



Kurita Water Industries Ltd.

Results Presentation for the First Quarter of the Year Ending March 31, 2017

(Securities code: 6370)

August 1, 2016

1. Financial Highlights

(Billions of Yen)

	Fiscal Year to March 2015 First Quarter Actual (After reflecting PPA*)	Fiscal Year to March 2016 First Quarter Actual	Year-on- Year Change	Fiscal Year to March 2015 First Quarter Actual (Before reflecting PPA*)
Orders	54.0	56.3	+4.3%	54.0
Net Sales	42.5	46.4	+9.2%	42.5
Operating Income	3.1	3.7	+19.6%	3.6
Ordinary Income	3.5	3.8	+7.6%	4.0
Net income attributable to owners of parent	2.3	2.6	+12.6%	2.6

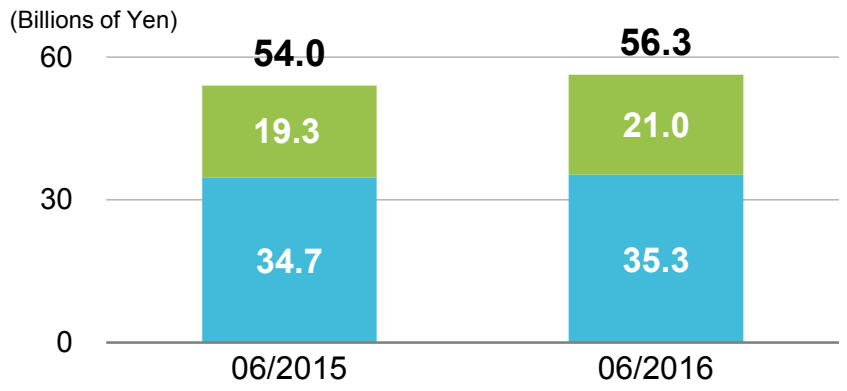
* PPA stands for "Purchase Price Allocation," which means to reallocate the acquisition cost of acquired business by evaluating its assets and liabilities at fair value.

- Orders increased primarily in the Water Treatment Chemicals business due to an increase in the period to consolidate acquired business in Europe by one month.
- Net sales rose in both the Water Treatment Chemicals and the Water Treatment Facilities businesses.
- Income was revised by incorporating the impact of PPA retroactively to the first quarter of the previous fiscal year.

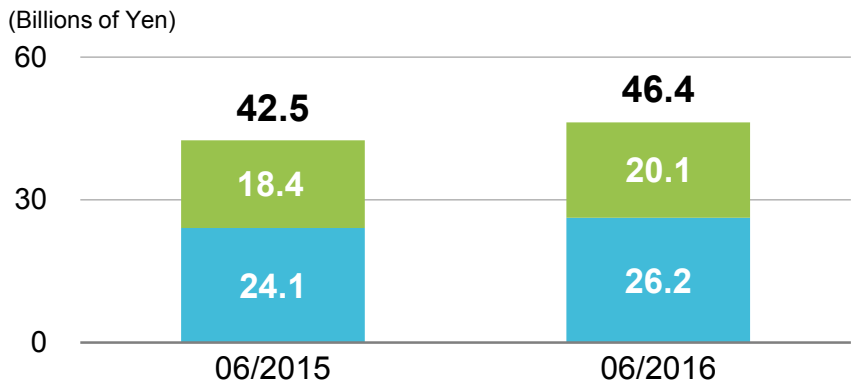
2. Orders, Sales, Operating Income, and Operating Income Margin



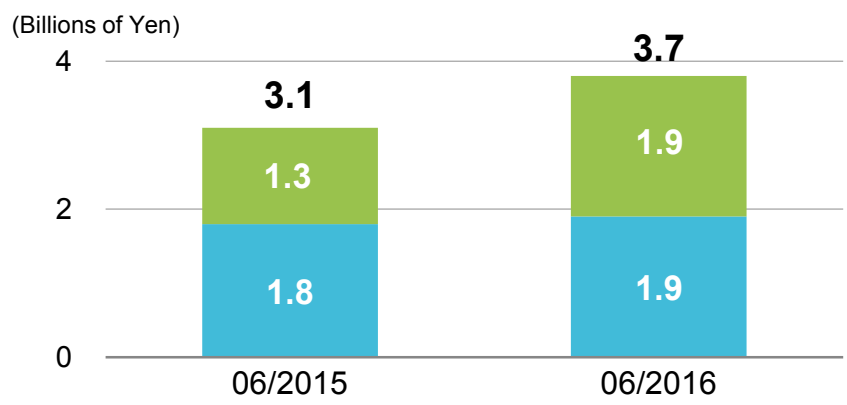
Orders



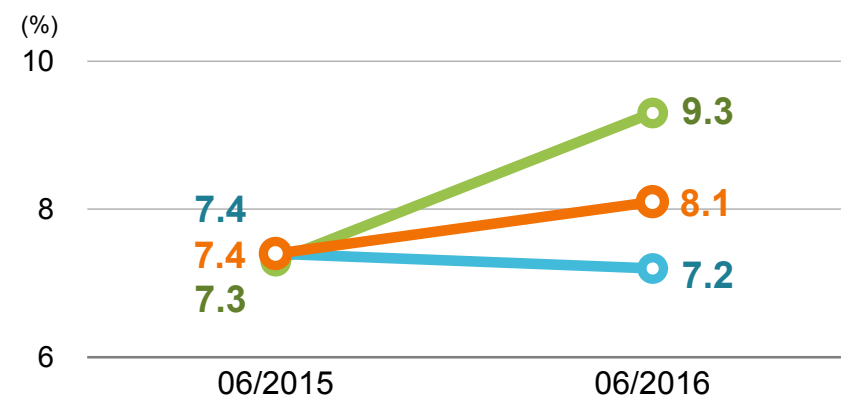
Sales



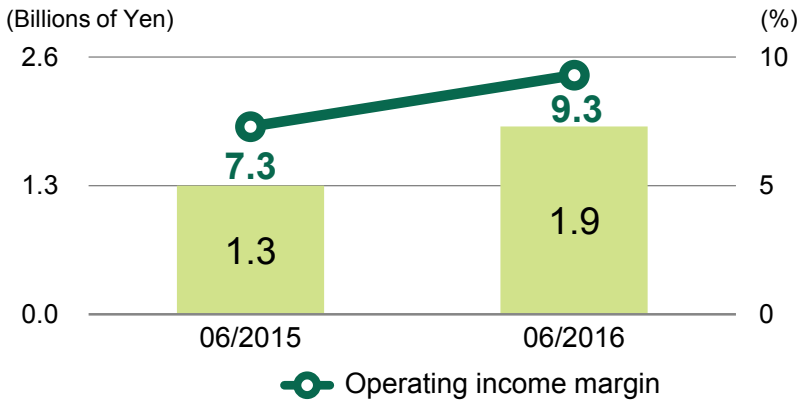
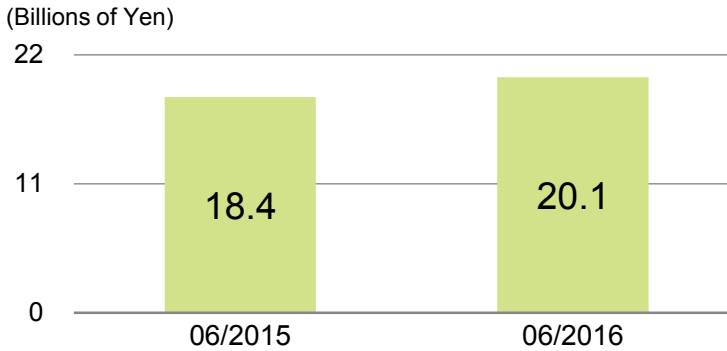
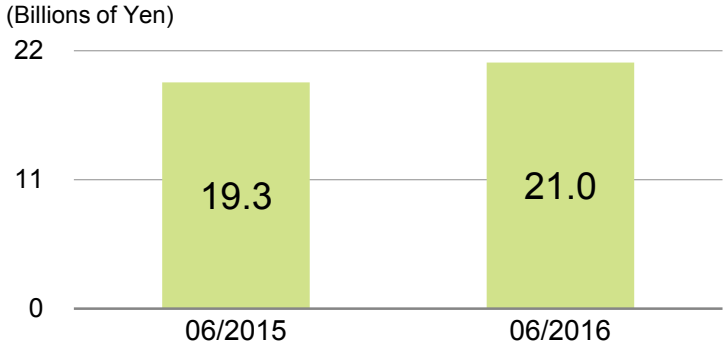
Operating Income



Operating Income Margin



3. Water Treatment Chemicals



Orders

- Domestic orders increased, reflecting a moderate recovery in customers' capacity utilization.
- Overseas, the period to consolidate acquired business in Europe increased by one month.

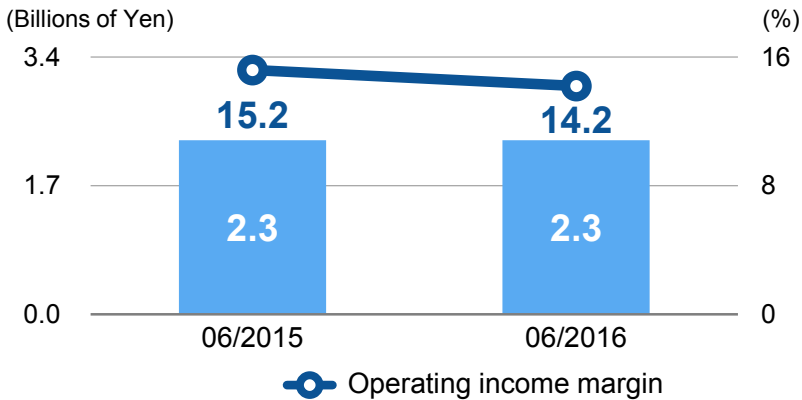
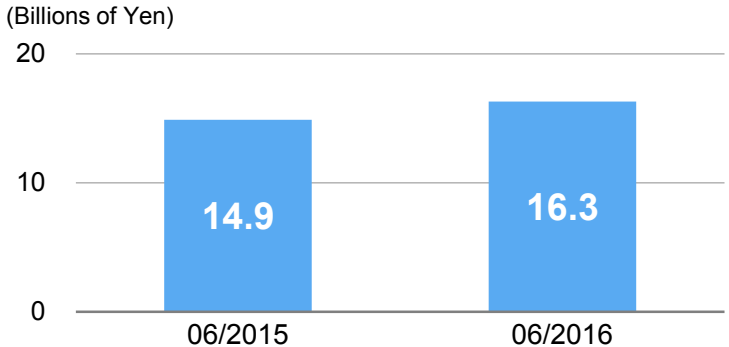
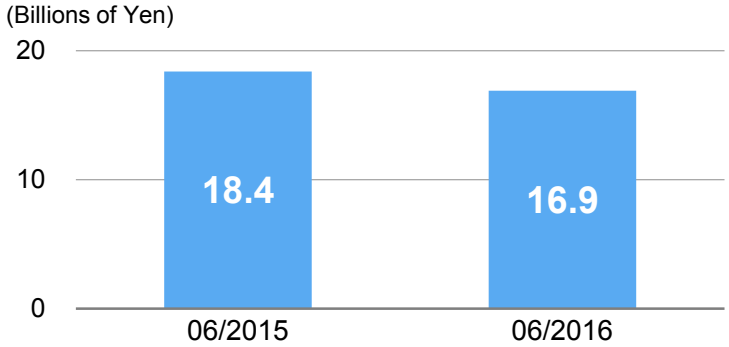
Sales

- Ditto

Operating Income

- Operating income increased partly in the absence of temporary cost and expenses associated with PPA, in addition to the positive effect of higher sales.

4. Water Treatment Facilities (for the electronics industry)



Orders

- Orders for maintenance services in Japan declined due to weak demand for smartphones.
- Orders for hardware overseas declined year on year, compared to a strong performance last year.

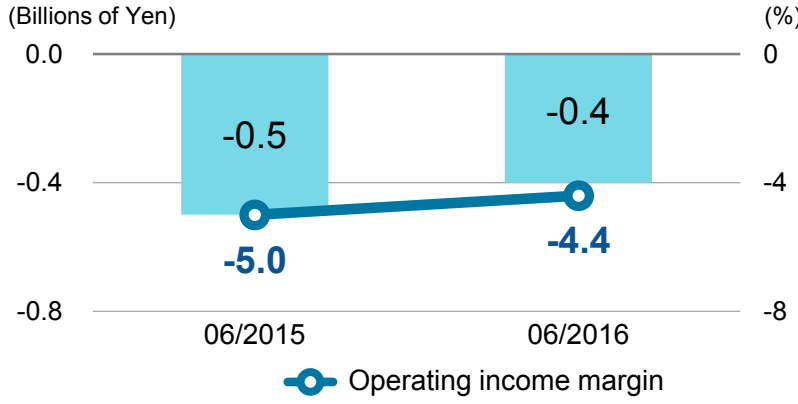
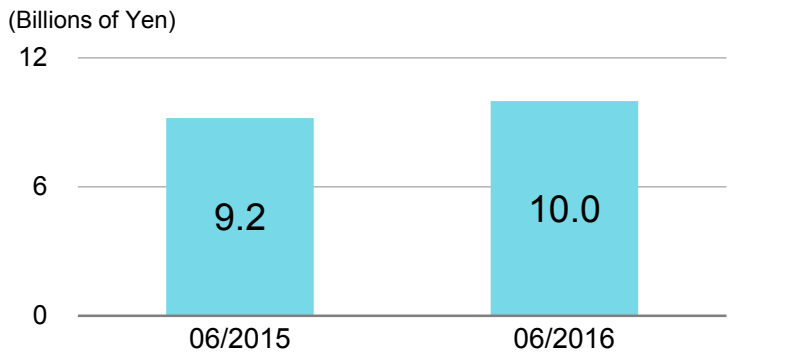
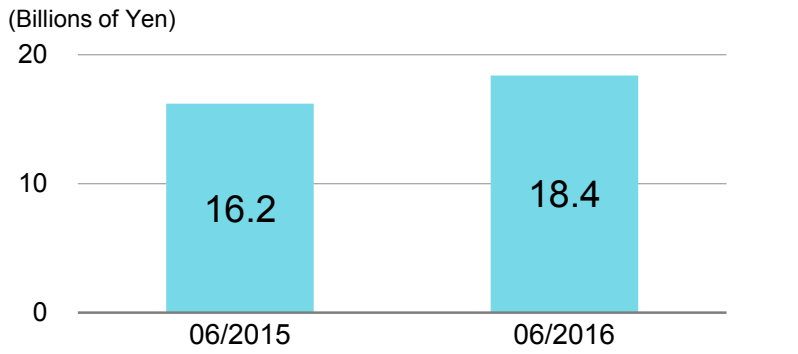
Sales

- Sales of hardware overseas increased with progress in the construction of large-scale projects.
- Sales of maintenance services in Japan grew thanks to sales from the order backlog.
- Sales in the ultrapure water supply business remained flat.
- Sales of tool cleaning declined due to a fall in the capacity utilization of customers.

Operating Income

- Income improved in overseas businesses.
- Maintenance costs increased year on year in the ultrapure water supply business.

5. Water Treatment Facilities (for general industries)



Orders

- Orders for general industries declined slightly.
- Orders for soil remediation increased due to orders for large-scale projects.
- Orders for maintenance services from public offices increased due to projects to remodel old facilities.

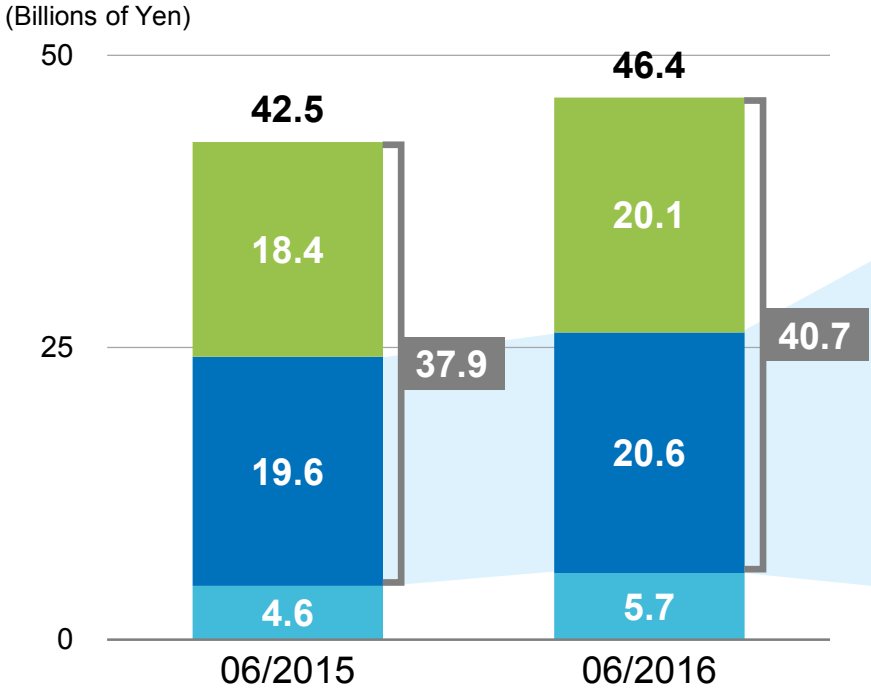
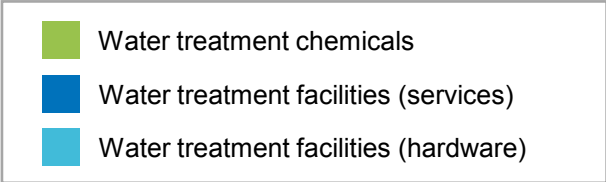
Sales

- Sales of general industries hardware and soil remediation increased with progress in construction.
- Sales of maintenance services for general industries rose thanks to sales from the order backlog.
- Sales of electric power industries hardware declined.

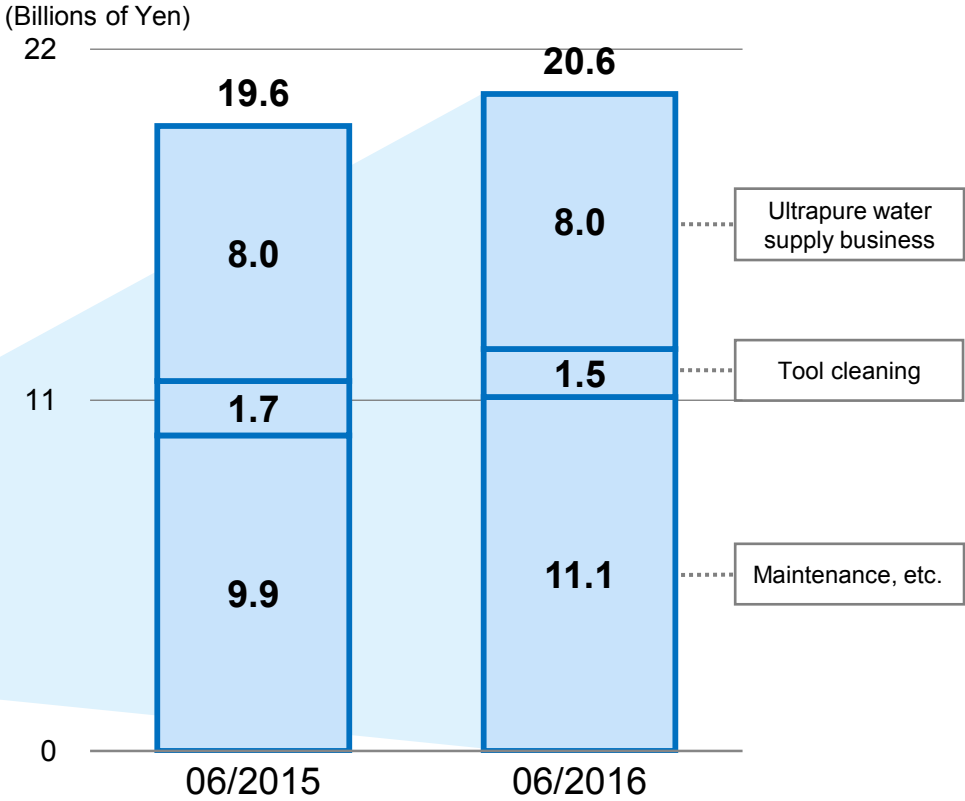
Operating Income

- The operating loss contracted due to the effect of higher sales.

6. Service Business Revenue



Service Business Revenue in the Water Treatment Facilities Segment



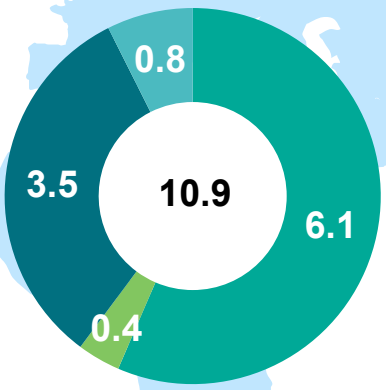
■ Revenue from tool cleaning declined, but revenues from maintenance and others increased.

7. Overseas Business Revenue

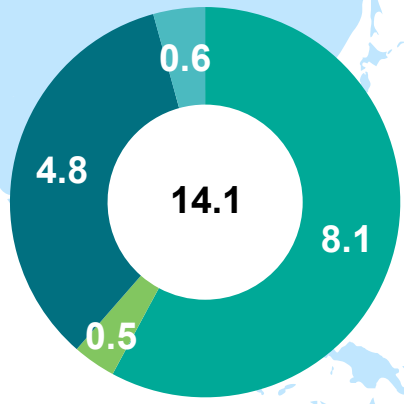
Sales by Region



(Billions of Yen)



06/2015

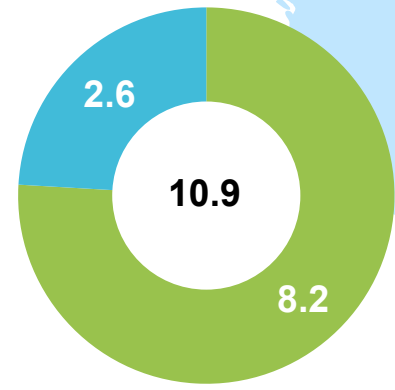


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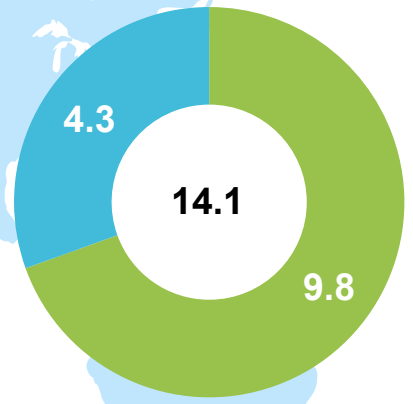
Sales by Overseas Business Segment



(Billions of Yen)



06/2015



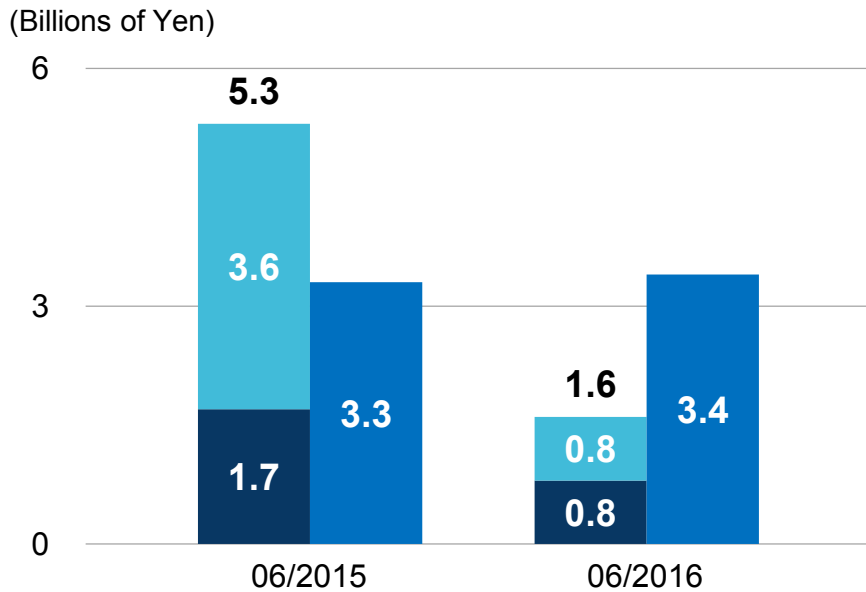
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- In the Water Treatment Chemical business, sales increased in EMEA and China but declined in Other.
- In the Water Treatment Facilities business, sales rose mainly due to progress in the construction of large-scale projects.

* For 06/2015, Europe

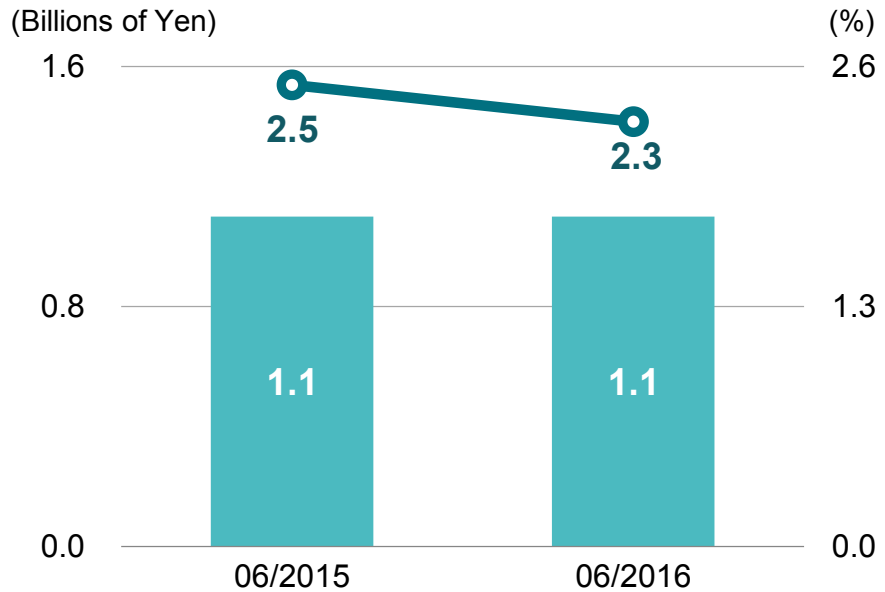
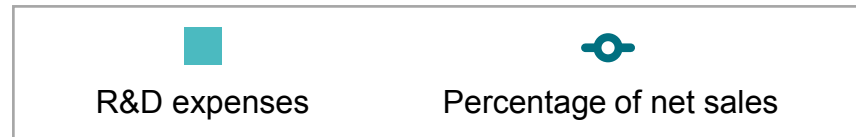
8. Capital Expenditures, Depreciation, and R&D Expenses

Capital Expenditures and Depreciation



- Capital expenditures of the ultrapure water supply business declined significantly.
- Depreciation increased slightly.

R&D Expenses

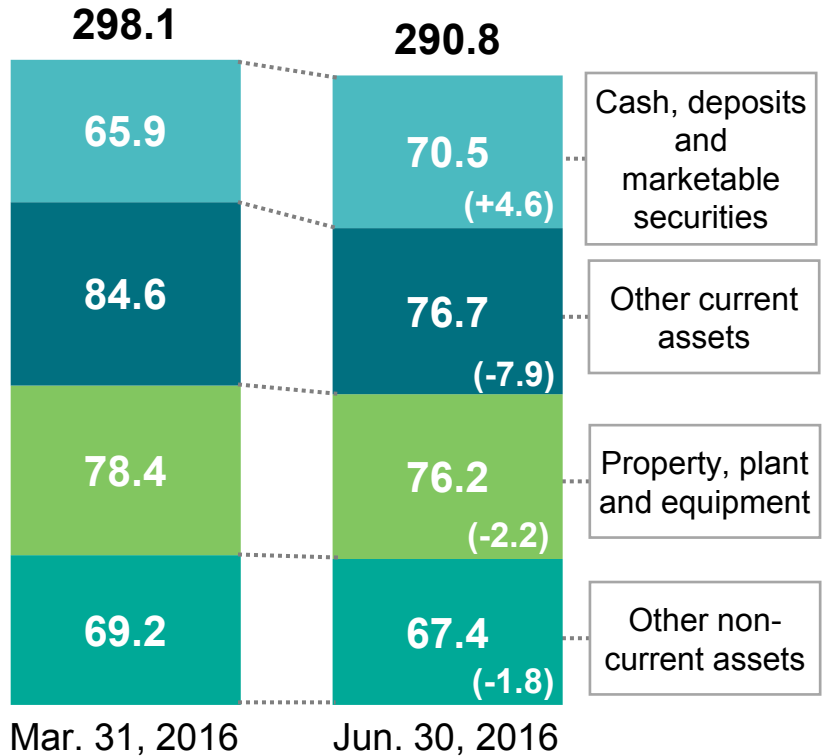


- R&D expenses remained flat.

9. Financial Condition

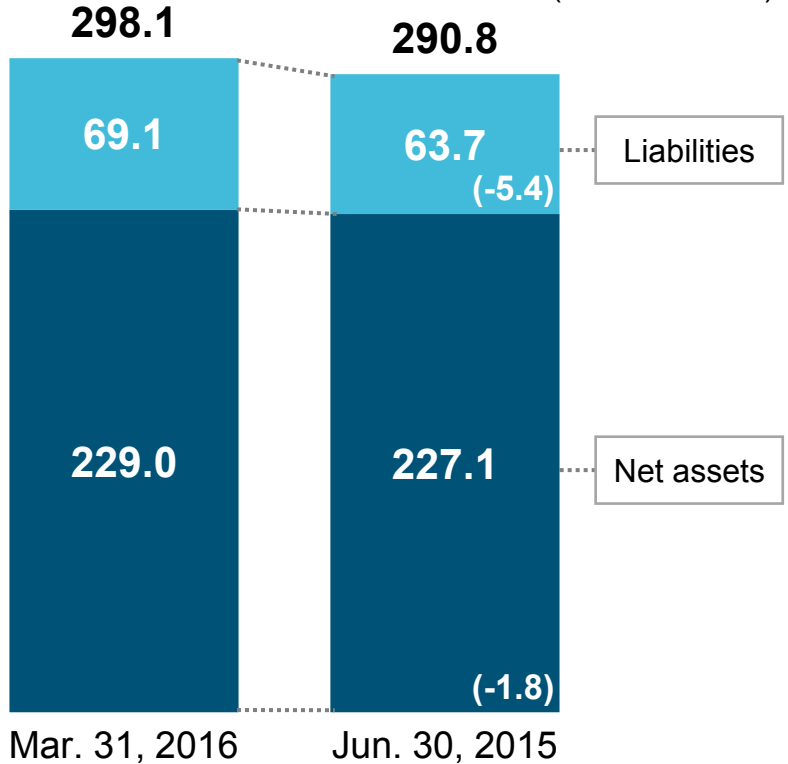
Assets

(Billions of Yen)



Liabilities and Net Assets

(Billions of Yen)



- Accounts receivable – trade declined due to progress in collection.
- Property, plant and equipment decreased because the amount of depreciation related to the ultrapure water supply business exceeded the amount of capital expenditures.



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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.