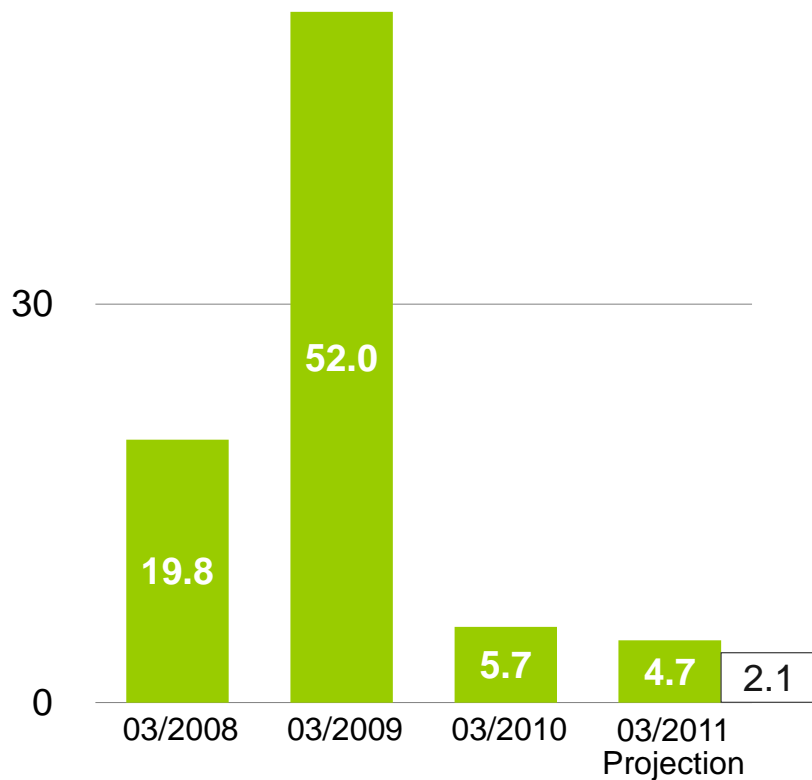
【9】 Outlook for the Ultrapure Water Supply Business

Capital Expenditures

* □ denotes initial projections

(Billions of Yen)

60

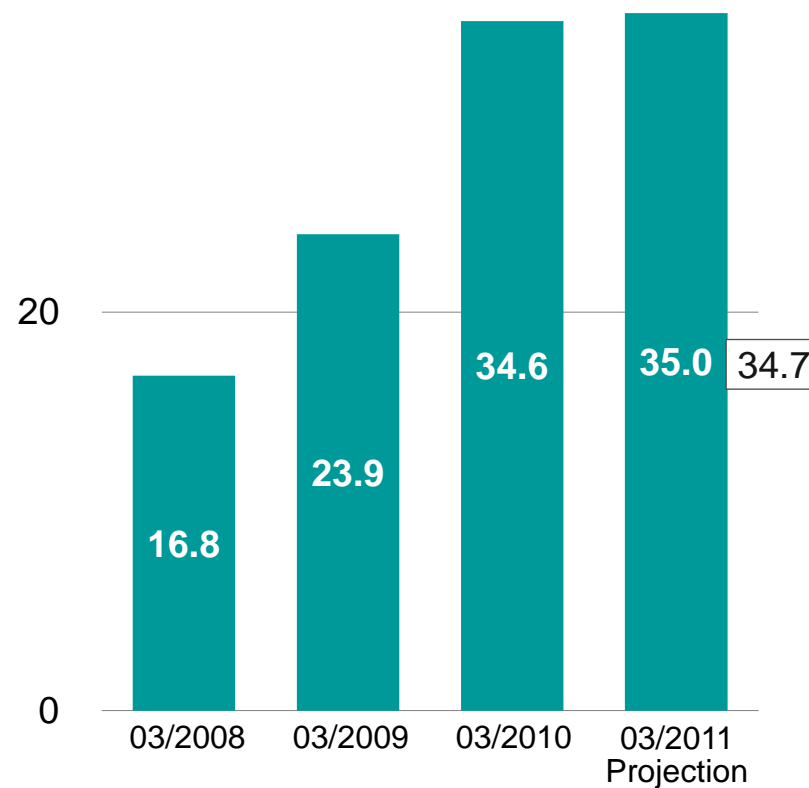


Sales

* □ denotes initial projections

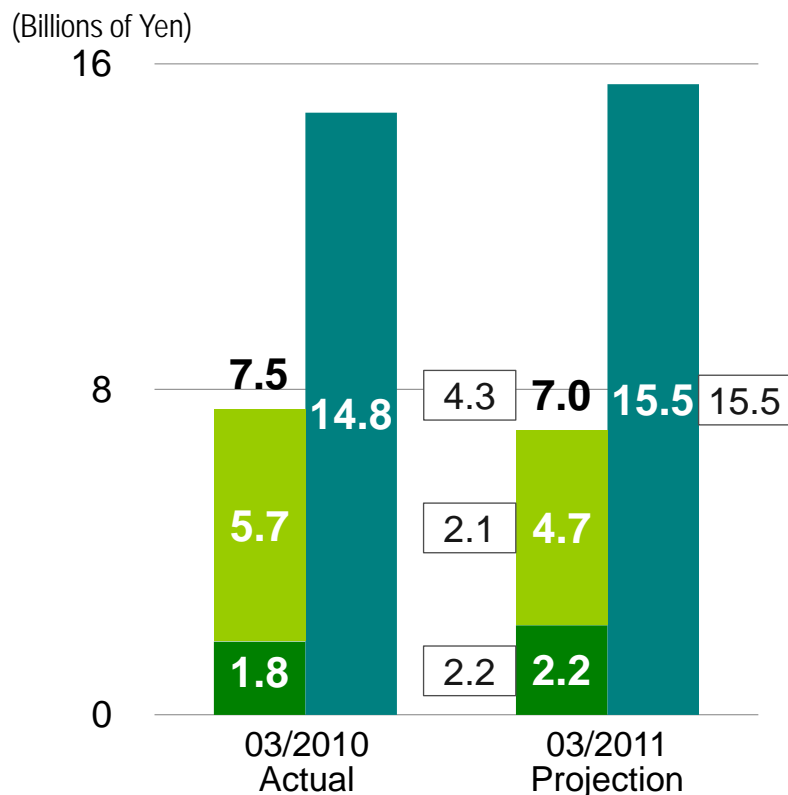
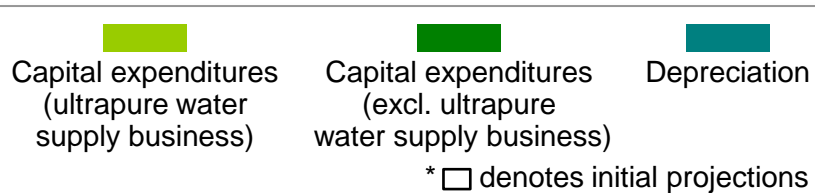
(Billions of Yen)

40

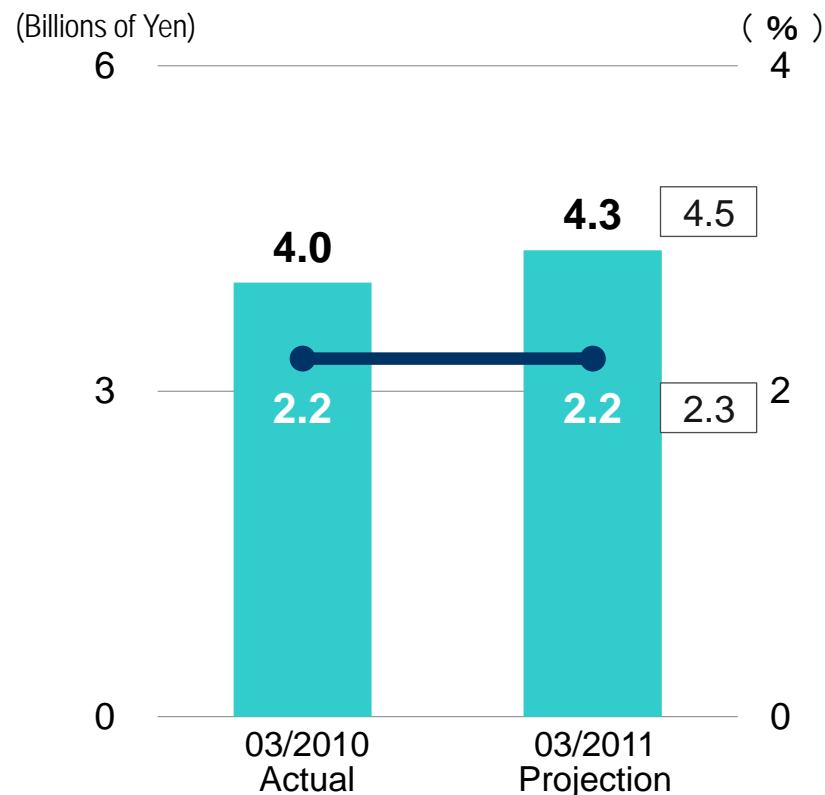
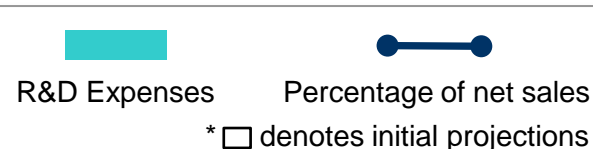


【10】 Capital Expenditures, Depreciation, and R&D Expenses

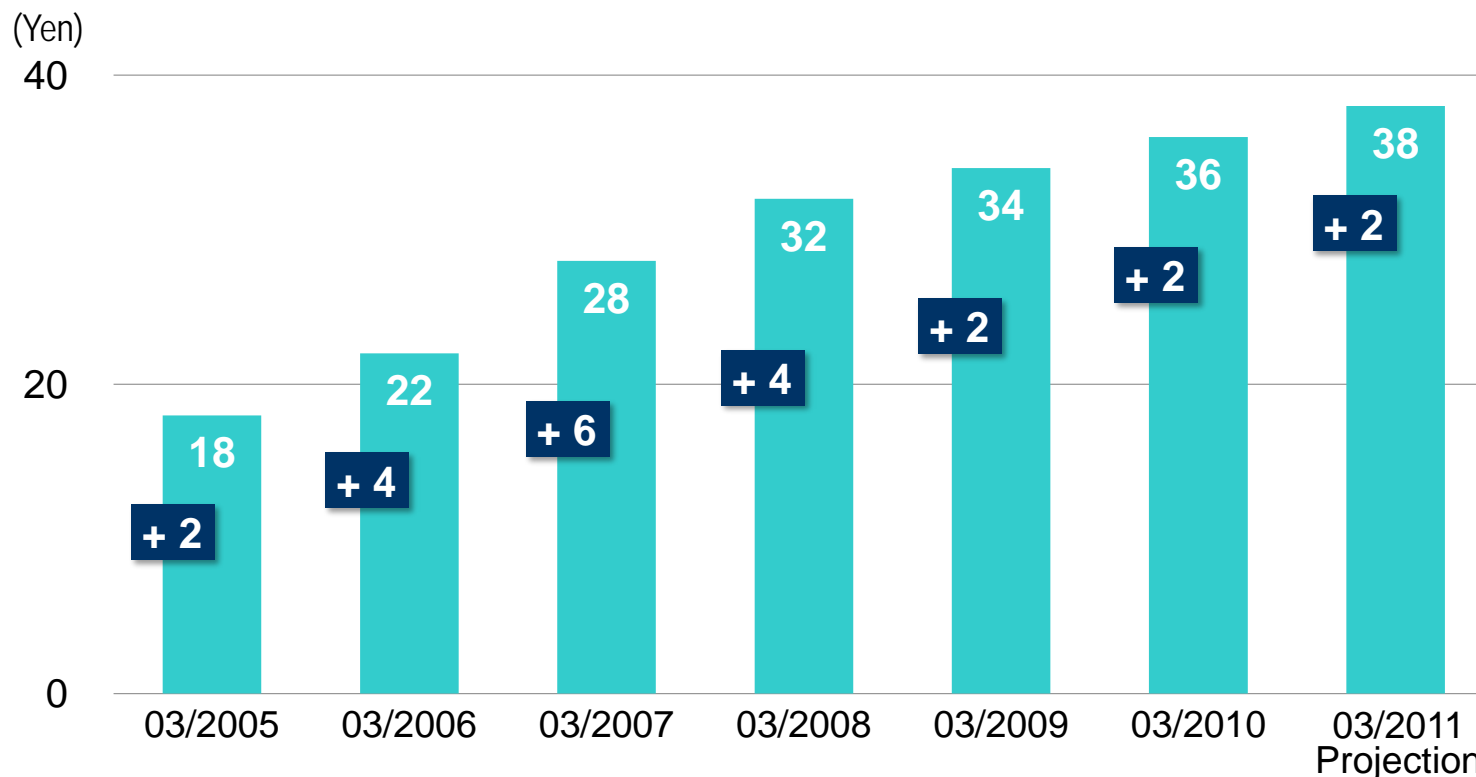
Capital Expenditures and Depreciation



R&D Expenses



【11】 Dividend Policy



Basic Dividend Policy

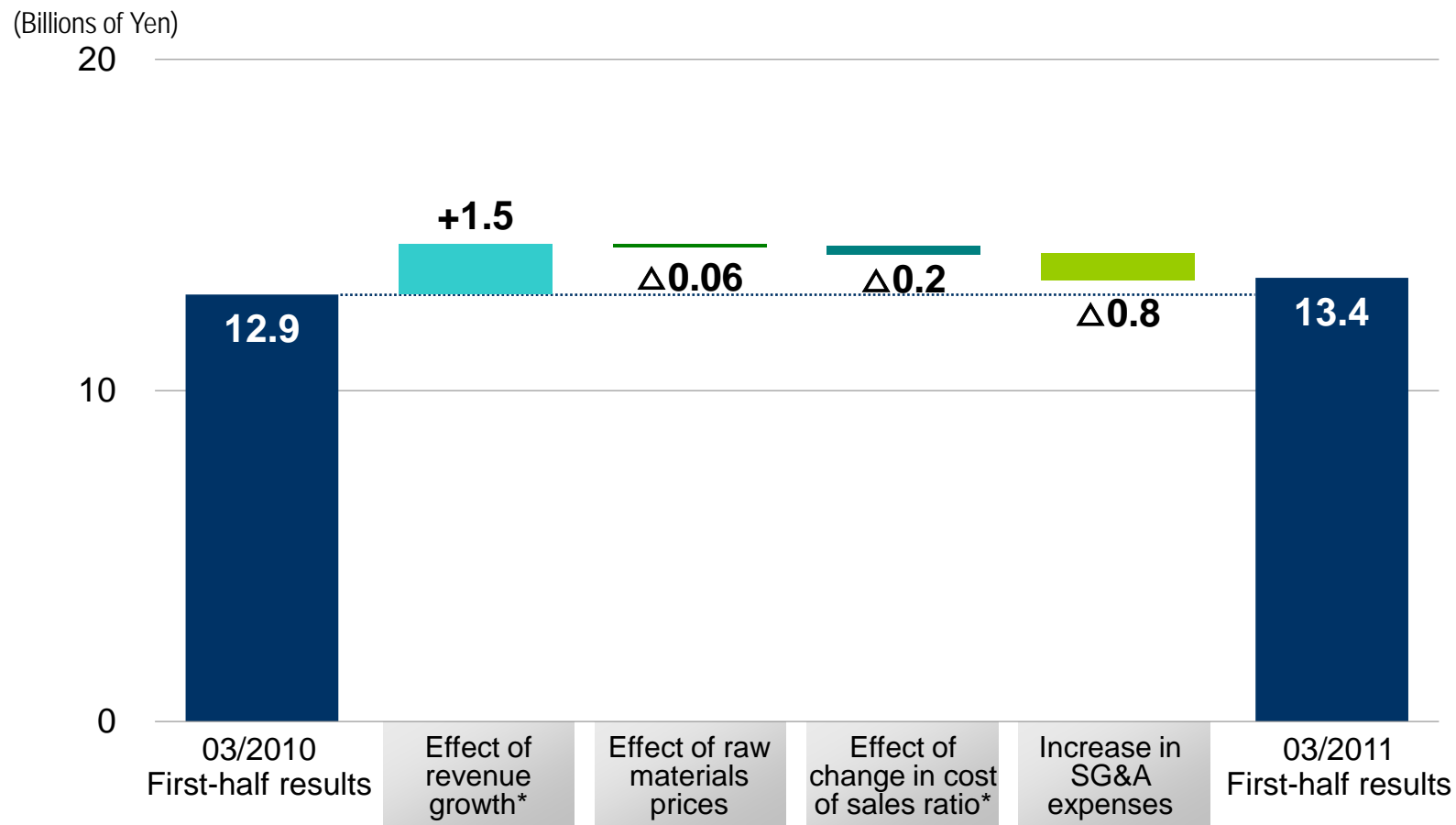
Kurita's basic policy is to maintain stable dividends, and the company will work to increase dividends while giving due consideration to trends in results and investments in its businesses.

【12】 Share Buyback

<p>Upper limit</p>	<p>5.0 billion yen 2.5 million shares As a percentage of the number of outstanding shares (excluding treasury stock) : 1.94%</p>
<p>Buyback period</p>	<p>November 8, 2010 – December 22, 2010</p>

To improve capital efficiency and ensuring a flexible capital strategy.

Analysis of Changes in First-half Operating Income for the Fiscal Year Ending March 31, 2011



*The effects of revenue growth and change in the cost of sales ratio are calculated using the gross profit margin.

Kurita Water Industries Ltd.

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■ 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.