

Kurita Water Industries Ltd.

Results Presentation for the Year Ended March 31, 2014

(Stock code: 6370)

May 2, 2014

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- 3. Water Treatment Chemicals**
- 4. Water Treatment Facilities (for the electronics industry)**
- 5. Water Treatment Facilities (for general industries)**
- 6. Financial Condition**

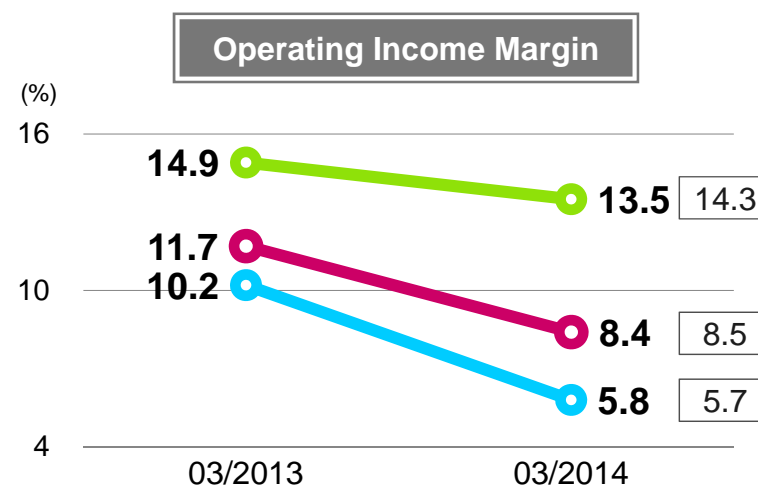
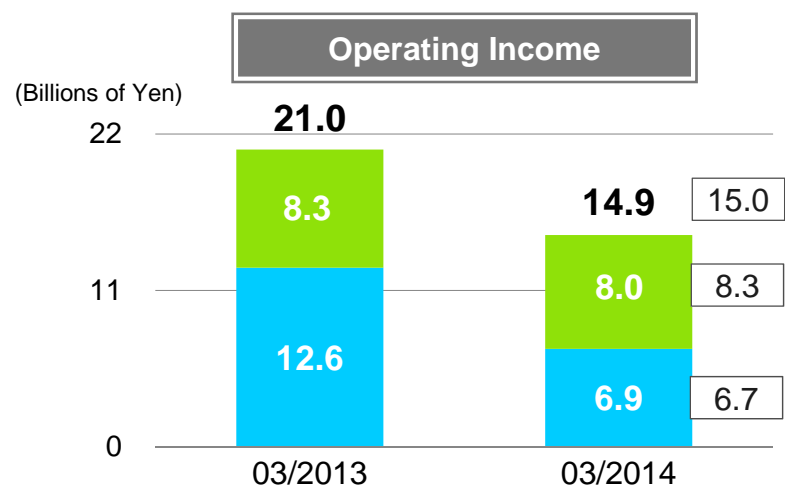
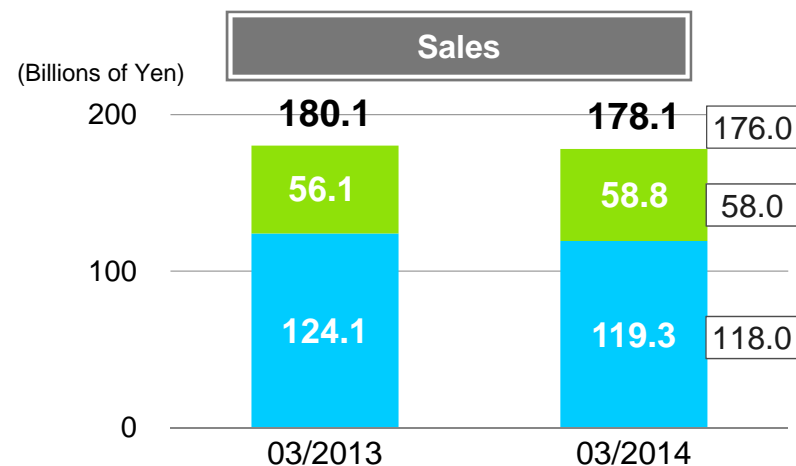
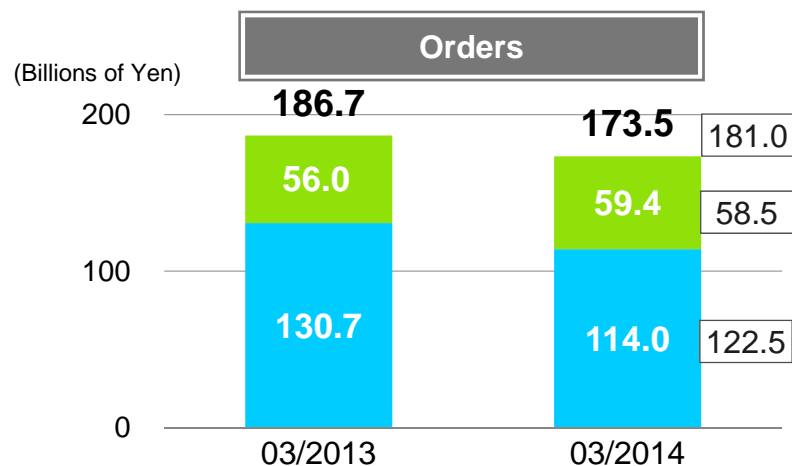
1. Financial Highlights

(Billions of Yen)

	Fiscal Year to March 2013 Actual	Fiscal Year to March 2014 Actual	Year-on-Year Change	Revised Projections	Initial Projections
Orders	186.7	173.5	- 7.1%	181.0	197.0
Net Sales	180.1	178.1	- 1.1%	176.0	191.0
Operating Income	21.0	14.9	- 29.1%	15.0	23.5
Ordinary Income	22.0	16.1	- 27.1%	15.8	24.0
Net Income	11.5	9.4	- 18.5%	9.0	14.0

2. Orders, Sales, Operating Income, and Operating Income Margin

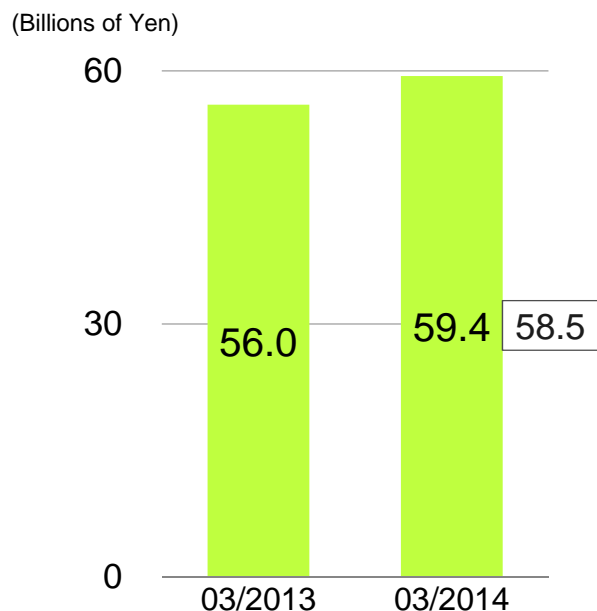
Water treatment chemicals
 Water treatment facilities
 Total
 * denotes revised projections



3. Water Treatment Chemicals

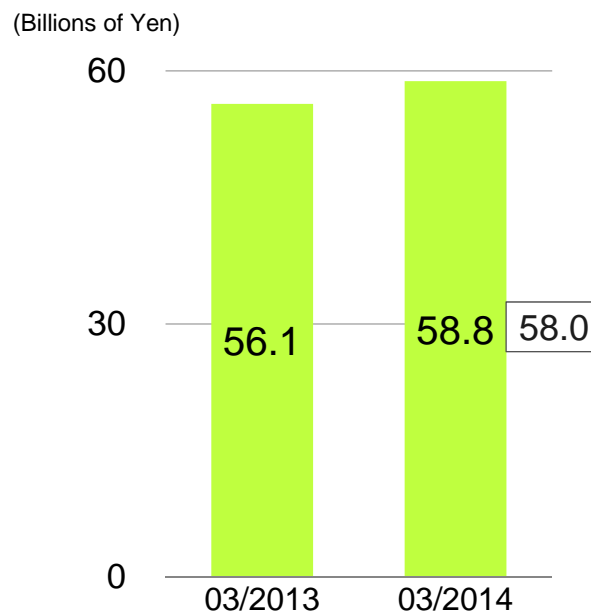
Orders

* denotes revised projections



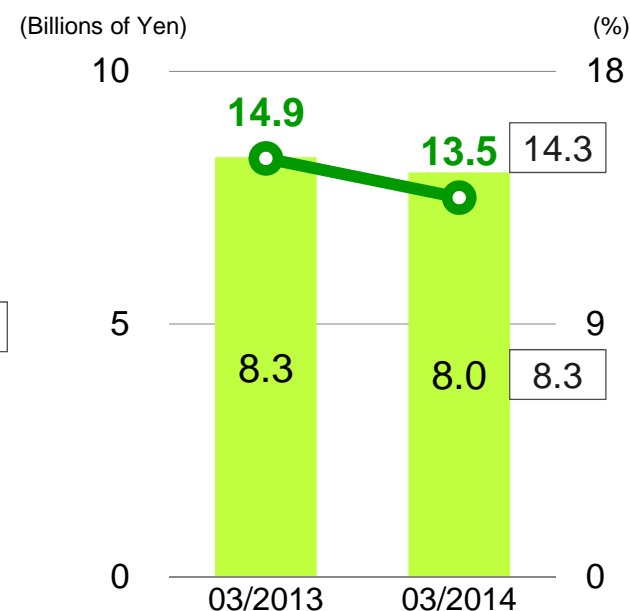
Sales

* denotes revised projections



Operating Income and Operating Income Margin

■ Operating income
●—● Operating income margin
 * denotes revised projections



[Major areas of change in Orders / Sales]

- Japan: Delayed recovery in customers' capacity utilization in the first half (-)
- Overseas: Growth primarily in Asia (+)

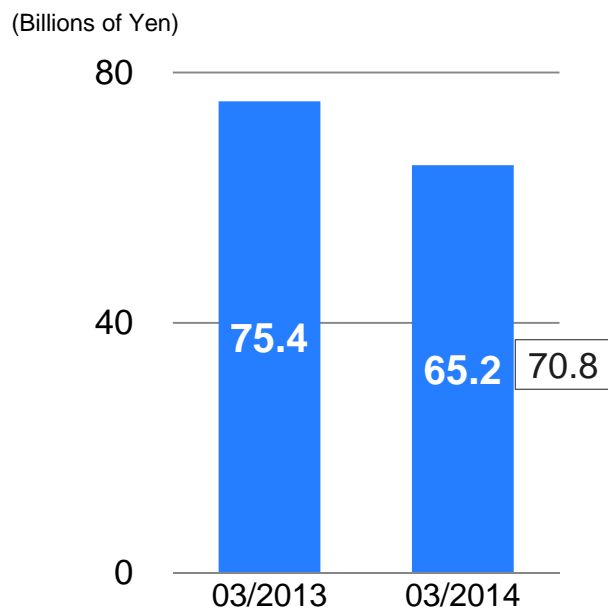
[Major determinants of change]

- Impact of increase in revenue (+)
- Increase in SG&A expenses (-)

4. Water Treatment Facilities (for the electronics industry)

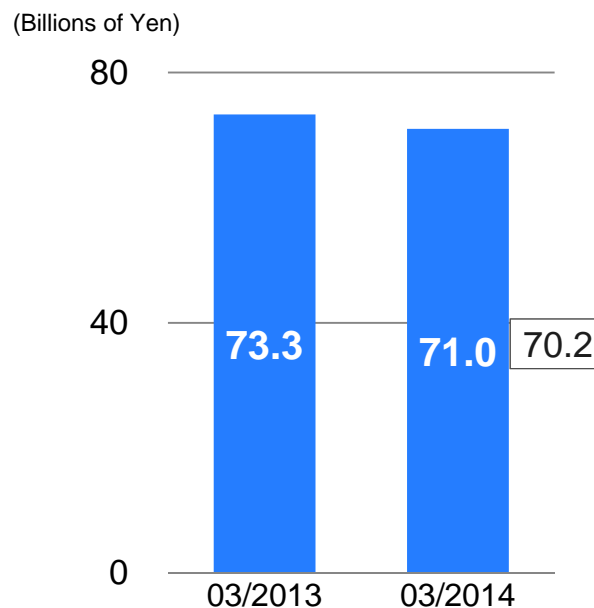
Orders

* denotes revised projections



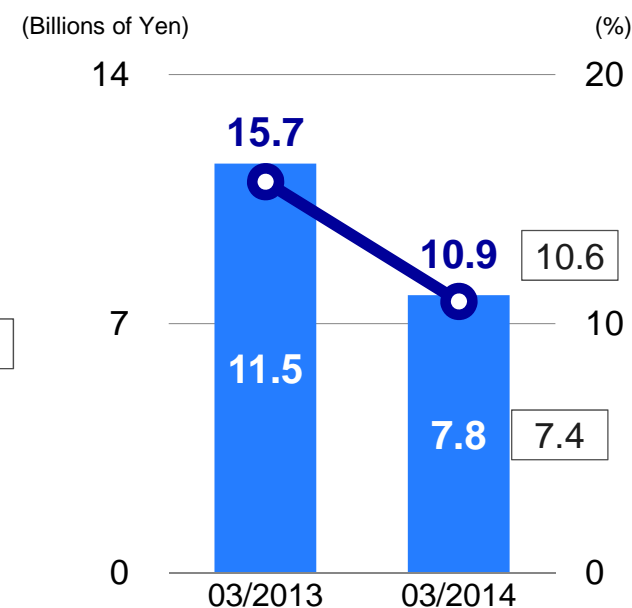
Sales

* denotes revised projections



Operating Income and Operating Income Margin

■ Operating income
●—● Operating income margin
 * denotes revised projections



- [Major areas of change in Orders / Sales]**
- Decline in hardware overseas (-)
 - Decrease in ultrapure water supply business (-)
 - Increase in maintenance services overseas (+)

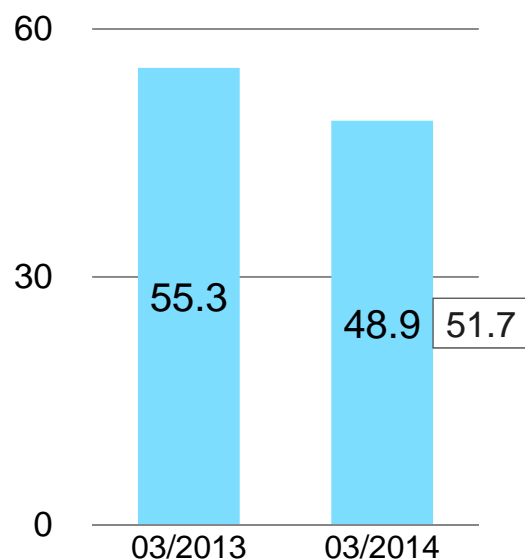
- [Major determinants of change]**
- Deterioration of cost of sales ratio (-)
 - Impact of decline in revenue (-)
 - Increase in SG&A expenses (-)

5. Water Treatment Facilities (for general industries)

Orders

* denotes revised projections

(Billions of Yen)



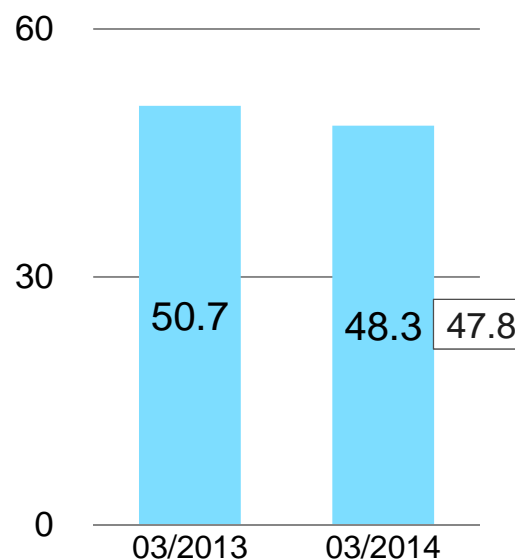
[Major areas of change]

- Decrease in hardware for general industries (-)
- Decrease in maintenance services for general industries (-)

Sales

* denotes revised projections

(Billions of Yen)



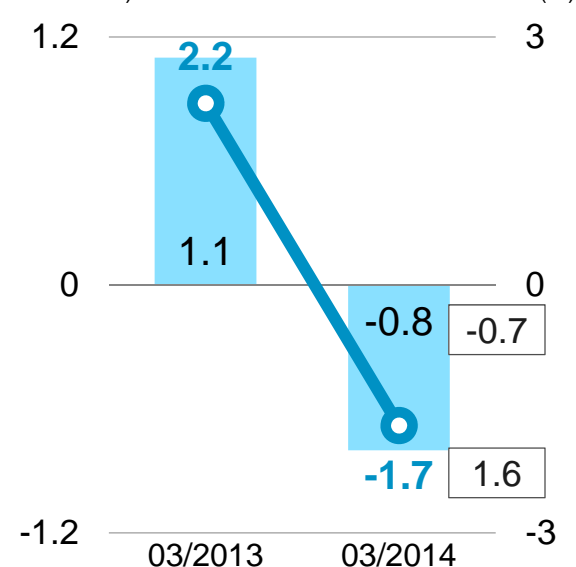
[Major areas of change]

- Decrease in hardware for electric power industry (-)

Operating Income and Operating Income Margin

■ Operating income
●—● Operating income margin
 * denotes revised projections

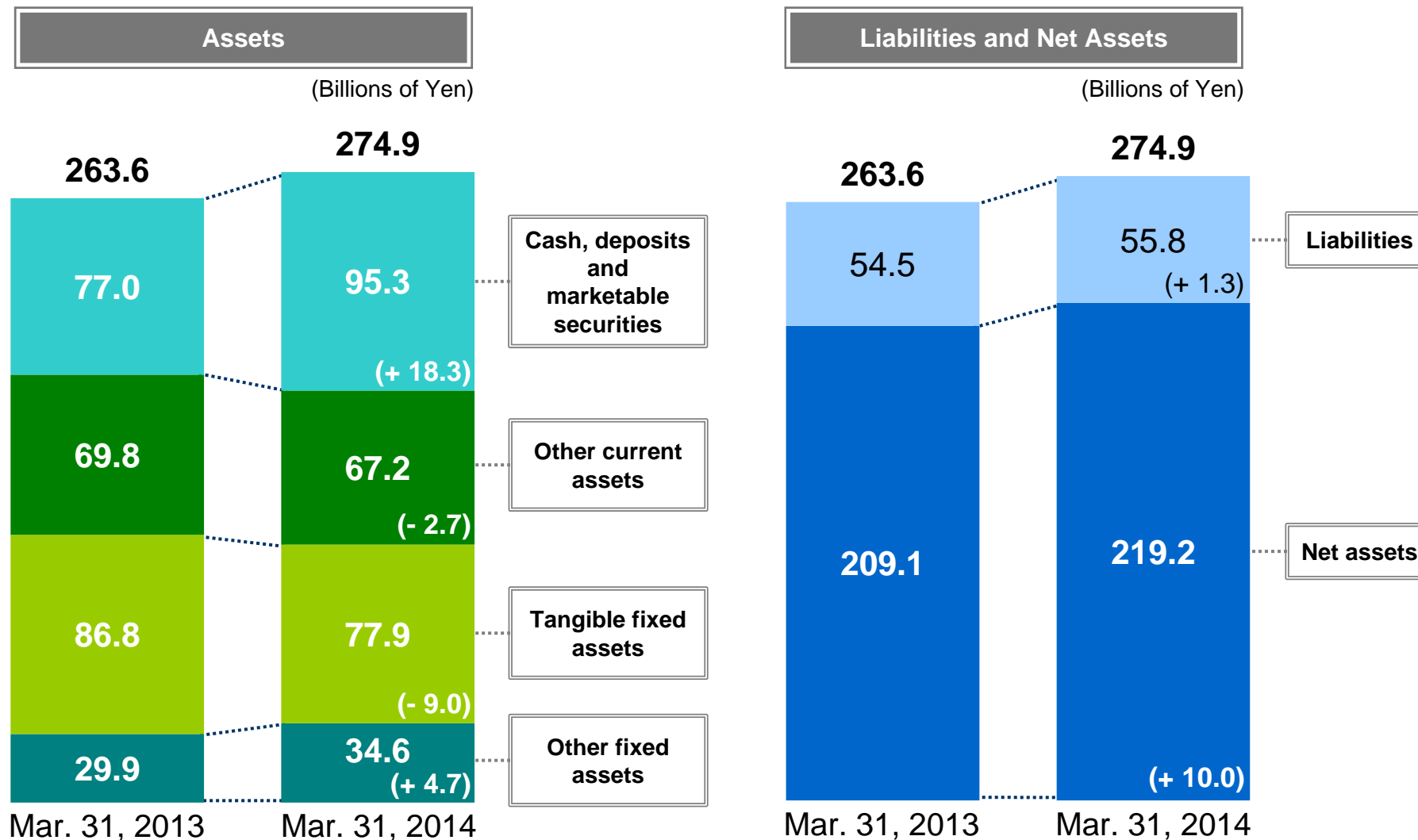
(Billions of Yen)



[Major determinants of change]

- Deterioration of cost of sales ratio (-)
- Impact of decline in revenue (-)

6. Financial Condition

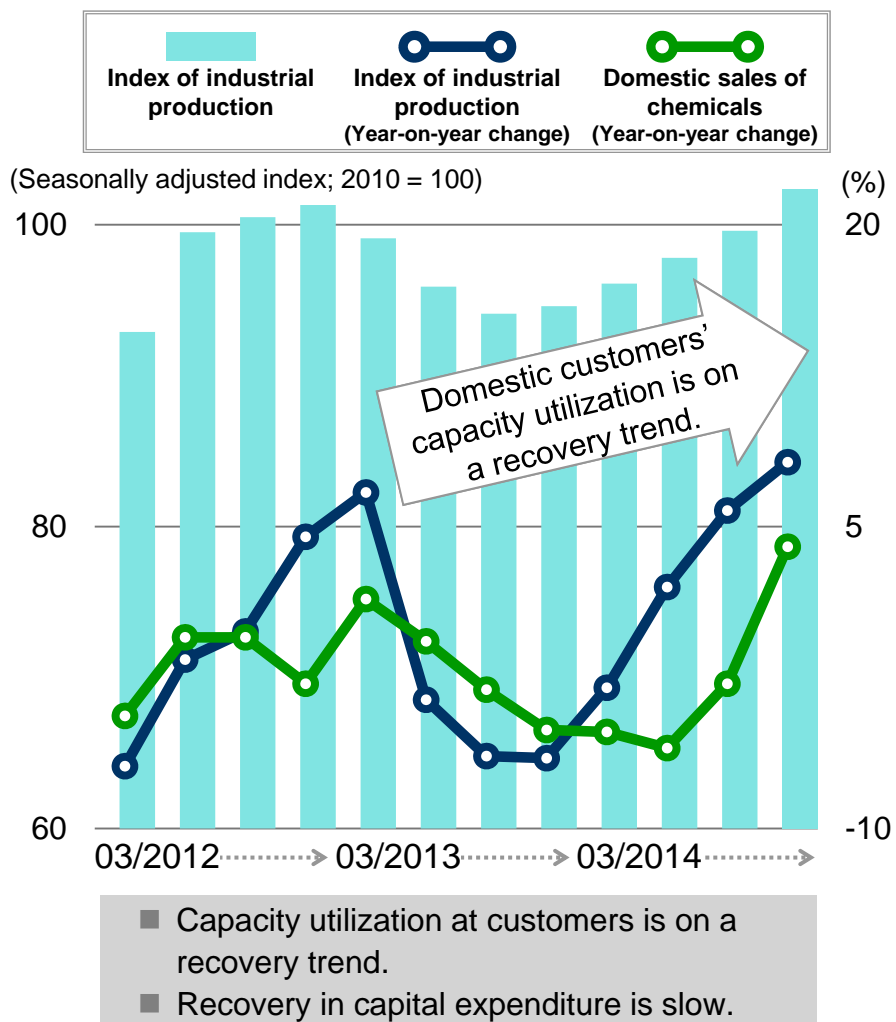


II. Consolidated Business Plan for the Fiscal Year Ending March 31, 2015

- 1. Business Environment and 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**
- 8. Overseas Businesses (sales by region and business)**
- 9. Ultrapure Water Supply Business**
- 10. Capital Expenditures, Depreciation, and R&D Expenses**
- 11. Dividend Policy**

1. Business Environment and Key Assumptions

Japan



Overseas

Demand for water treatment for reuse of wastewater and other uses is increasing against a backdrop of water shortages and the tightening of regulations worldwide.

Capital expenditure in the electronics industry in East Asia varies depending on products and customers.

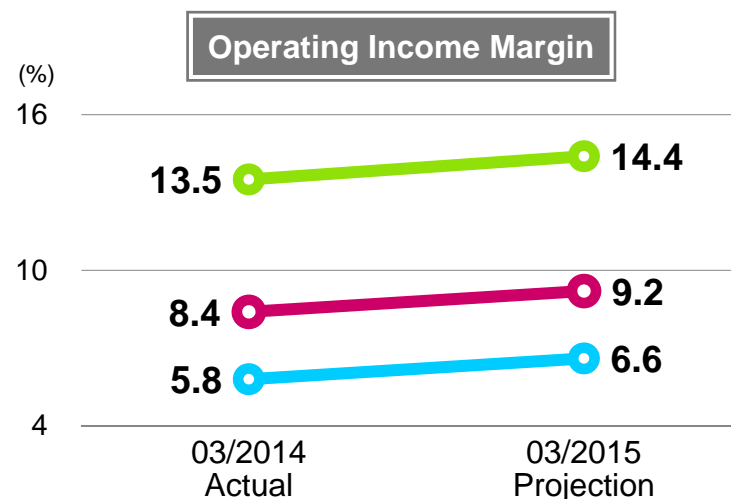
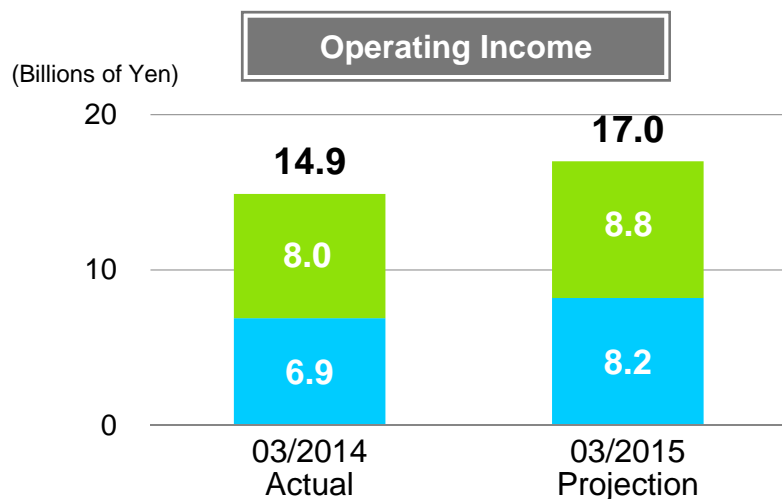
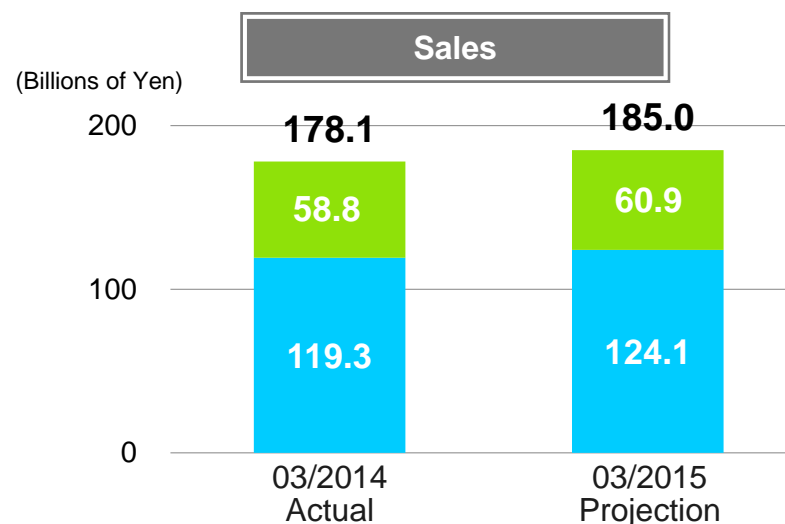
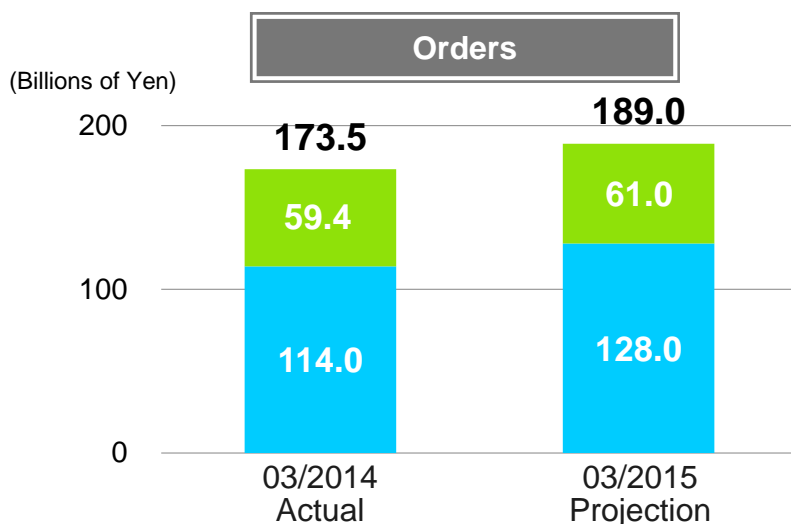
Despite concern over a slowdown in economic growth in Southeast Asia and other emerging economies, demand for energy and food will continue to increase due to rises in population, and the construction of auto parts, steel sheet, and chemical plants will continue as GDP grows.

2. Overview

(Billions of Yen)

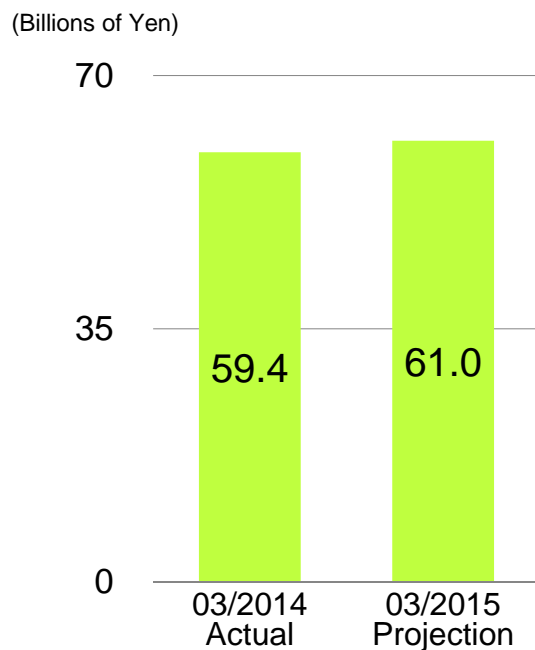
	Fiscal Year to March 2014 Actual	Fiscal Year to March 2015 Projection	Year-on-Year Change
Orders	173.5	189.0	+ 9.0%
Net Sales	178.1	185.0	+ 3.9%
Operating Income	14.9	17.0	+ 14.2%
Ordinary Income	16.1	17.8	+ 10.8%
Net Income	9.4	11.0	+ 17.6%

3. Orders, Sales, Operating Income, and Operating Income Margin

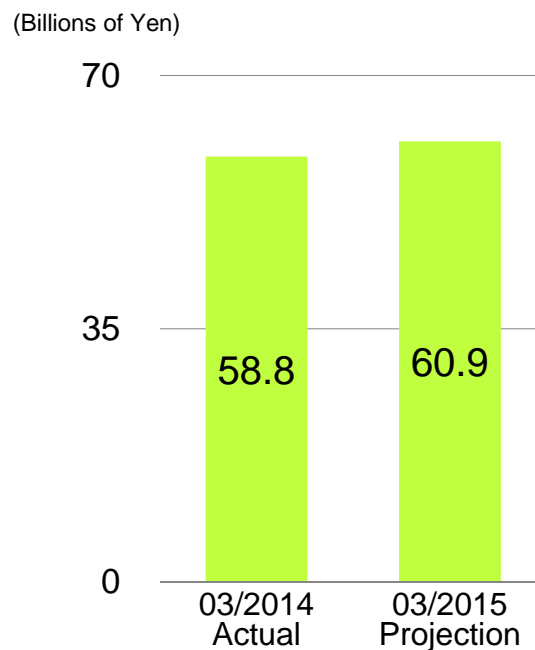


4. Water Treatment Chemicals

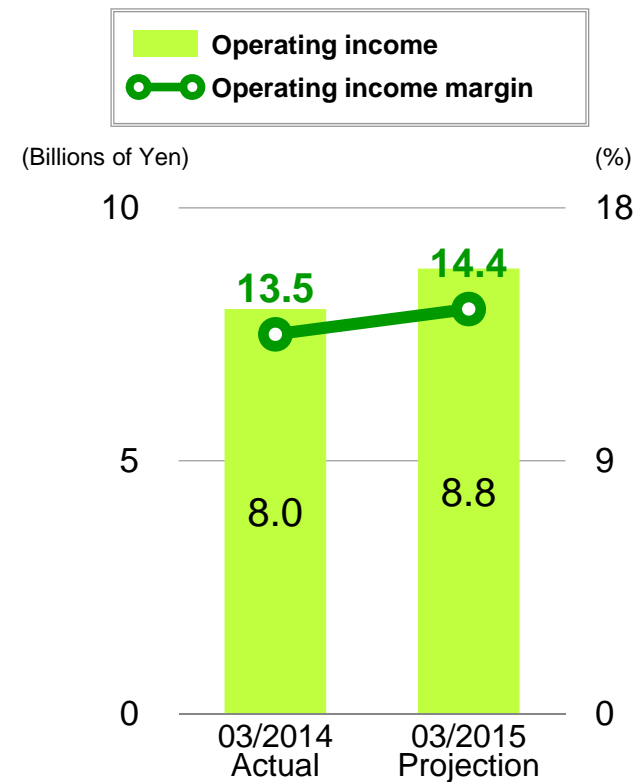
Orders



Sales



Operating Income and Operating Income Margin



[Major areas of change in Orders / Sales]

- Japan: Recovery primarily in core products (+)
- Overseas: Continued growth particularly in Asia (+)

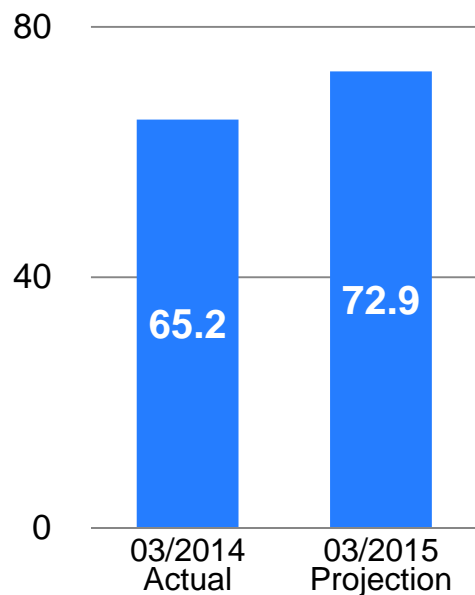
[Major determinants of change]

- Impact of increase in revenue (+)
- Improvement in cost of sales ratio (+)
- Increase in SG&A expenses (-)

5. Water Treatment Facilities (for the electronics industry)

Orders

(Billions of Yen)

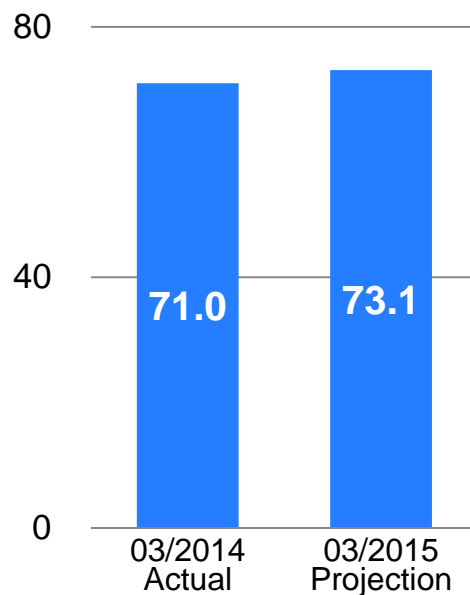


[Major areas of change]

- Increase in hardware overseas (+)
- Decrease in hardware in Japan (-)

Sales

(Billions of Yen)



[Major areas of change]

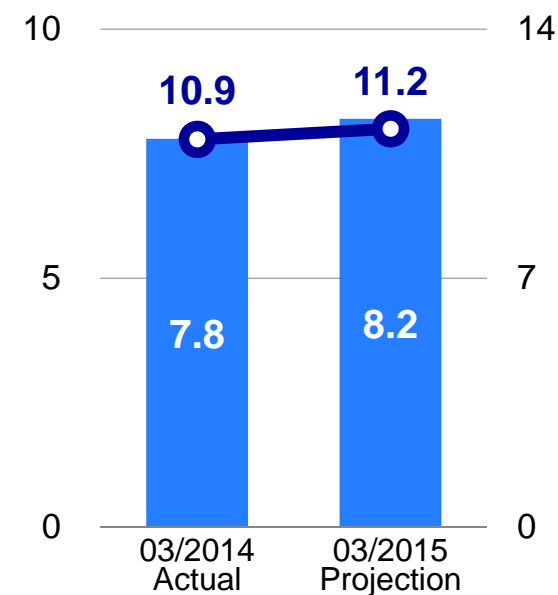
- Increase in hardware overseas (+)
- Increase in maintenance services overseas (+)
- Decrease in hardware in Japan (-)

Operating Income and Operating Income Margin

■ Operating income
● Operating income margin

(Billions of Yen)

(%)



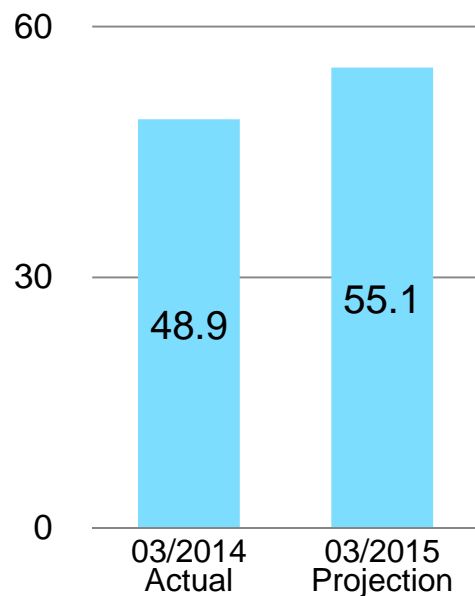
[Major determinants of change]

- Impact of increase in revenue (+)
- Improvement in cost of sales ratio (+)

6. Water Treatment Facilities (for general industries)

Orders

(Billions of Yen)

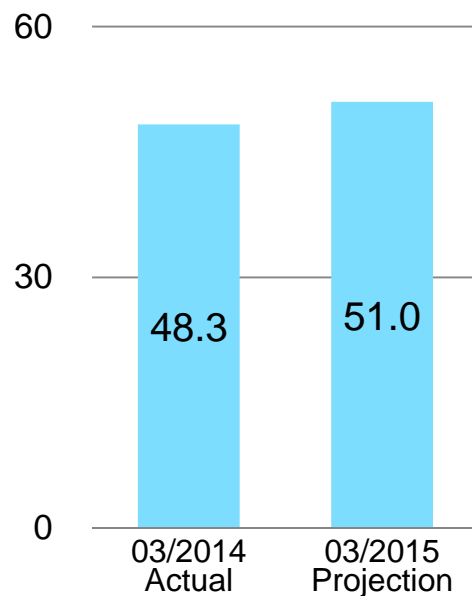


[Major areas of change]

- Increase in general industries hardware (+)
- Increase in maintenance services (+)

Sales

(Billions of Yen)



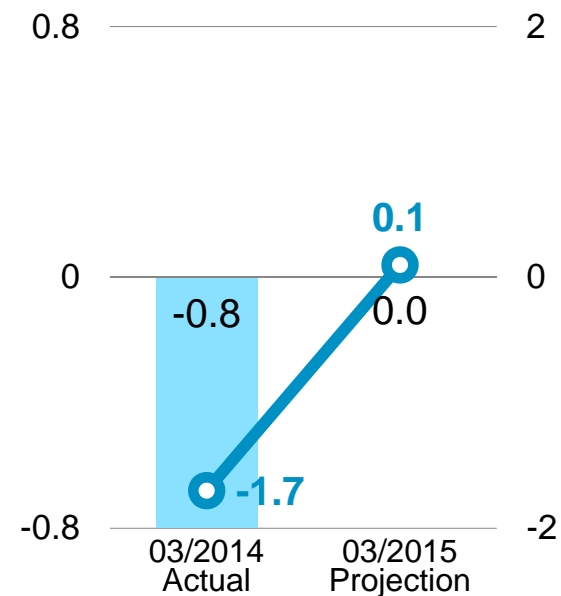
[Major areas of change]

- Increase for electric power industry (+)
- Increase in general industries hardware (+)
- Increase in maintenance services (+)

Operating Income and Operating Income Margin

(Billions of Yen)

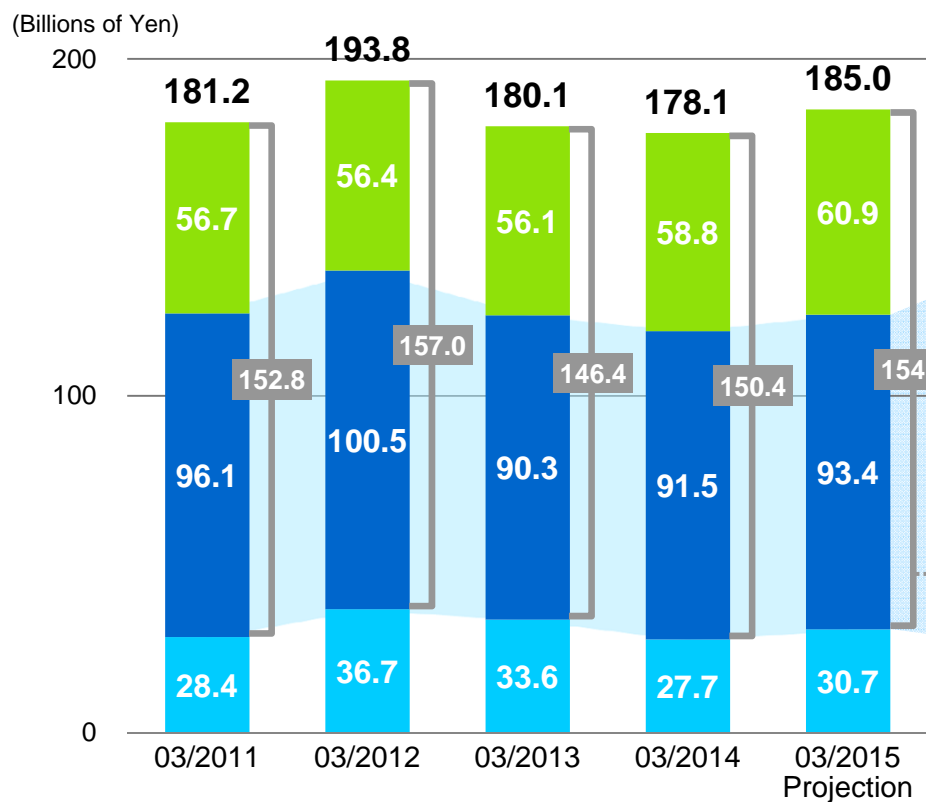
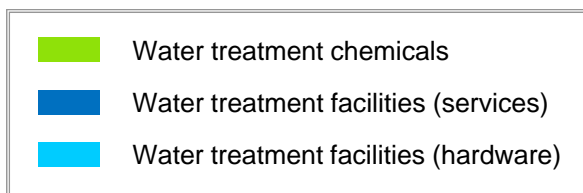
(%)



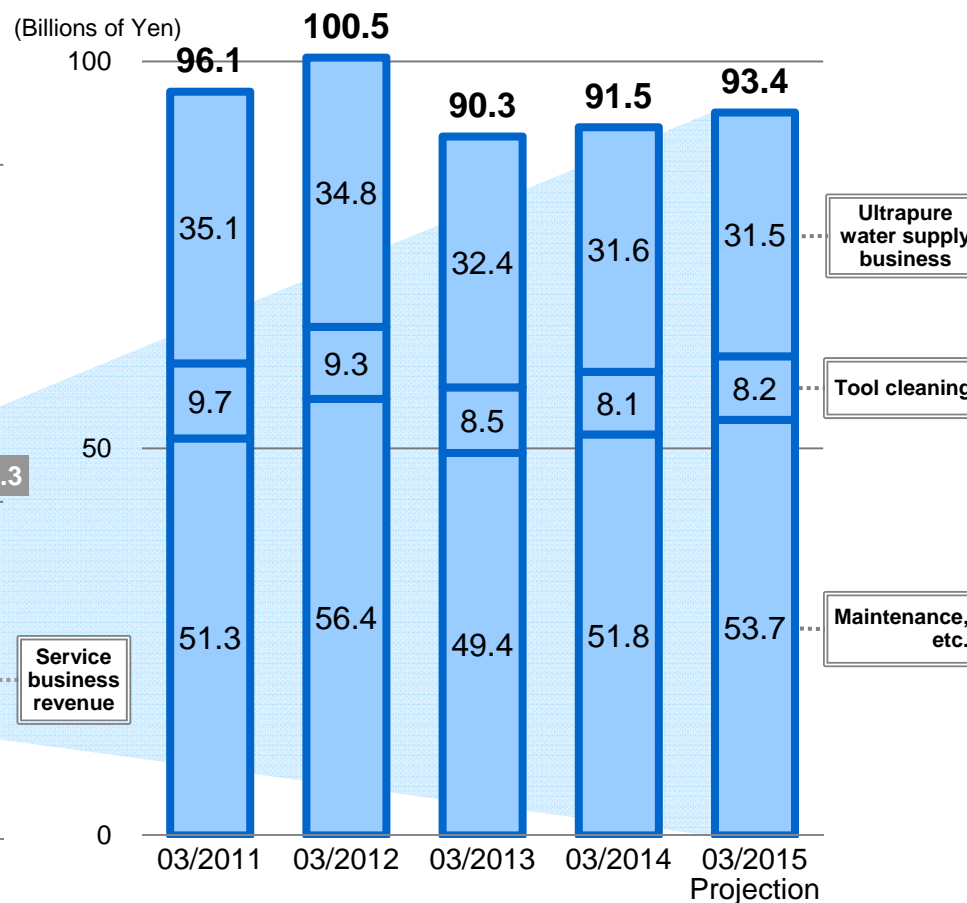
[Major determinants of change]

- Impact of increase in revenue (+)
- Improvement in cost of sales ratio (+)
- Increase in SG&A expenses (-)

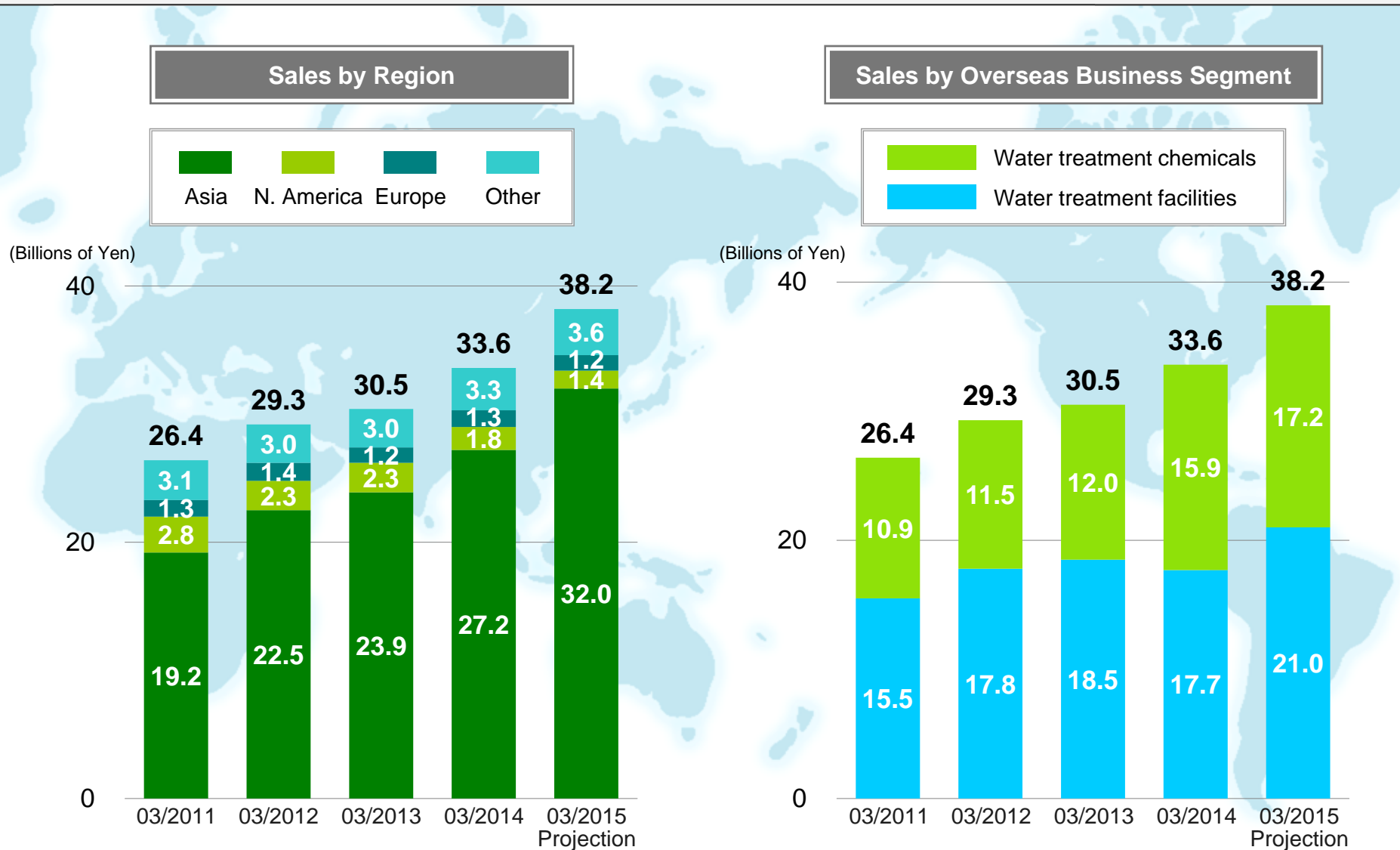
7. Service Business Revenue



Service Business Revenue in the Water Treatment Facilities Segment



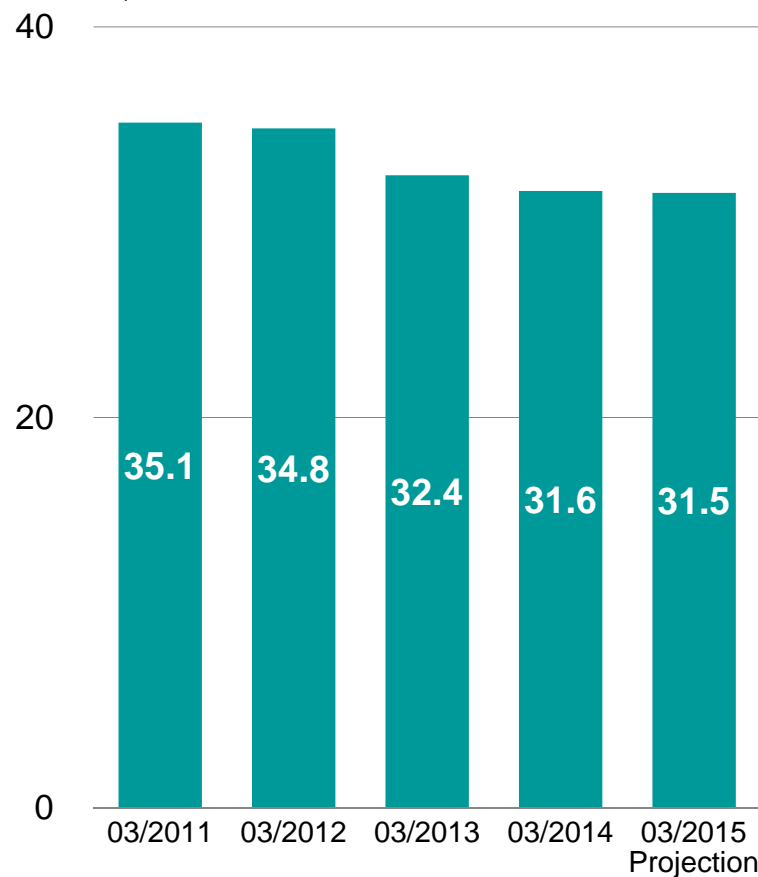
8. Overseas Businesses (sales by region and business)



9. Ultrapure Water Supply Business

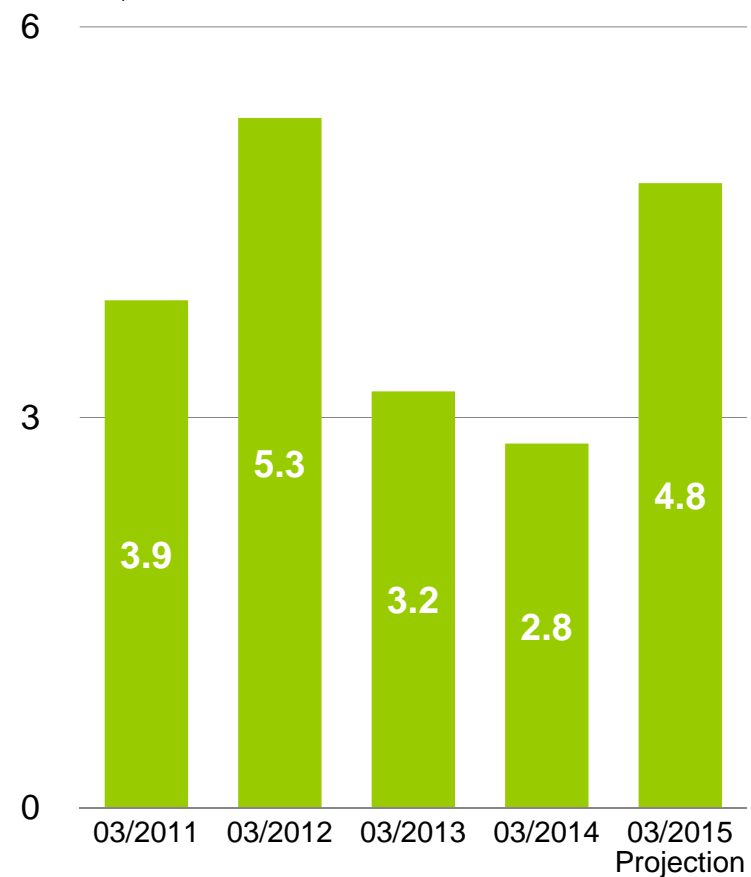
Sales

(Billions of Yen)



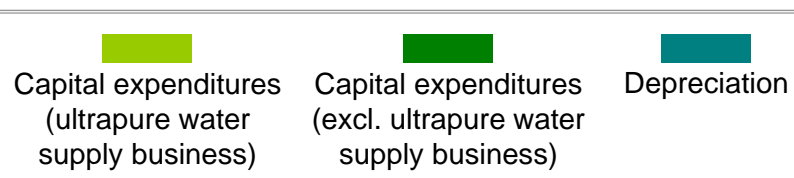
Capital Expenditures

(Billions of Yen)

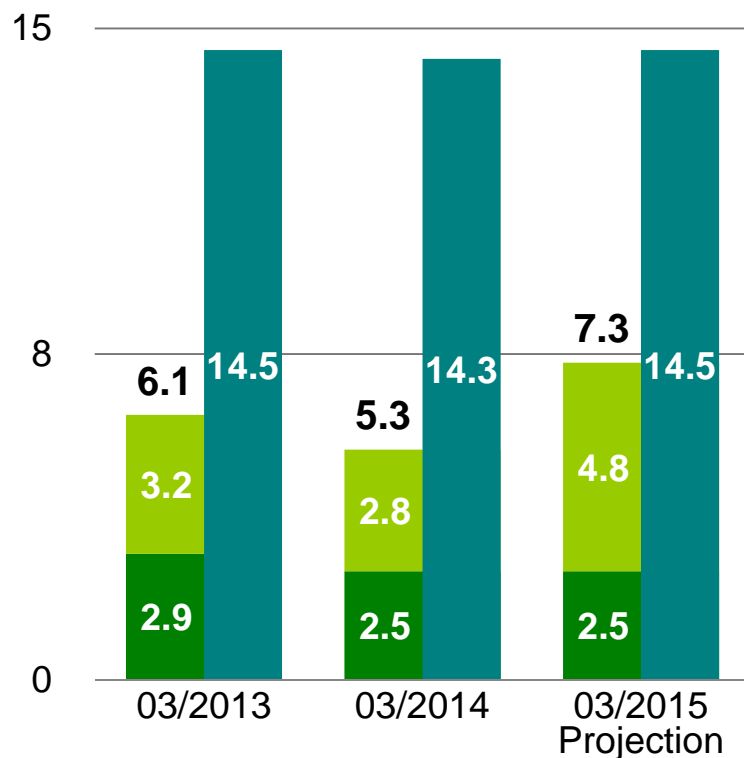


10. Capital Expenditures, Depreciation, and R&D Expenses

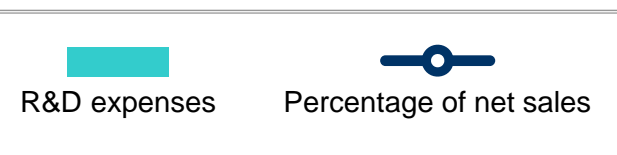
Capital Expenditures and Depreciation



(Billions of Yen)

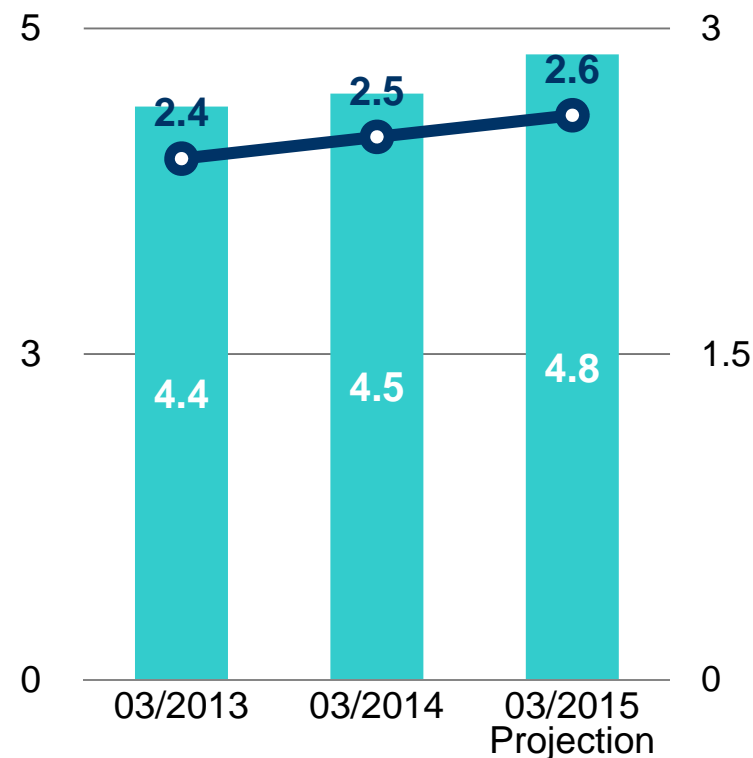


R&D Expenses

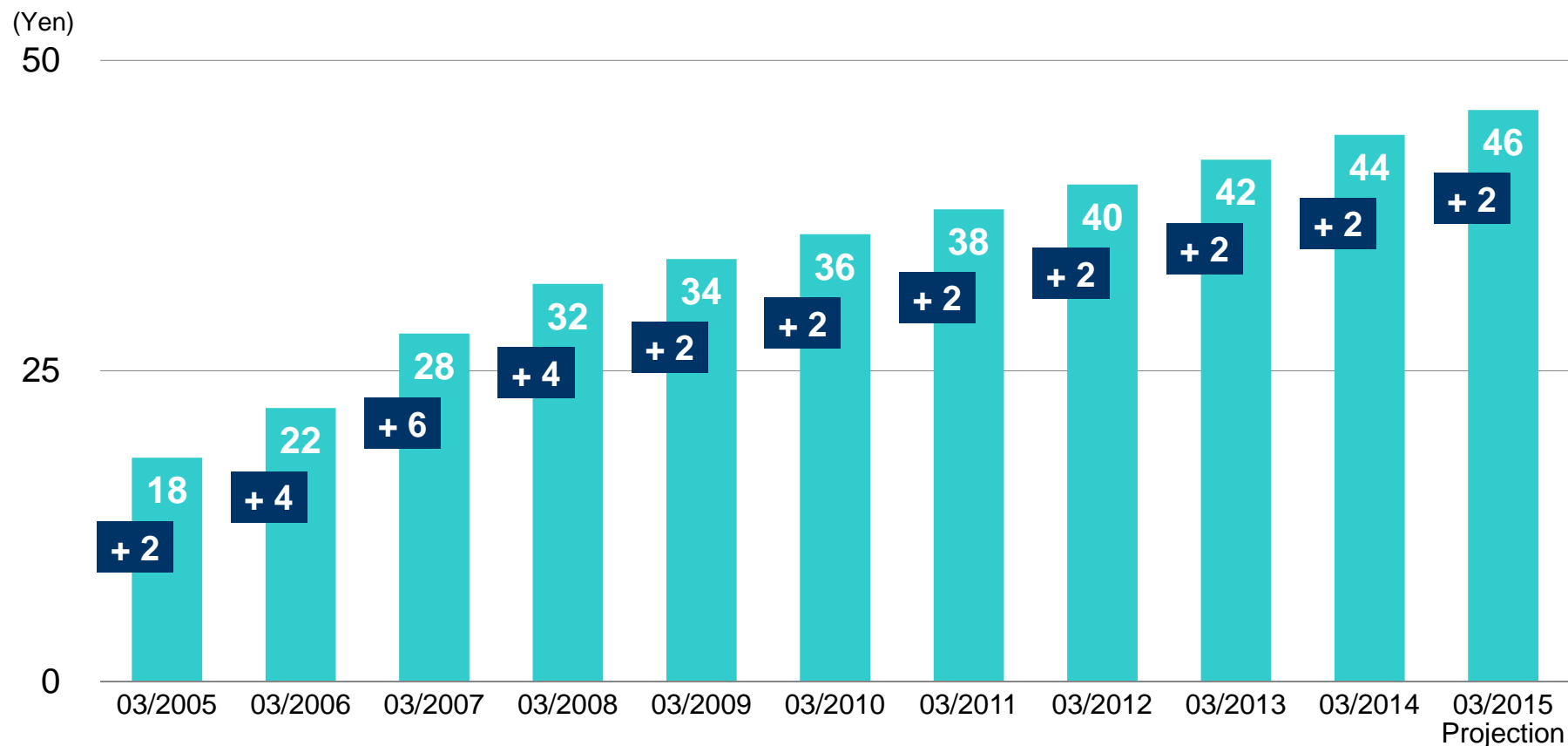


(Billions of Yen)

(%)



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.

III. Key Initiatives

- 1. Direction of Management**
- 2. Restore Earnings Power**
- 3. Overseas Business Growth**
- 4. Improve Capital Efficiency**

1. Direction of Management

Completion of the Medium-Term Management Plan,
Take Action 2014 (TA-14)

Make Group-wide efforts

Enhance the quality of the solutions
that we propose to customers

Restore earnings
power

Expand overseas
operations
steadily

Improve capital
efficiency

2. Restore Earnings Power

Initiative 1

Promoting cooperation between the sales division and production division

⇒ Lowering the cost of sales ratio at the time of receipt of orders and preventing the occurrence of additional costs

Initiative 2

Standardizing designs, expanding global sourcing, and building an optimum production system

⇒ Increasing cost competitiveness

Initiative 3

Enhancing the added value of solutions to be proposed

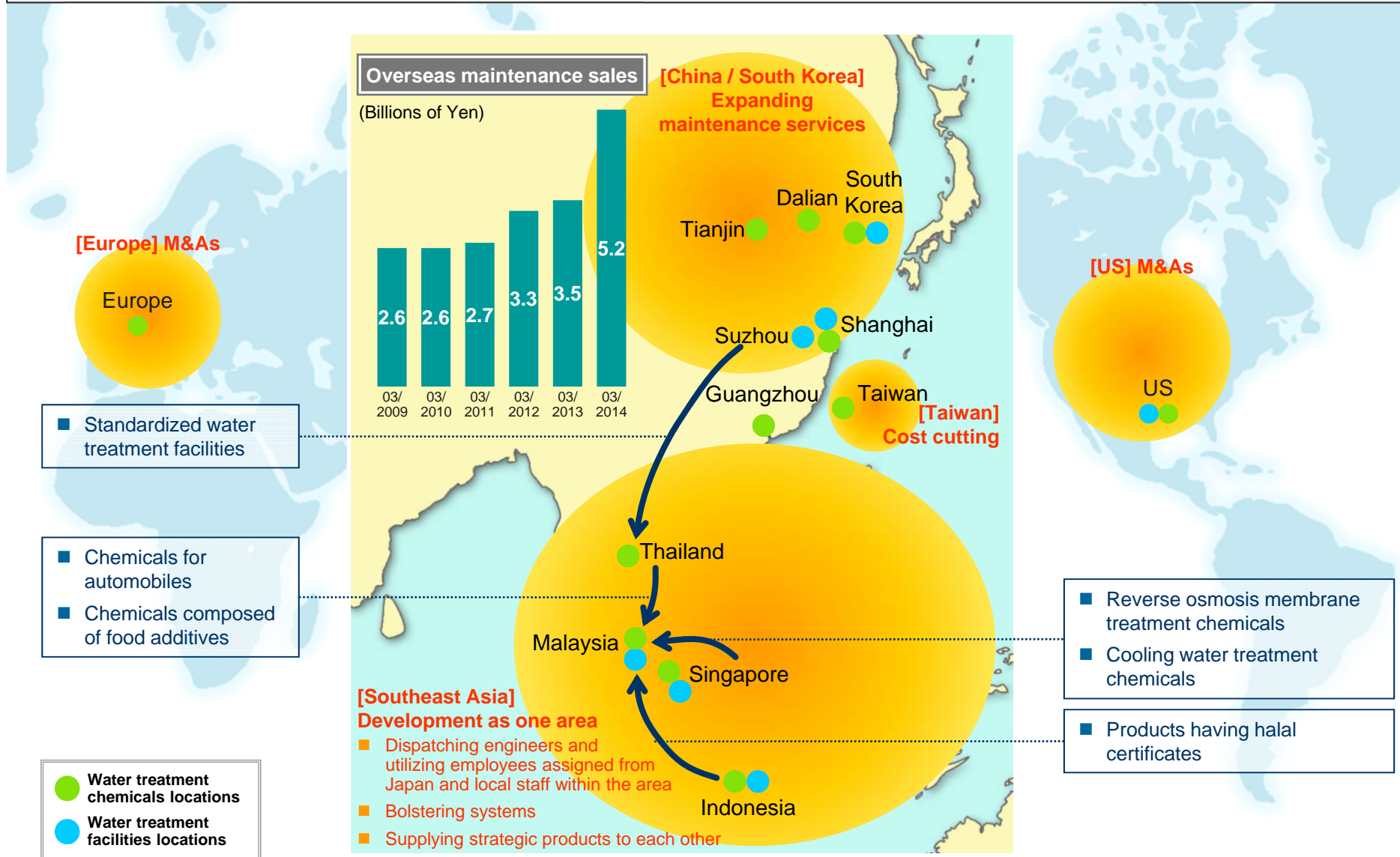
⇒ Maintaining prices at the time of receipt of orders

(Example) S.sensing

In the Water Treatment Chemicals business, we have started a water treatment management system for optimum real-time water treatment using sensing technologies.



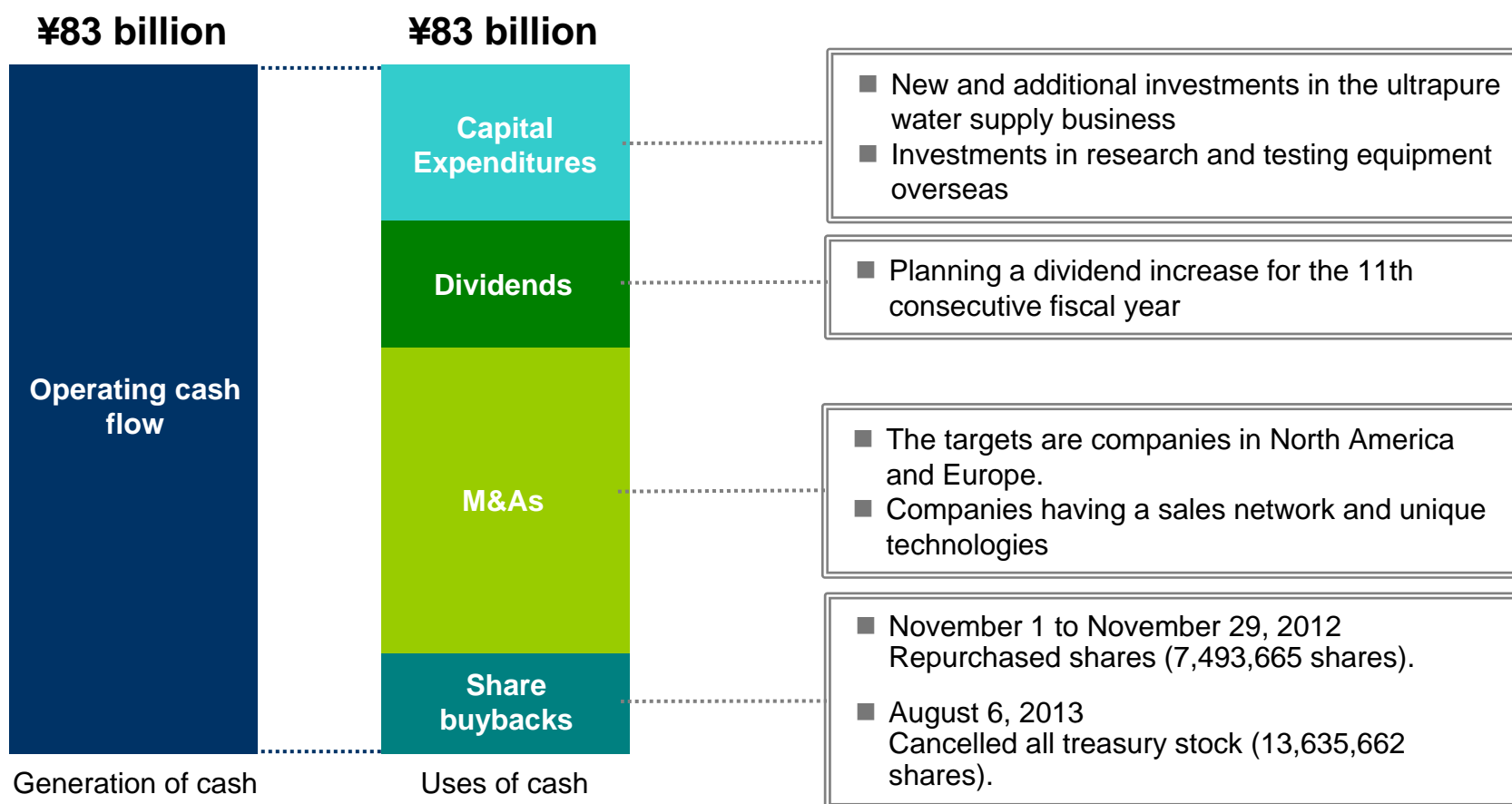
3. Overseas Business Growth



4. Improve Capital Efficiency

Uses of Cash

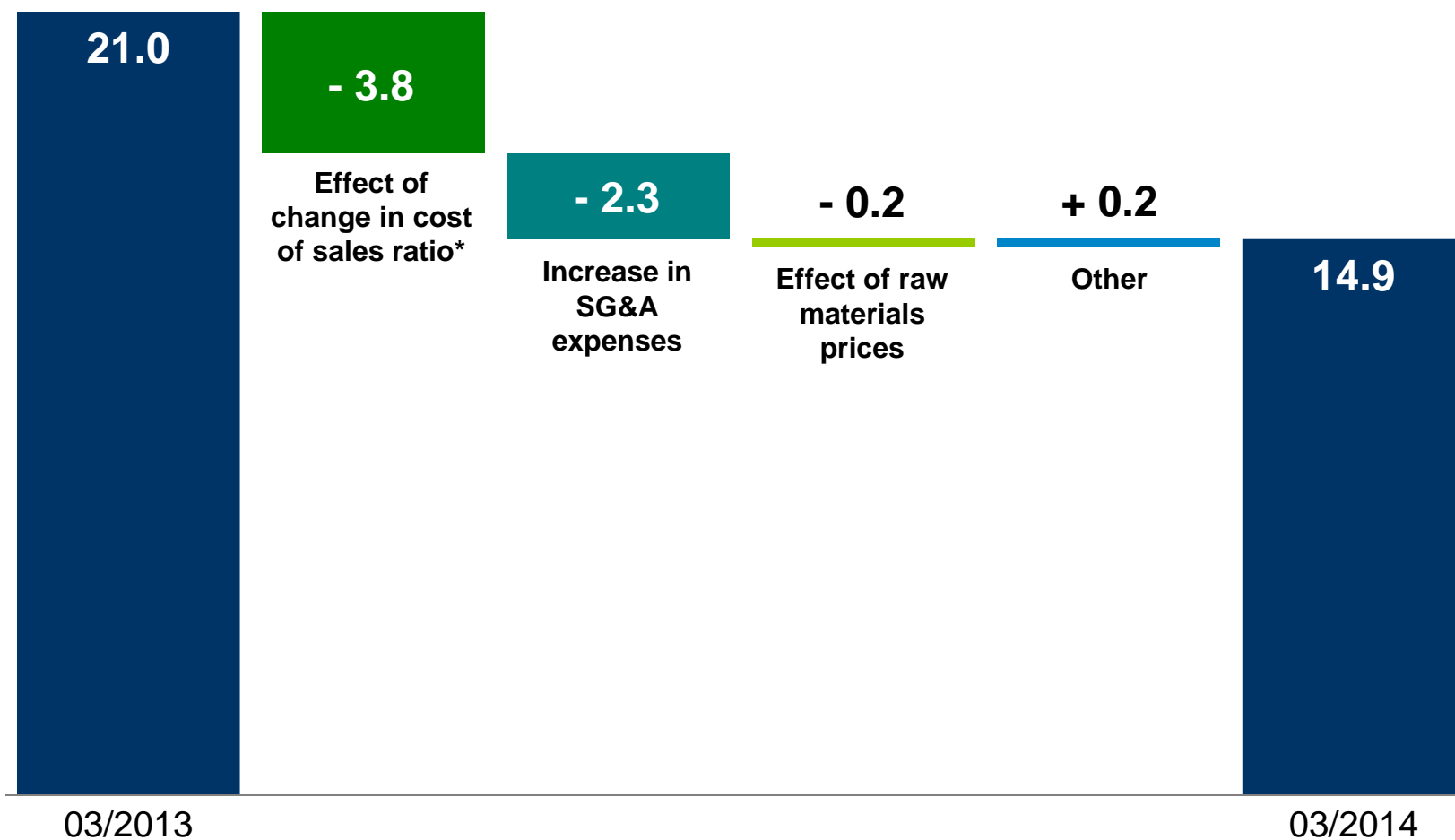
We will prioritize investment in businesses for growth, including investment in M&A, and will seek to increase returns to shareholders at the same time.



(For three years from the fiscal year ended March 31, 2013 to the fiscal year ending March 31, 2015 (forecast))

Analysis of Changes in Operating Income for the Fiscal Year Ended March 31, 2014

(Billions of yen)



* The effect of change in the cost of sales ratio is calculated using the gross profit margin.

Kurita Water Industries Ltd.

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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.