

# Kurita Water Industries Ltd.

## Earnings for the Six Months Ended September 30, 2011

First Half of the Fiscal Year Ending March 31, 2012



( Stock code : 6370 )

November 1, 2011

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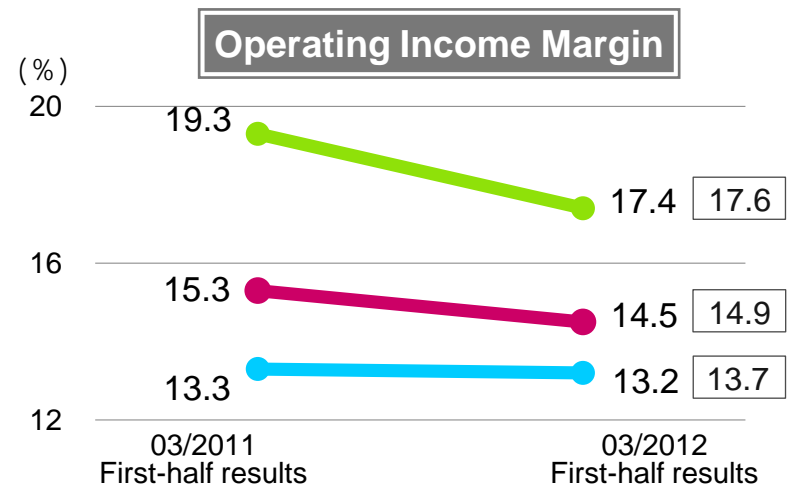
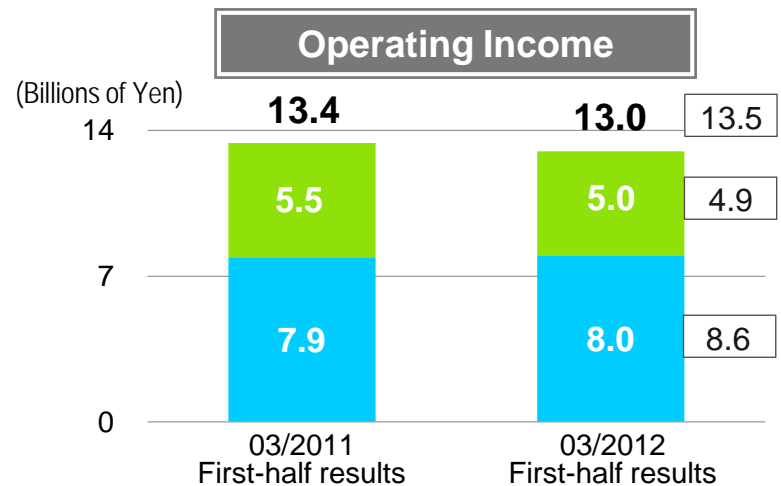
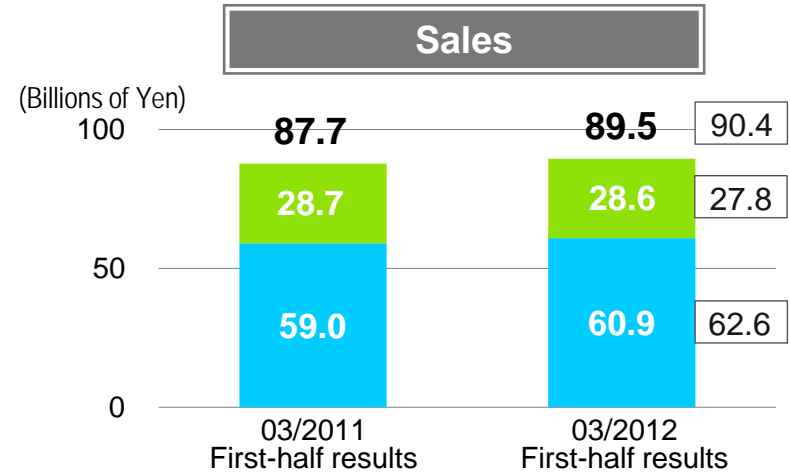
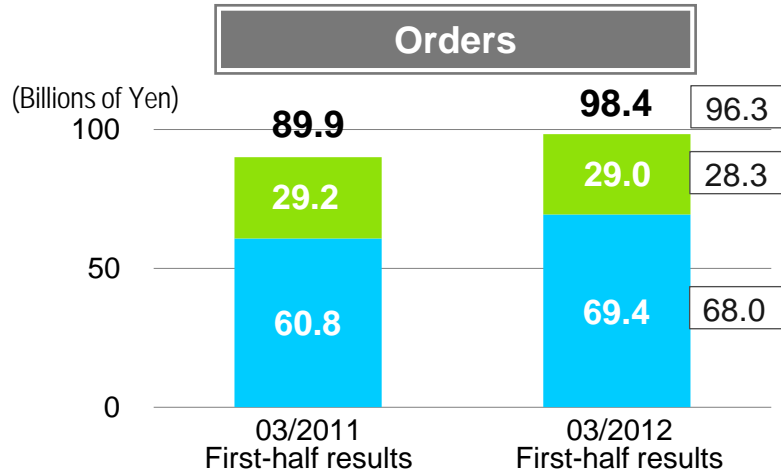
## 【1】 Financial Highlights

(Billions of Yen)

	Fiscal year to March 2011 First-half results	Fiscal year to March 2012 Initial first-half projection	Fiscal year to March 2012 First-half results	Year-on-year change
Orders	<b>89.9</b>	<b>96.3</b>	<b>98.4</b>	<b>+ 9.4%</b>
Net Sales	<b>87.7</b>	<b>90.4</b>	<b>89.5</b>	<b>+ 2.1%</b>
Operating Income	<b>13.4</b>	<b>13.5</b>	<b>13.0</b>	<b>- 2.9%</b>
Ordinary Income	<b>13.9</b>	<b>13.7</b>	<b>13.4</b>	<b>- 3.7%</b>
Net Income	<b>8.2</b>	<b>8.0</b>	<b>7.9</b>	<b>- 3.9%</b>

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

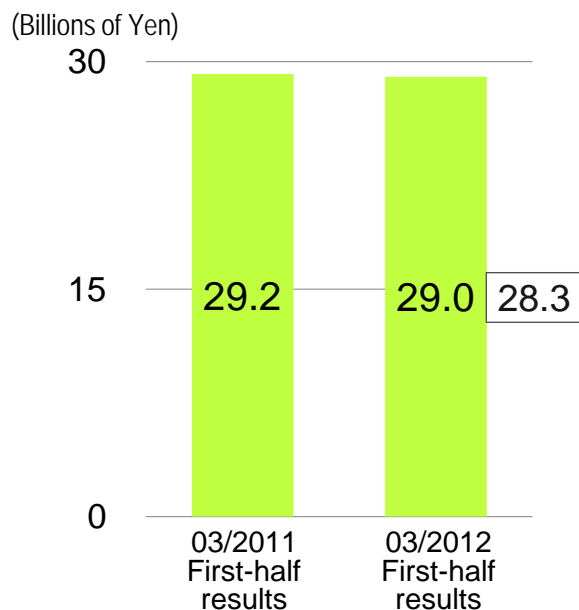
■ Water treatment chemicals   
 ■ Water treatment facilities   
 ● Total   
 \* □ denotes initial projections



### 【3】 Water treatment chemicals

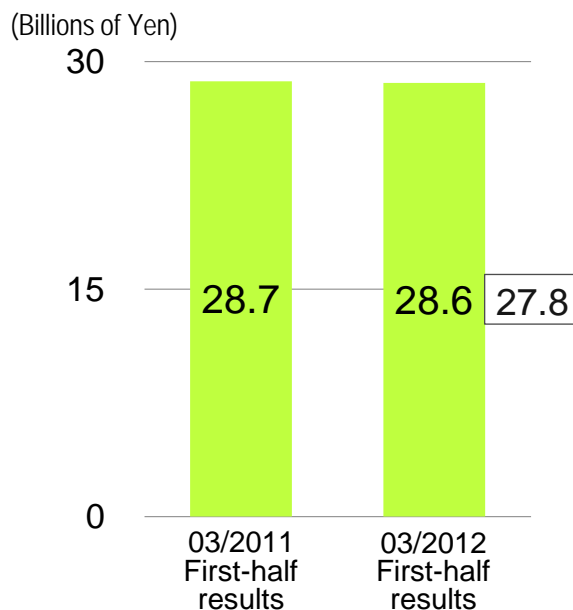
#### Orders

\* □ denotes initial projections



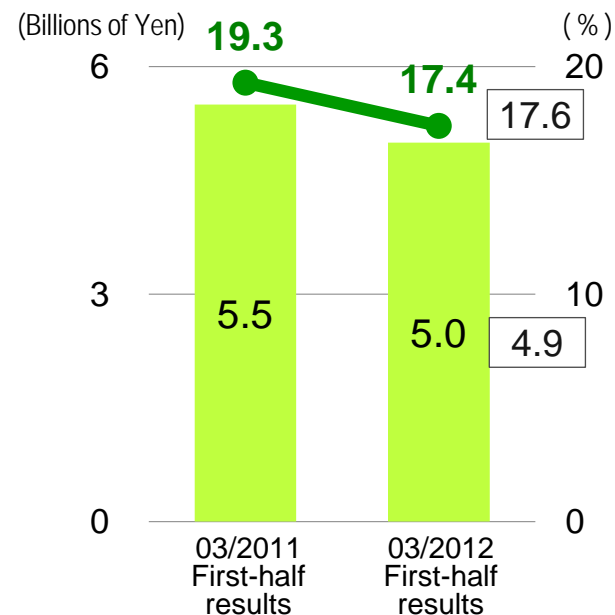
#### Sales

\* □ 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 : Decline in customers' capacity utilization due to the earthquake (-)
- Overseas : Growth in China, Singapore, Europe, Brazil, etc. (+)

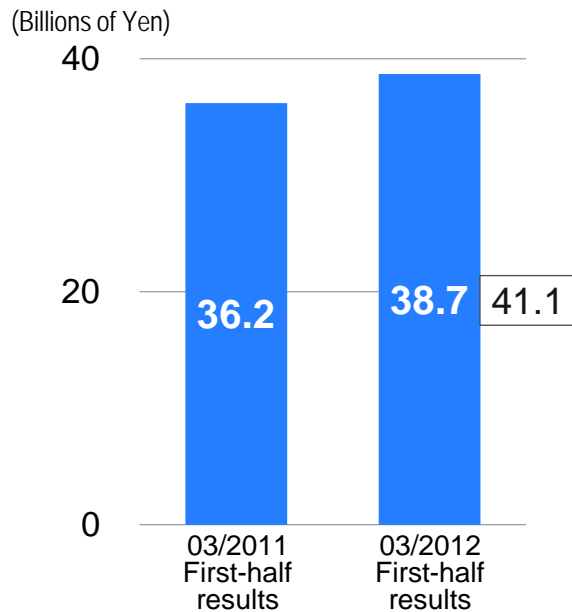
#### 【 Major determinants of change 】

- Increase of SG&A expenses (-)
- Change in the product mix (-)
- Rise in price of raw materials (-)

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

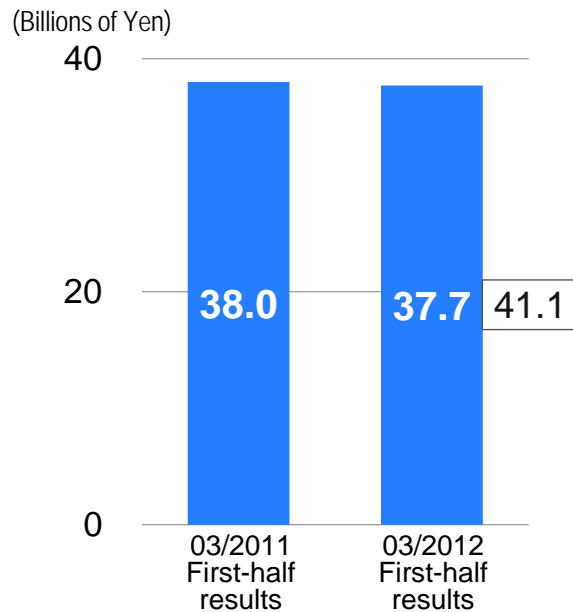
### Orders

\* □ denotes initial projections



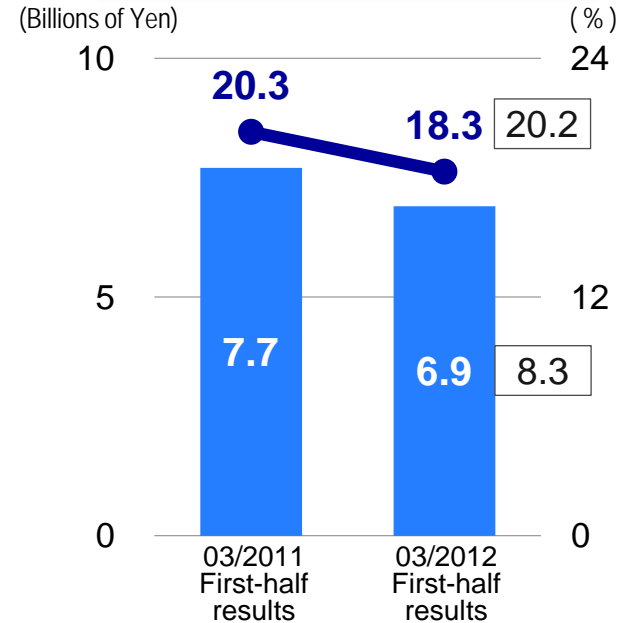
### Sales

\* □ denotes initial projections



### Operating Income and Operating Income Margin

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



#### 【 Major areas of change 】

- Increase in hardware (+)
- Increase in maintenance services (+)
- Minor decrease in the ultrapure water supply (-)

#### 【 Major areas of change 】

- Decline in hardware (-)
- Increase in maintenance services (+)
- Minor decrease in the ultrapure water supply (-)

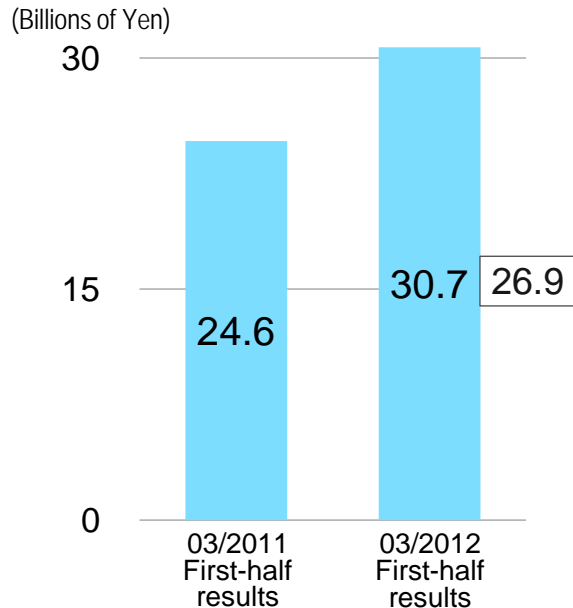
#### 【 Major determinants of change 】

- Impact of decline in revenue (-)
- Change in maintenance sales mix (-)

## 【5】 Water treatment facilities (for general industries)

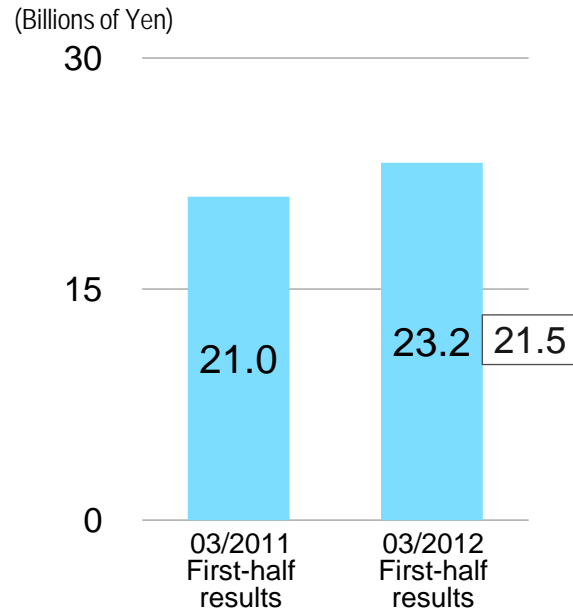
### Orders

\* □ denotes initial projections



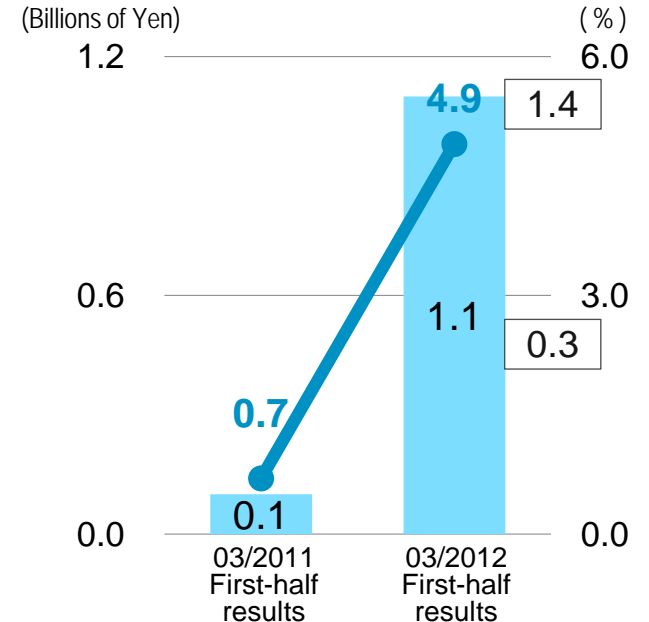
### Sales

\* □ denotes initial projections



### Operating Income and Operating Income Margin

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



#### 【 Major areas of change 】

- Increase towards electric power (+)
- Increase in maintenance services (+)
- Increase in hardware (+)

#### 【 Major areas of change 】

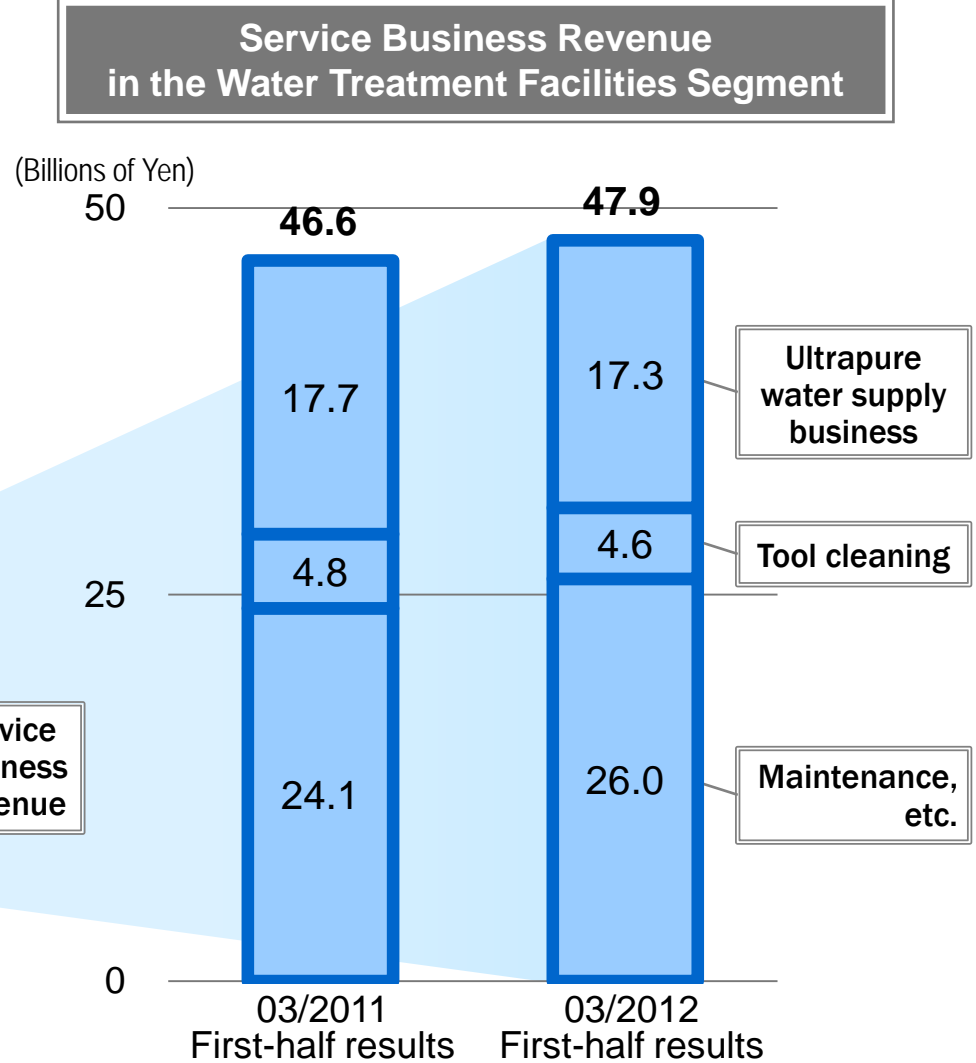
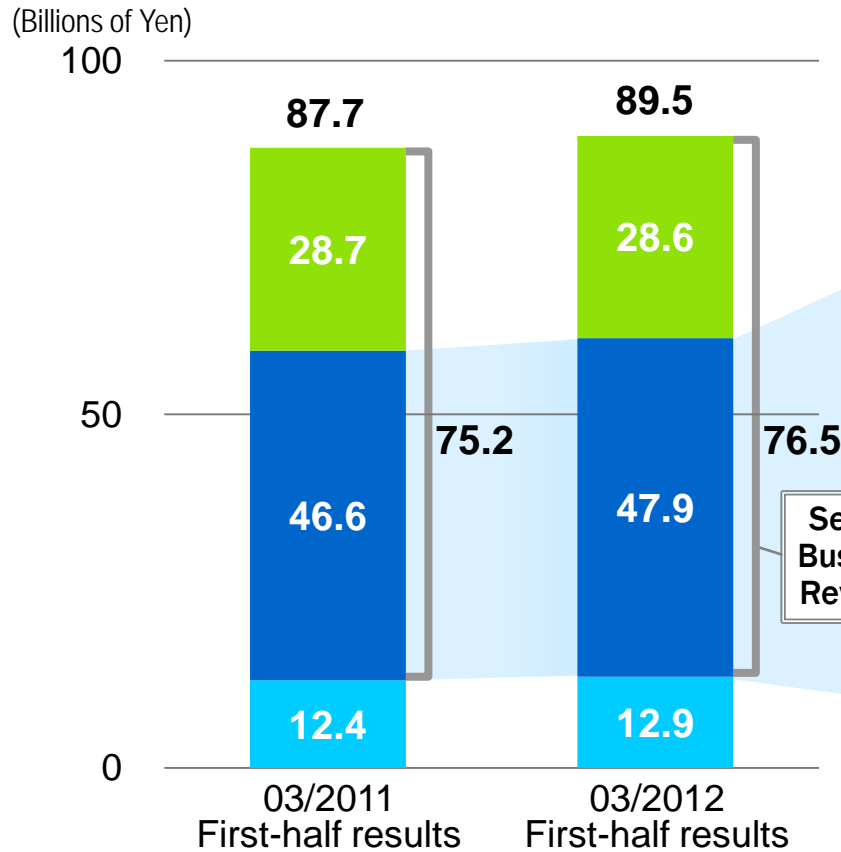
- Increase in maintenance services (+)
- Increase towards electric power (+)
- Decline in soil remediation (-)

- #### 【 Major determinants of change 】
- Impact of revenue growth (+)



## 【6】 Service Business Revenue

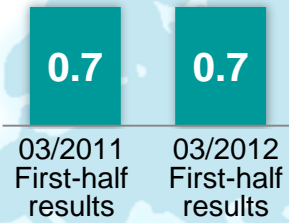
- Water treatment chemicals
- Water treatment facilities (services)
- Water treatment facilities (hardware)



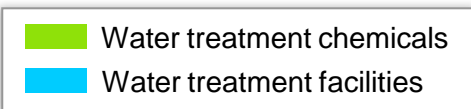
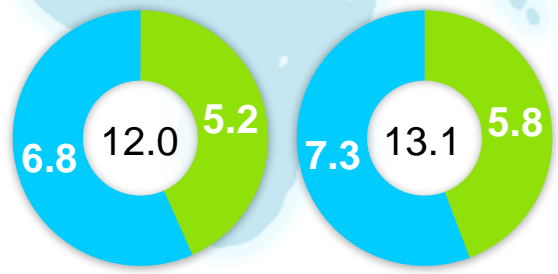
**【7】 Overseas Businesses (sales by region and business & map of Asian locations)**

(Billions of Yen)

**Europe**

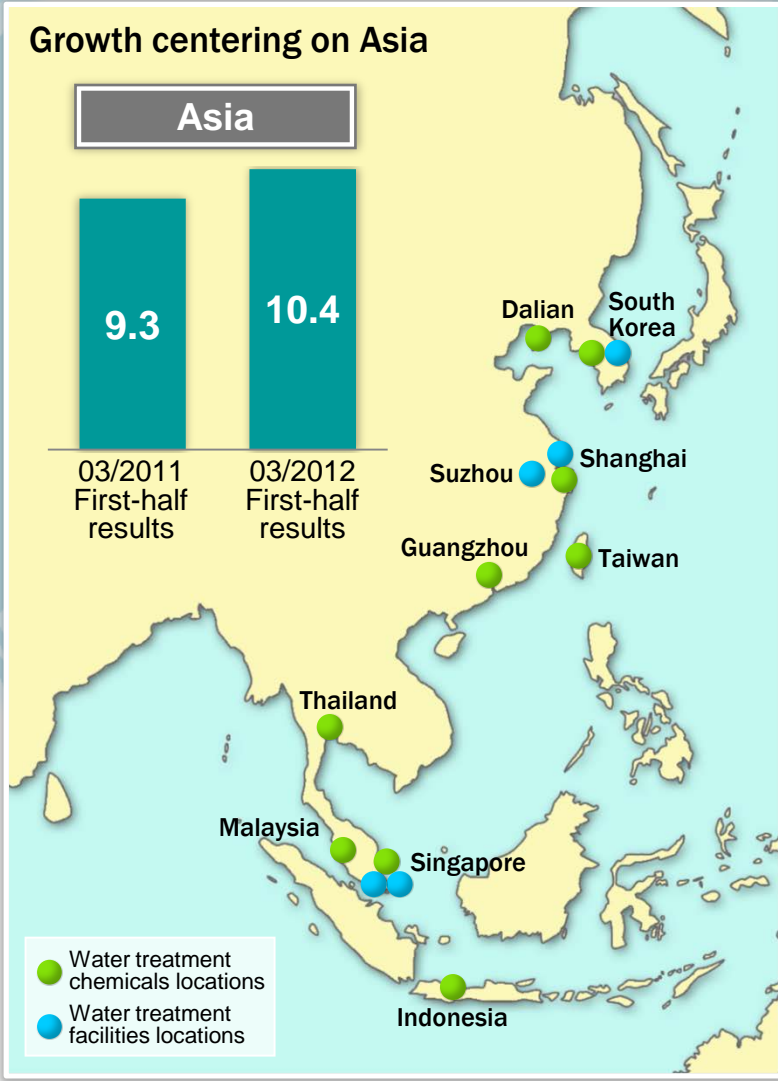
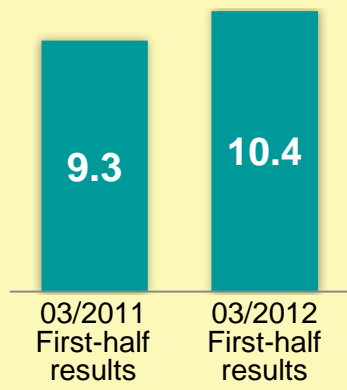


**Business Segment**

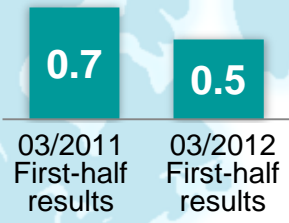


**Growth centering on Asia**

**Asia**



**N. America**

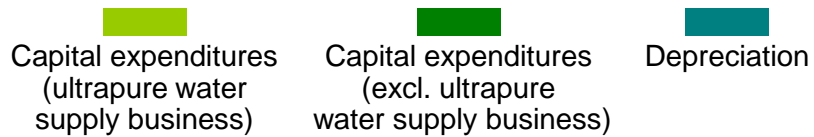


**Other**

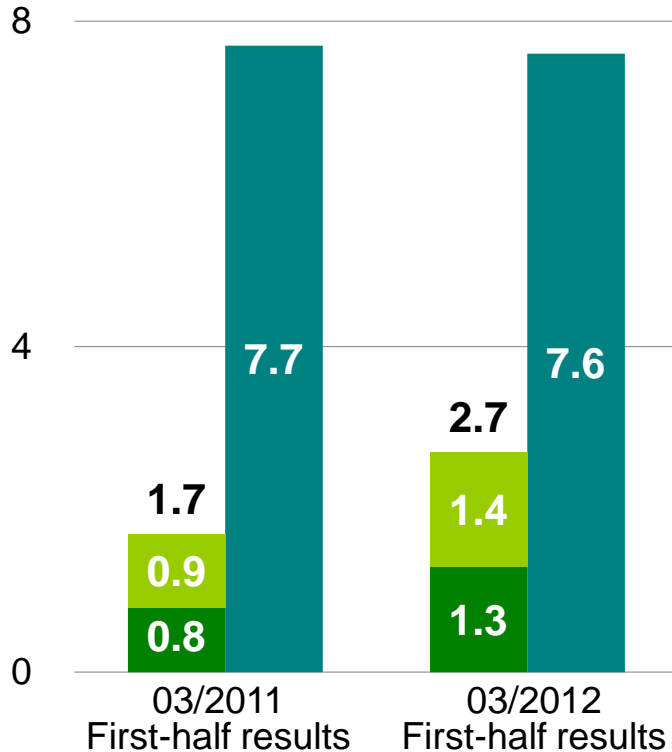


## 【8】 Capital Expenditures, Depreciation, and R&D Expenses

Capital Expenditures and Depreciation



(Billions of Yen)

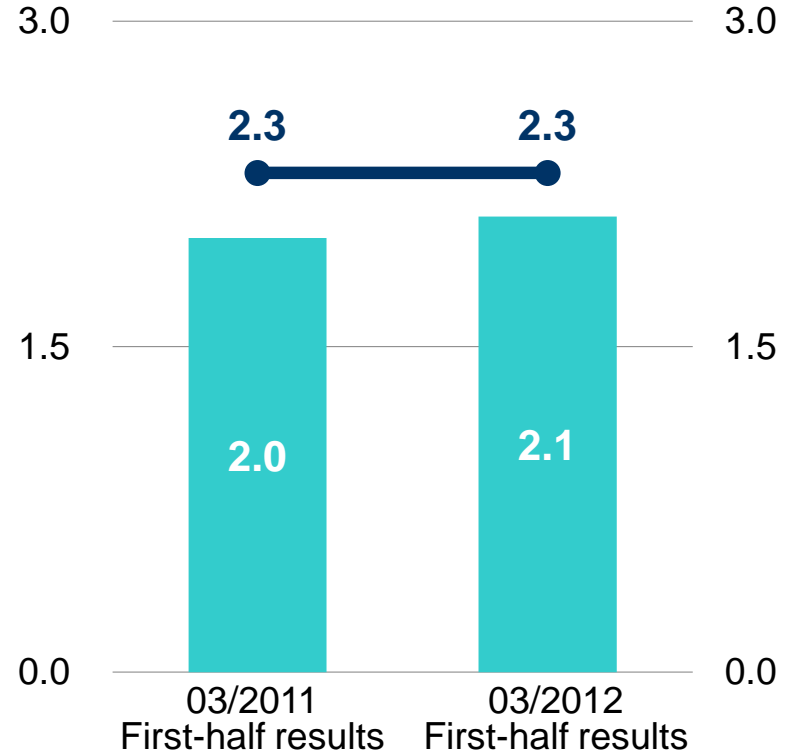


R&D Expenses

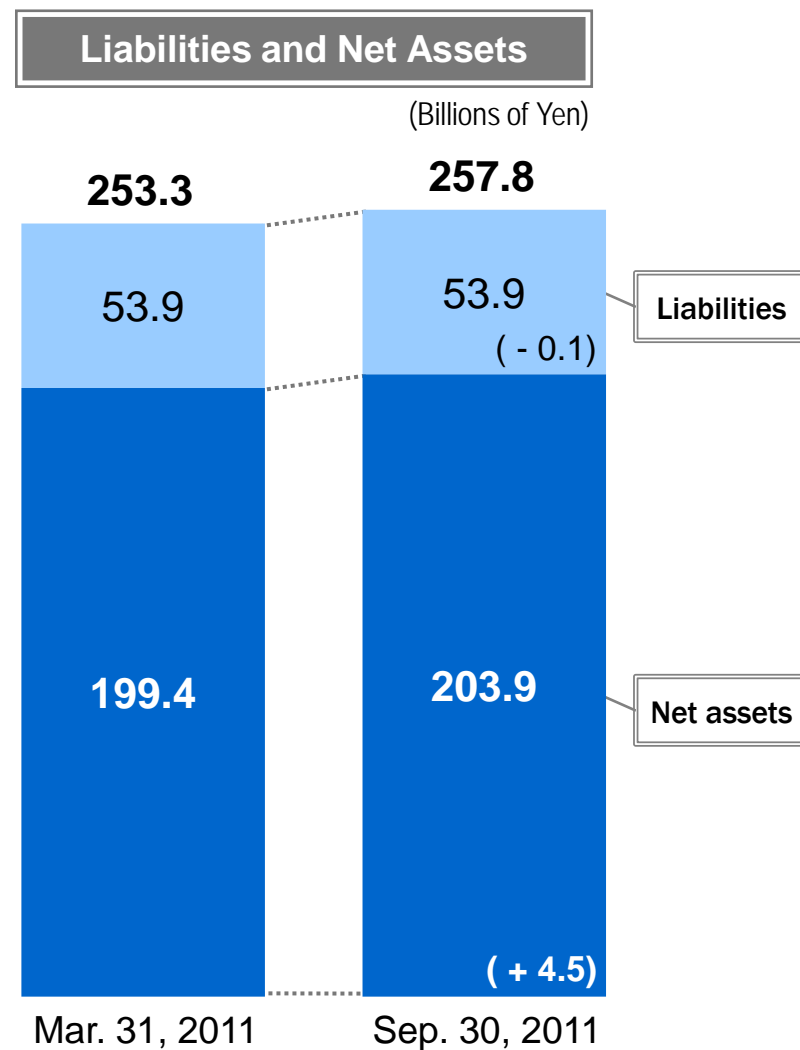
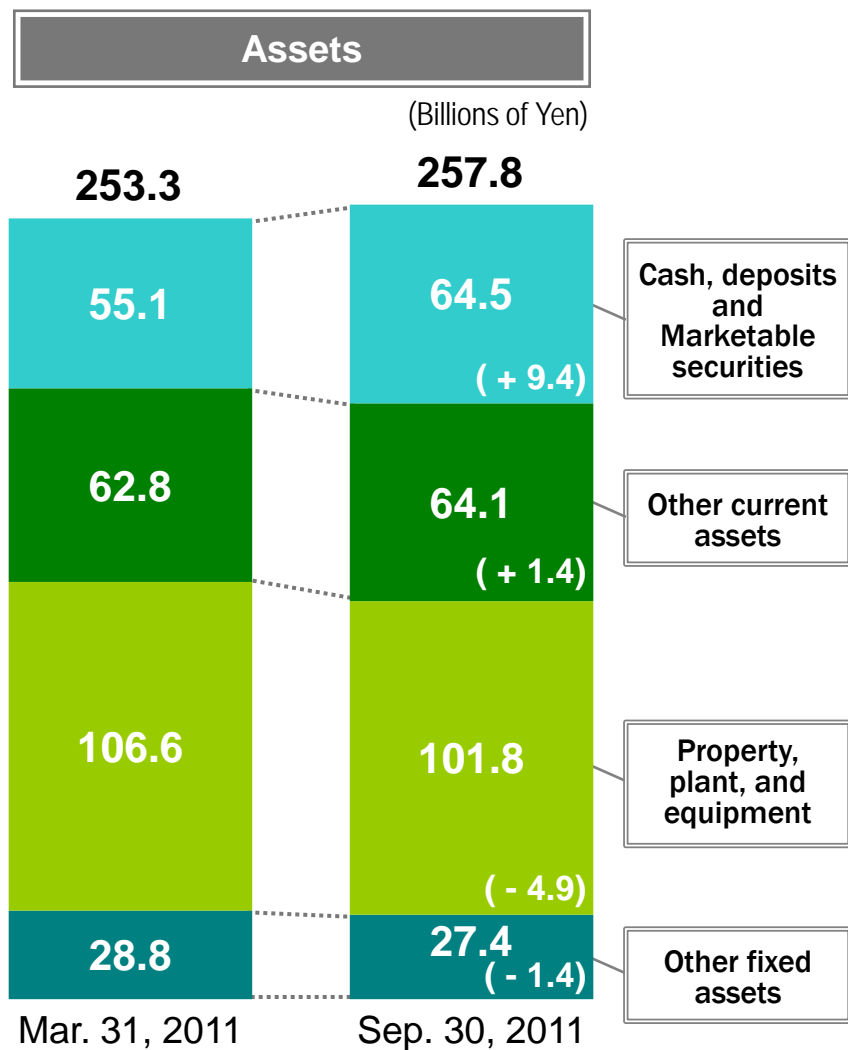


(Billions of Yen)

(%)



**【9】 Financial Condition**



- 【 1 】 Key Assumptions**
  - 【 2 】 Overview**
  - 【 3 】 Orders, Sales, Operating Income, and Operating Income Margin**
  - 【 4 】 Water treatment chemicals**
  - 【 5 】 Water treatment facilities (for the electronics industry)**
  - 【 6 】 Water treatment facilities (for general industries)**
  - 【 7 】 Service Business Revenue**
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  - 【 9 】 Outlook for the Ultrapure Water Supply Business**
  - 【10】 Capital Expenditures, Depreciation, and R&D Expenses**
  - 【11】 Dividend Policy**
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## 【1】 Key Assumptions

### Water Treatment Chemicals Segment



- Continuation of firm demand in Asia and emerging countries
- Domestic customers' capacity utilization will recover
- Raw materials prices may rise

### Water Treatment Facilities Segment



- Slow-down in demand for semiconductors and LCDs
- Contribution of post-earthquake recovery demand toward domestic electric power

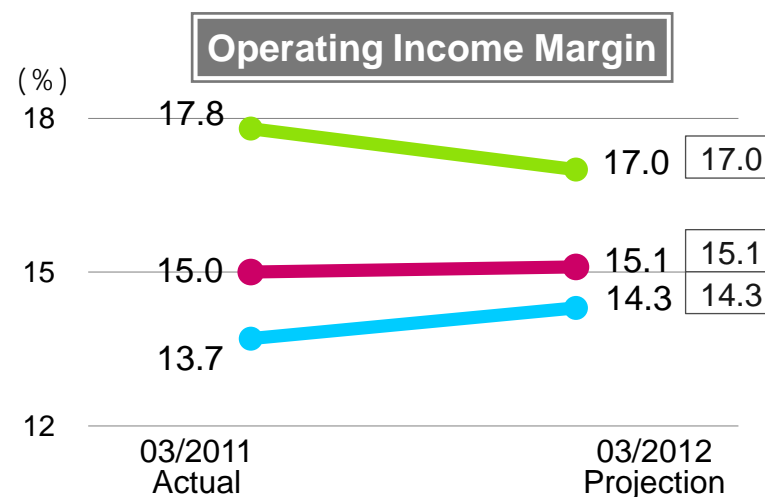
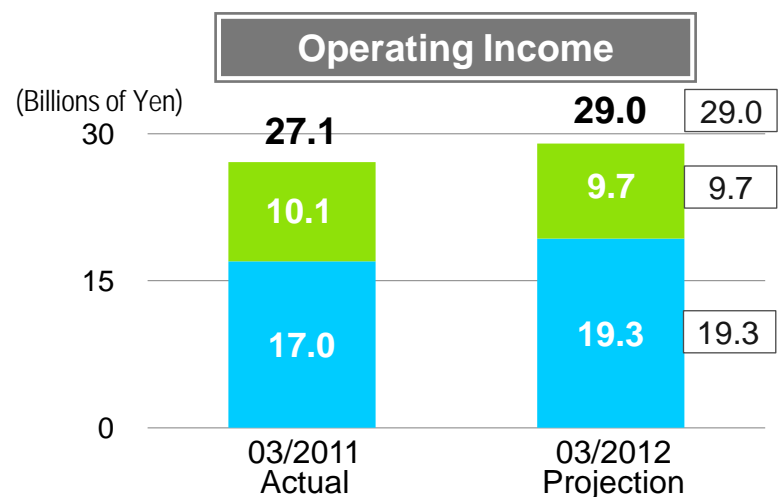
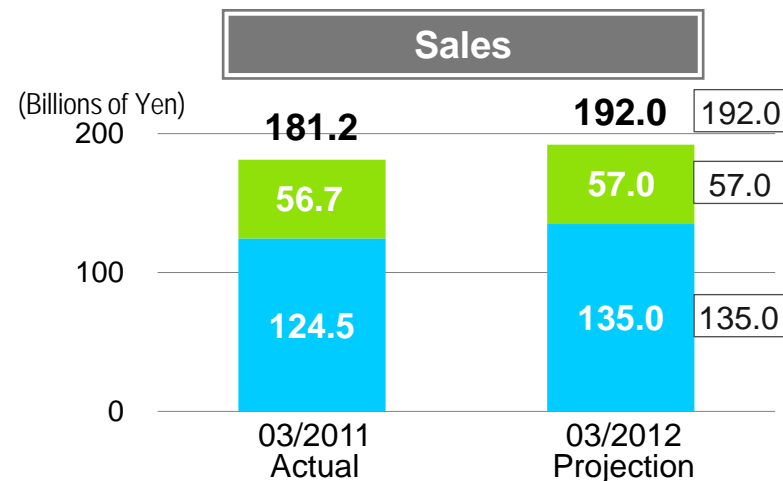
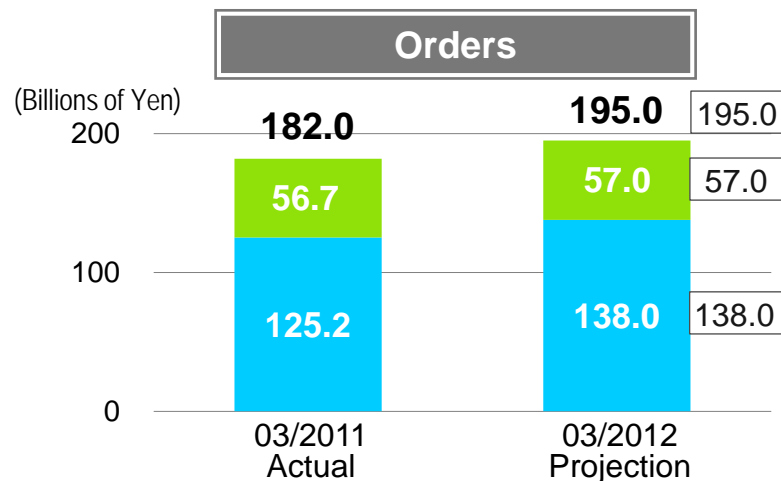
**【2】 Overview**

(Billions of Yen)

	Fiscal year to March 2011 Actual	Fiscal year to March 2012 Initial projection	Fiscal year to March 2012 Projection	Year-on-year change
Orders	<b>182.0</b>	<b>195.0</b>	<b>195.0</b>	<b>+ 7.2%</b>
Net Sales	<b>181.2</b>	<b>192.0</b>	<b>192.0</b>	<b>+ 5.9%</b>
Operating Income	<b>27.1</b>	<b>29.0</b>	<b>29.0</b>	<b>+ 6.9%</b>
Ordinary Income	<b>28.2</b>	<b>29.5</b>	<b>29.5</b>	<b>+ 4.8%</b>
Net Income	<b>17.1</b>	<b>17.4</b>	<b>17.4</b>	<b>+ 1.5%</b>

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

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

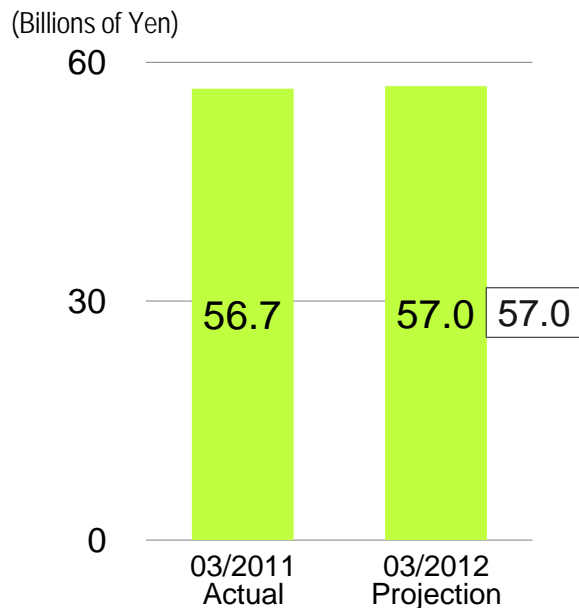




## 【4】 Water treatment chemicals

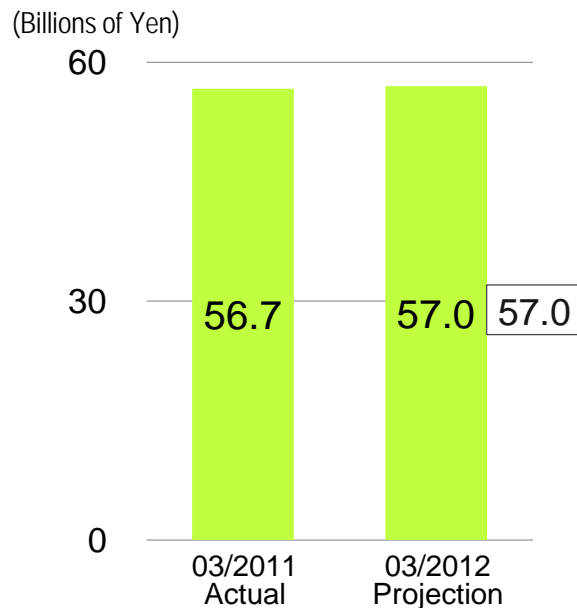
### Orders

\* □ denotes initial projections



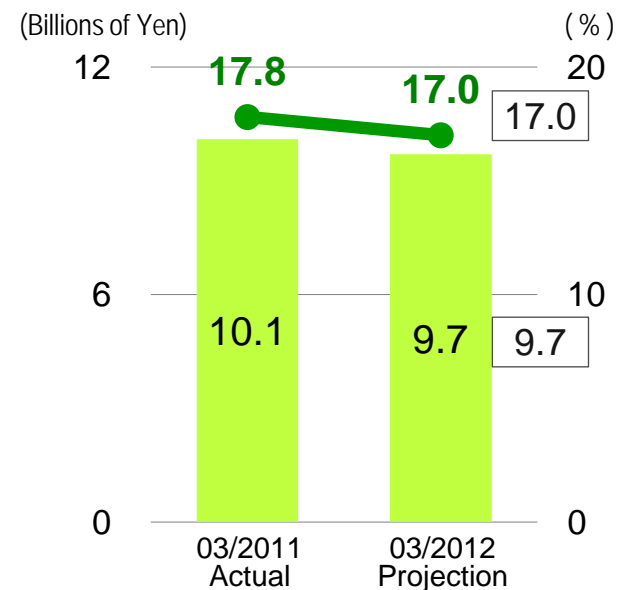
### Sales

\* □ 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 : Recovery in customers' capacity utilization (+)
- Overseas : Expansion in demand centering on Asia (+)

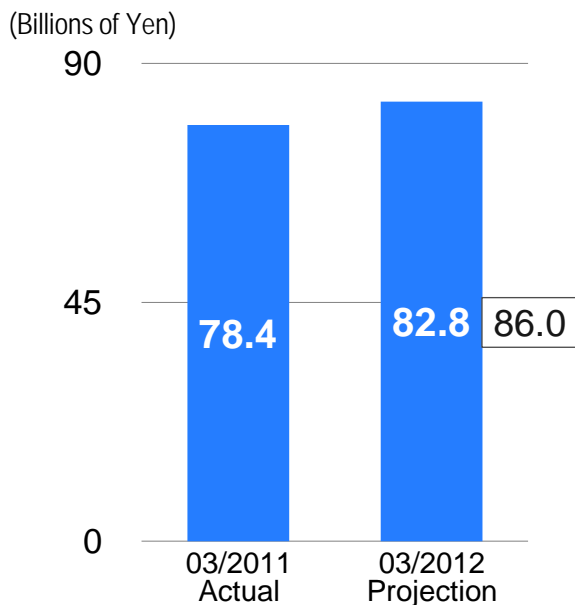
#### 【 Major determinants of change 】

- Increase of SG&A expenses (-)
- Rise in price of raw materials (-)

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

### Orders

\* □ denotes initial projections

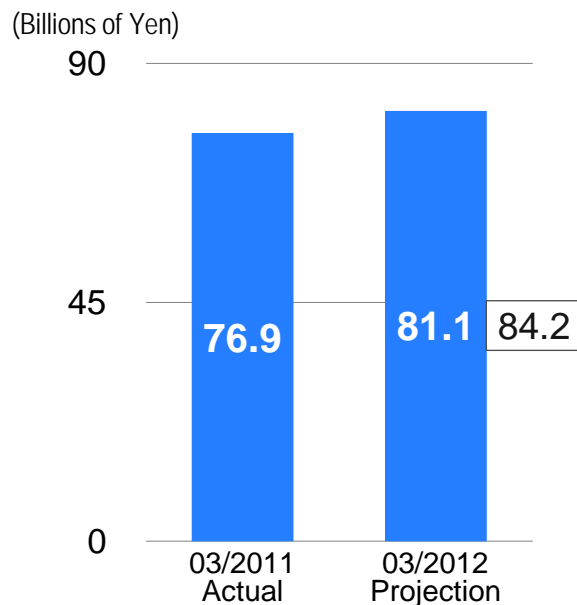


#### 【 Major areas of change 】

- Increase in hardware (+)
- Increase in maintenance services (+)
- Minor decrease in the ultrapure water supply (-)

### Sales

\* □ denotes initial projections

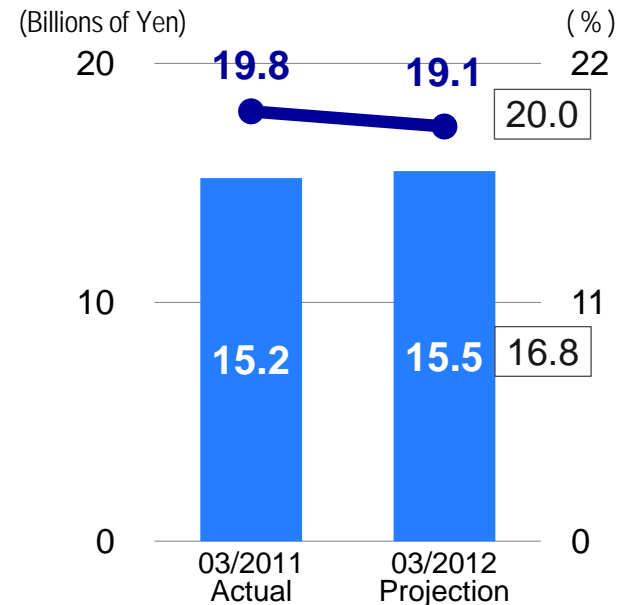


#### 【 Major areas of change 】

- Increase in hardware (+)
- Increase in maintenance services (+)
- Minor decrease in the ultrapure water supply (-)

### Operating Income and Operating Income Margin

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



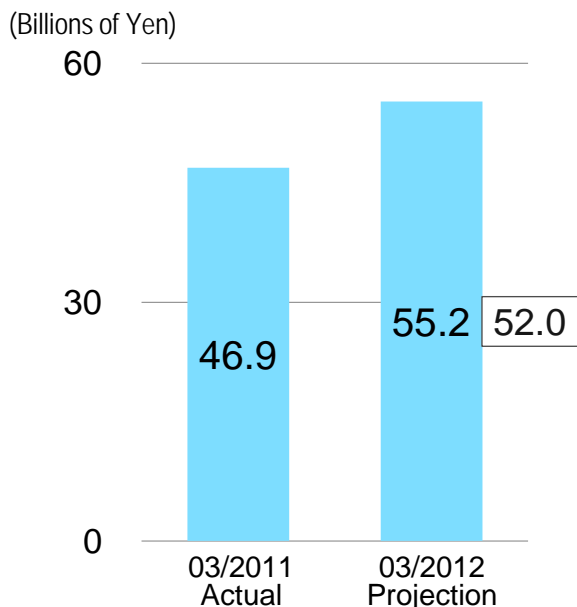
#### 【 Major determinants of change 】

- Impact of revenue growth (+)

## 【6】 Water treatment facilities (for general industries)

### Orders

\* □ denotes initial projections

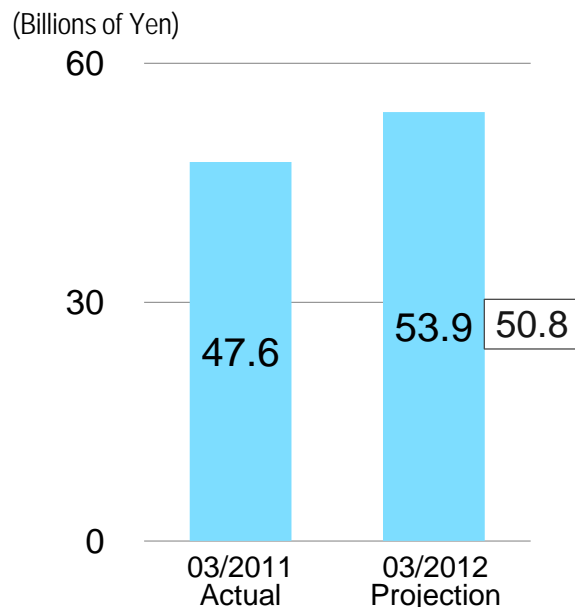


#### 【 Major areas of change 】

- Increase towards electric power (+)
- Increase in maintenance services (+)

### Sales

\* □ denotes initial projections

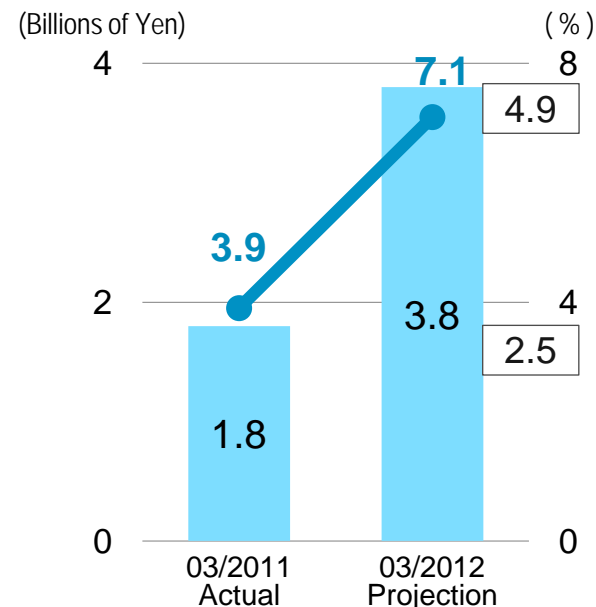


#### 【 Major areas of change 】

- Increase towards electric power (+)
- Increase in maintenance services (+)

### Operating Income and Operating Income Margin

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

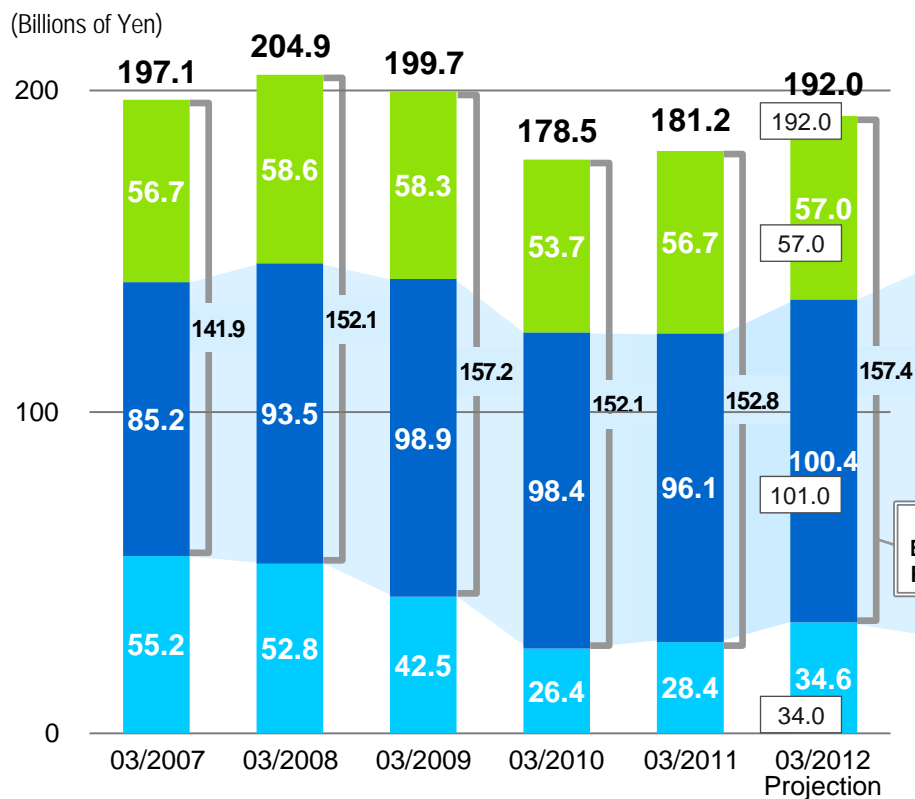


#### 【 Major determinants of change 】

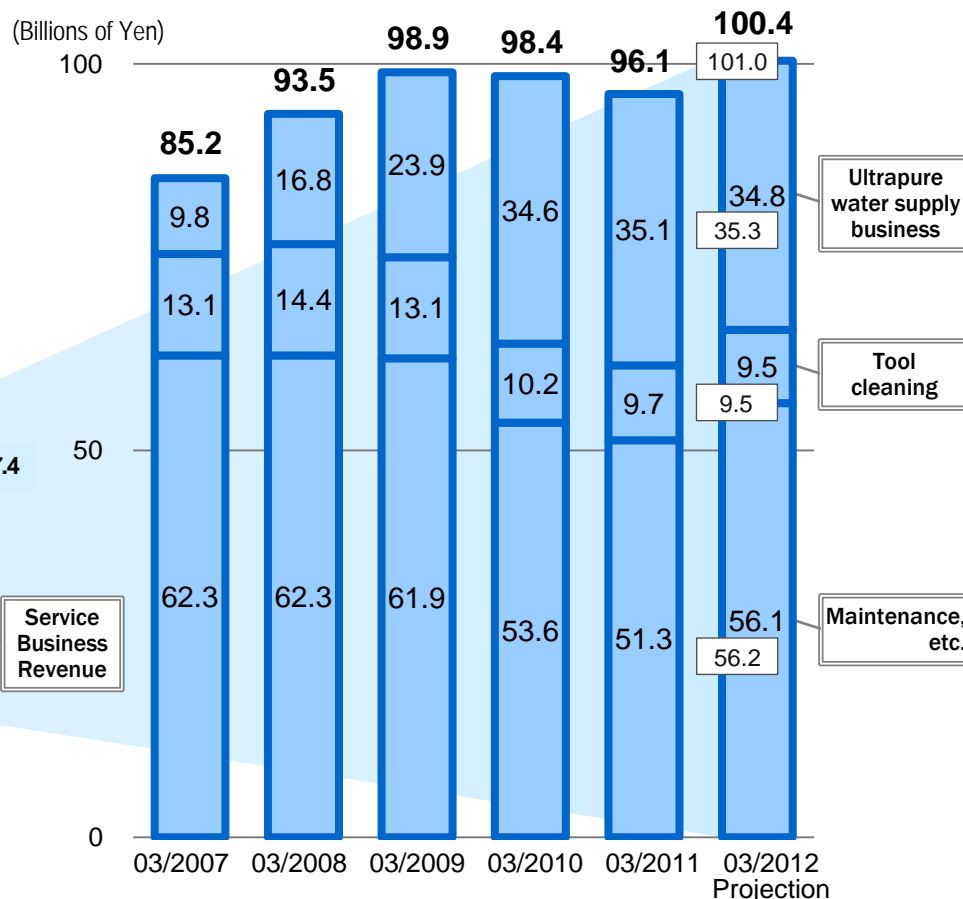
- Impact of revenue growth (+)

## 【7】 Service Business Revenue

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

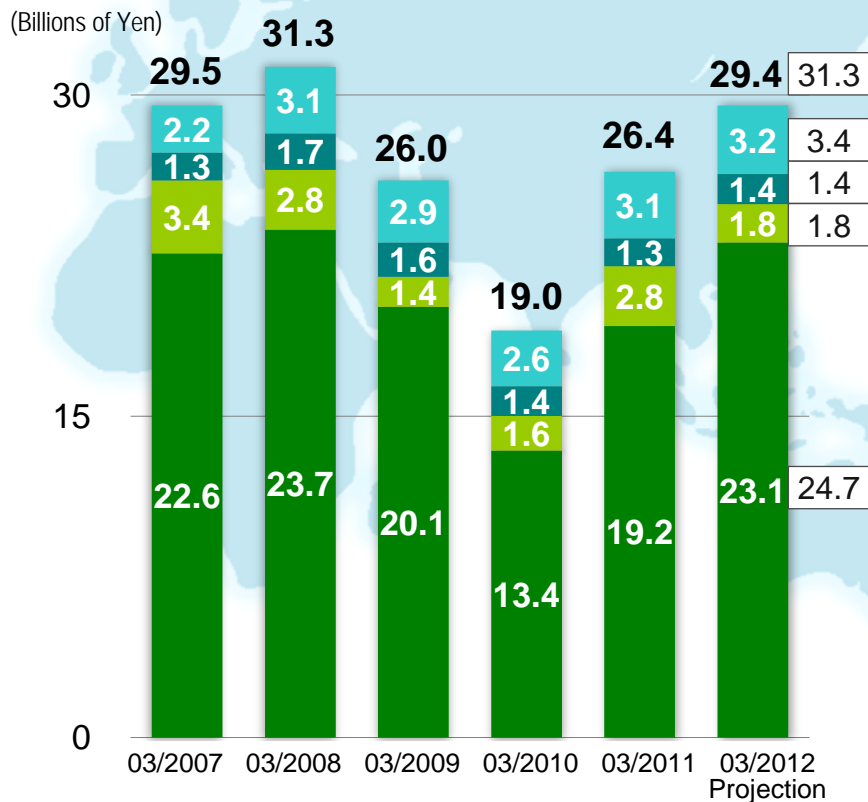


### Service Business Revenue in the Water Treatment Facilities Segment

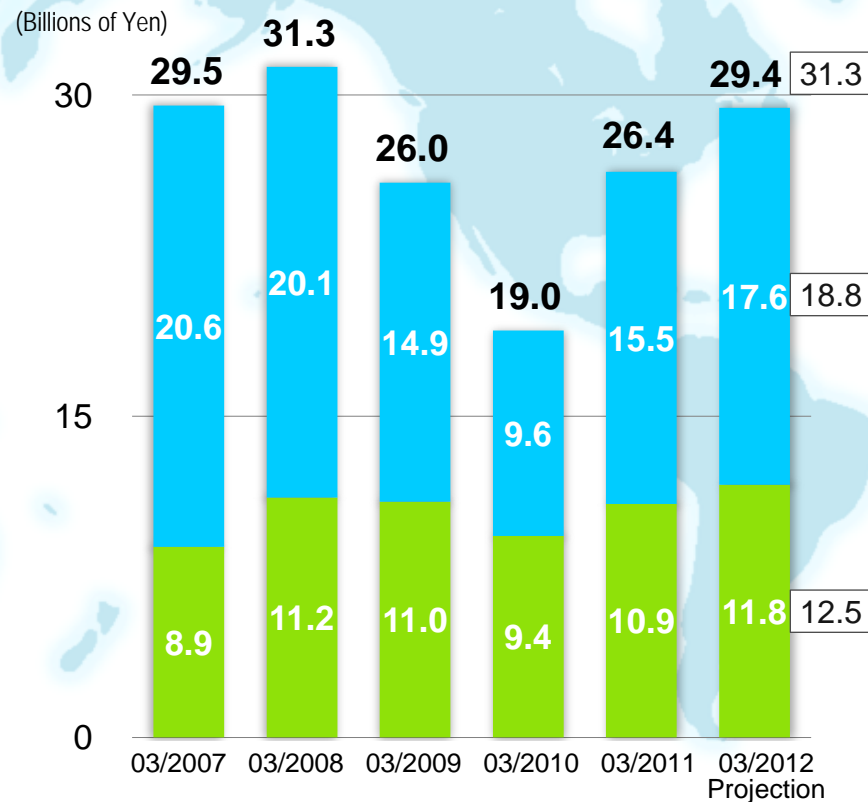
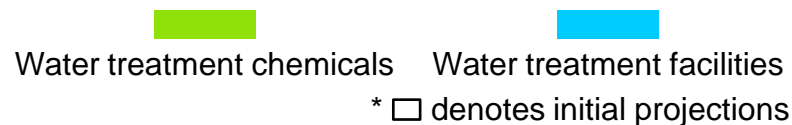


## 【8】 Overseas Businesses (sales by region and business)

### Sales by Region



### Sales by Overseas Business Segment



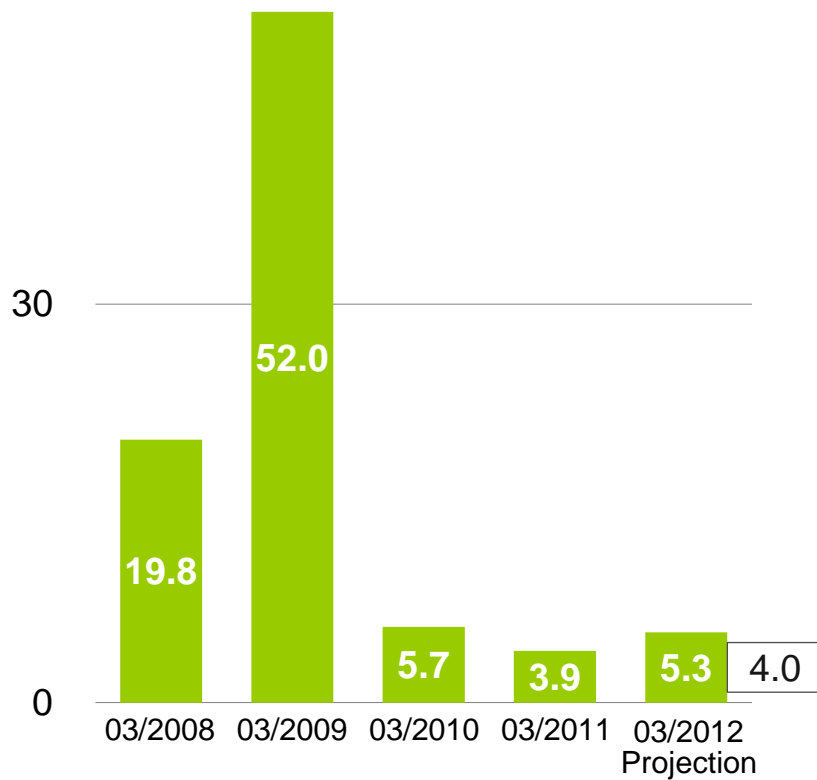
## 【9】 Outlook for the Ultrapure Water Supply Business

### Capital Expenditures

\* □ denotes initial projections

(Billions of Yen)

60

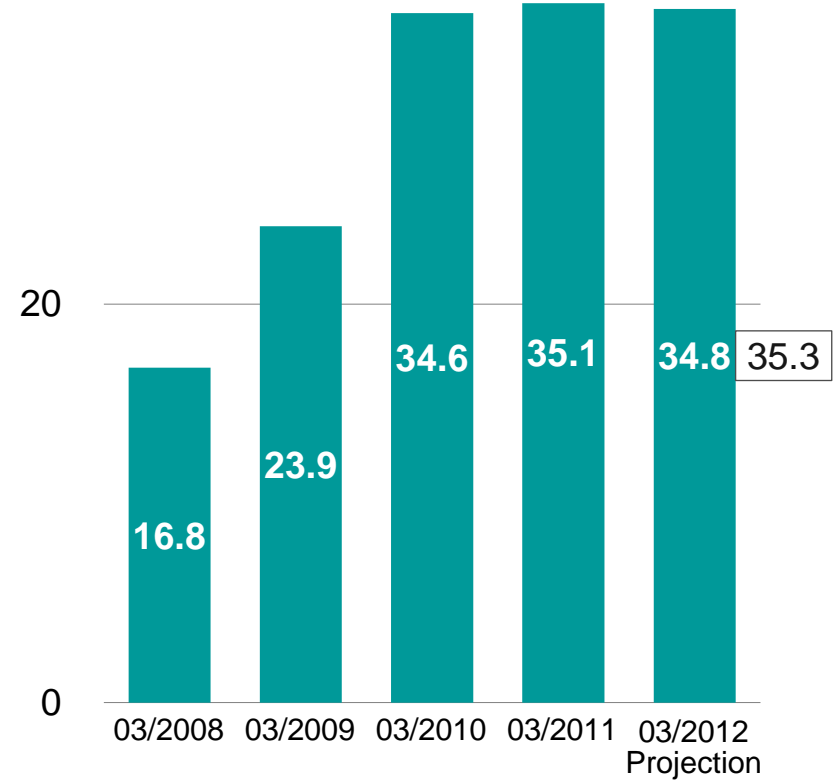


### Sales

\* □ denotes initial projections

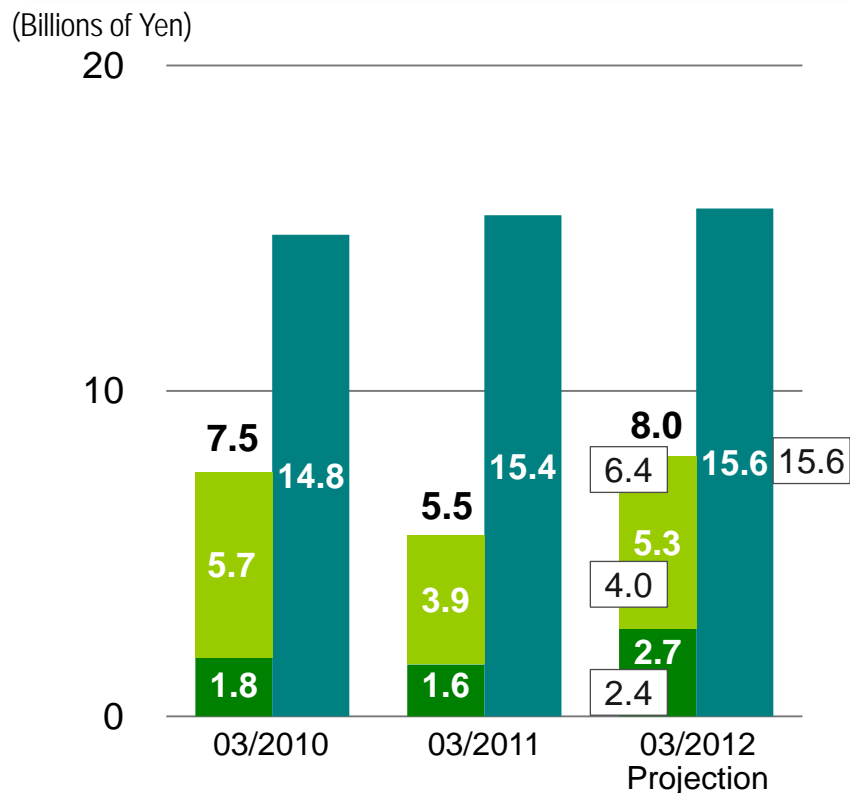
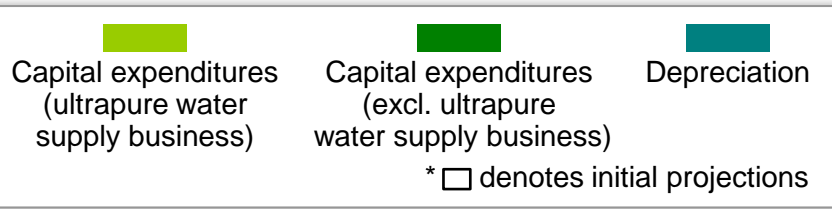
(Billions of Yen)

40

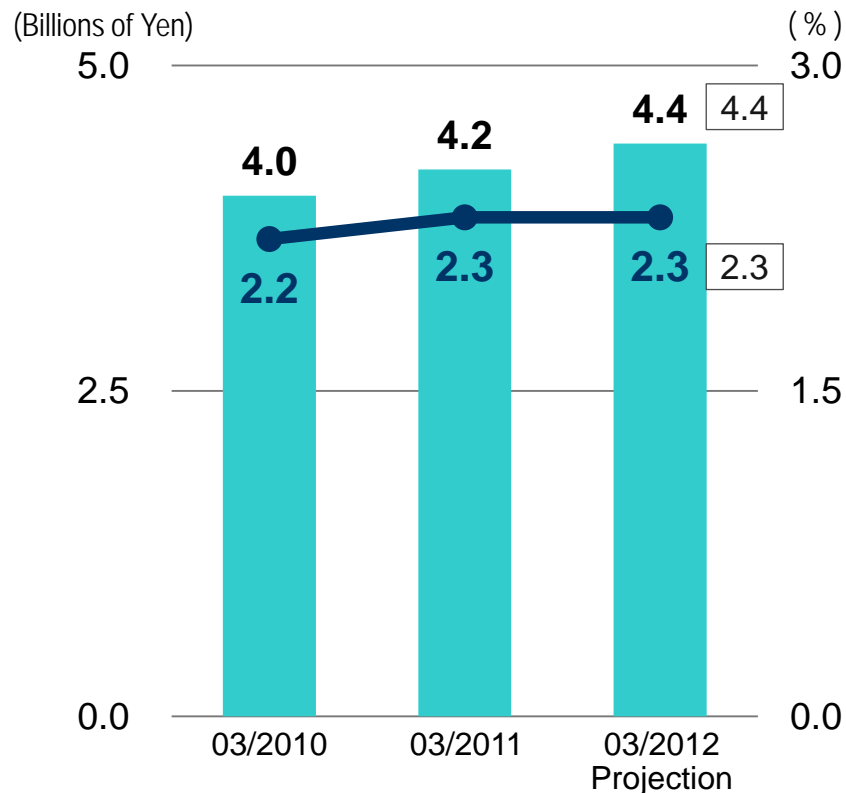
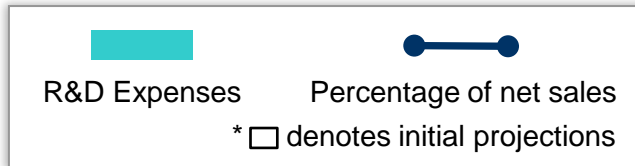


# 【10】 Capital Expenditures, Depreciation, and R&D Expenses

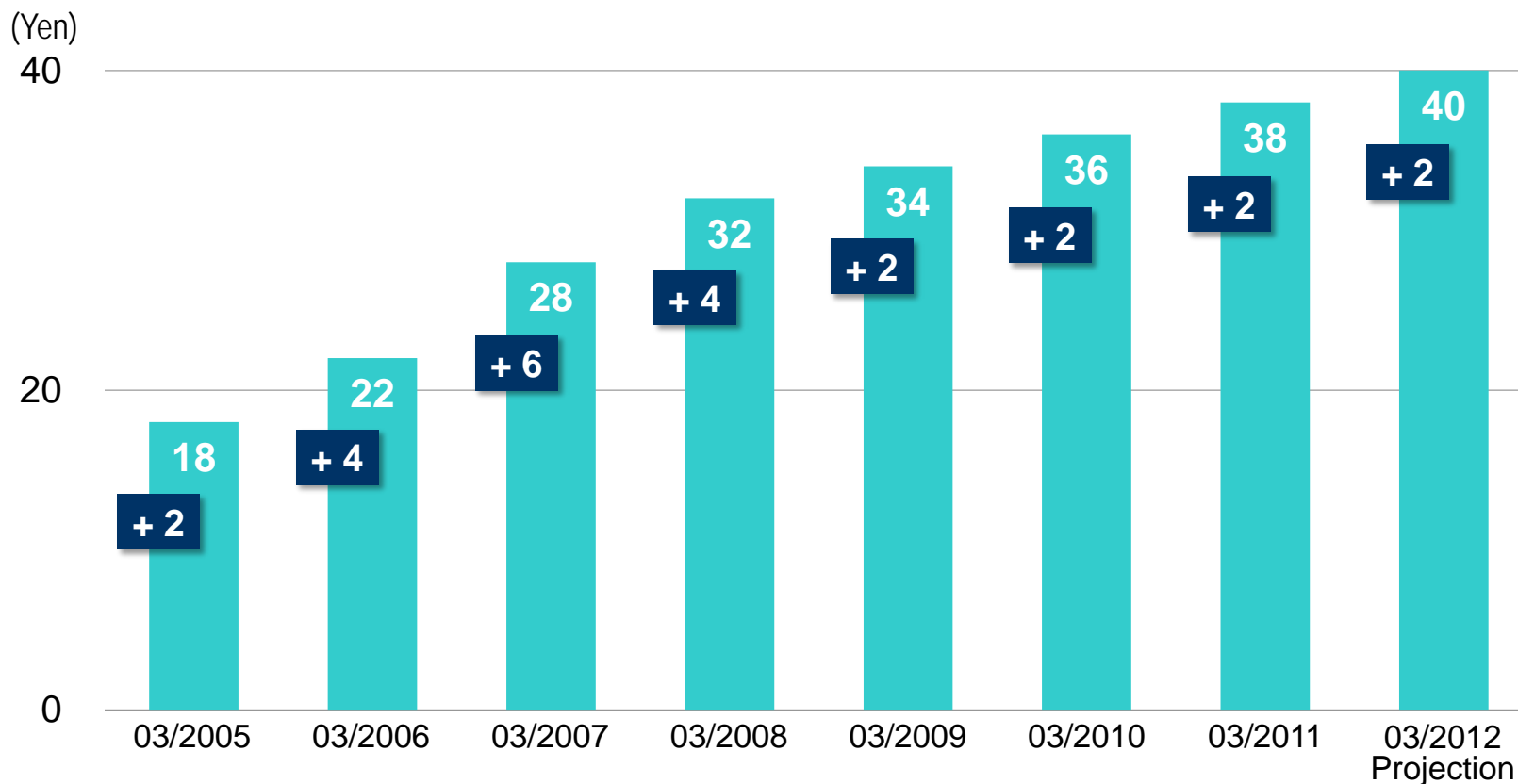
Capital Expenditures and Depreciation



R&D Expenses



**【11】 Dividend Policy**



**Basic Dividend Policy**

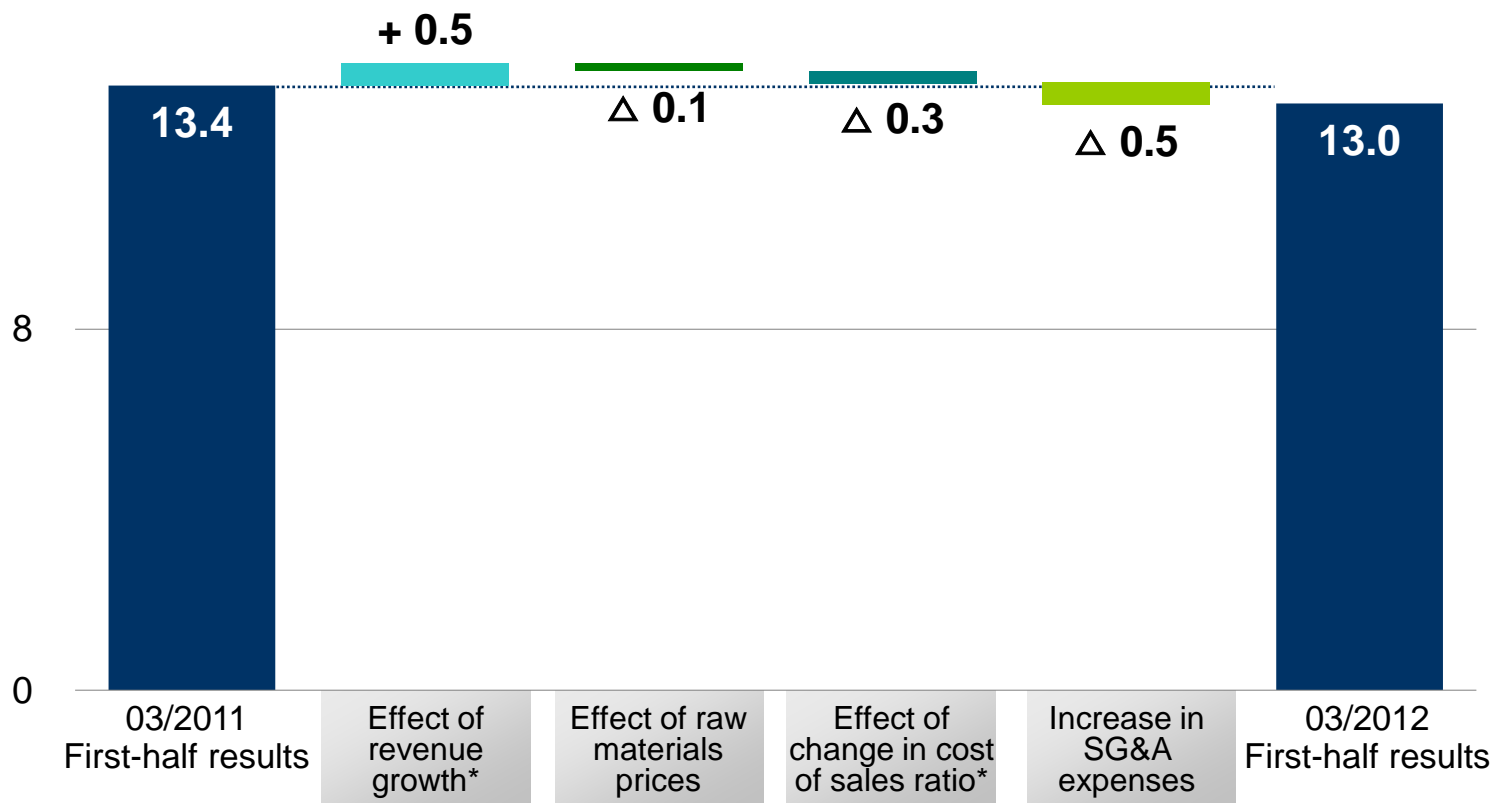
Kurita's basic policy is to maintain stable dividends, and the company will work to increase dividends while giving due consideration to trends in results and investments in its businesses.



## Analysis of Changes in First-half Operating Income for the Fiscal Year Ending March 31, 2012

(Billions of Yen)

16



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

# Kurita Water Industries Ltd.

■ U R L ■ <http://www.kurita.jp/>

■ M A I L ■ [ir@kurita.co.jp](mailto: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.