



# Kurita Water Industries Ltd.

## Management Briefing

(Securities code: 6370)

December 2016

- 1** Expansion of the Water Treatment Chemicals business overseas
- 2** Status of Kurita Europe GmbH
- 3** Sales Forecast in Ultrapure Water Supply Business
- 4** Trends in the Ultrapure Water Supply Business
- 5** Change of the service business, using IT
- 6** Improvement of Capital Efficiency
- 7** Review of remuneration policy for directors and the Audit & Supervisory Board members

# 1. Expansion of the Water Treatment Chemicals business overseas



Expansion of synergy with KEG in products, development and production

Establishment of a local subsidiary in Vietnam

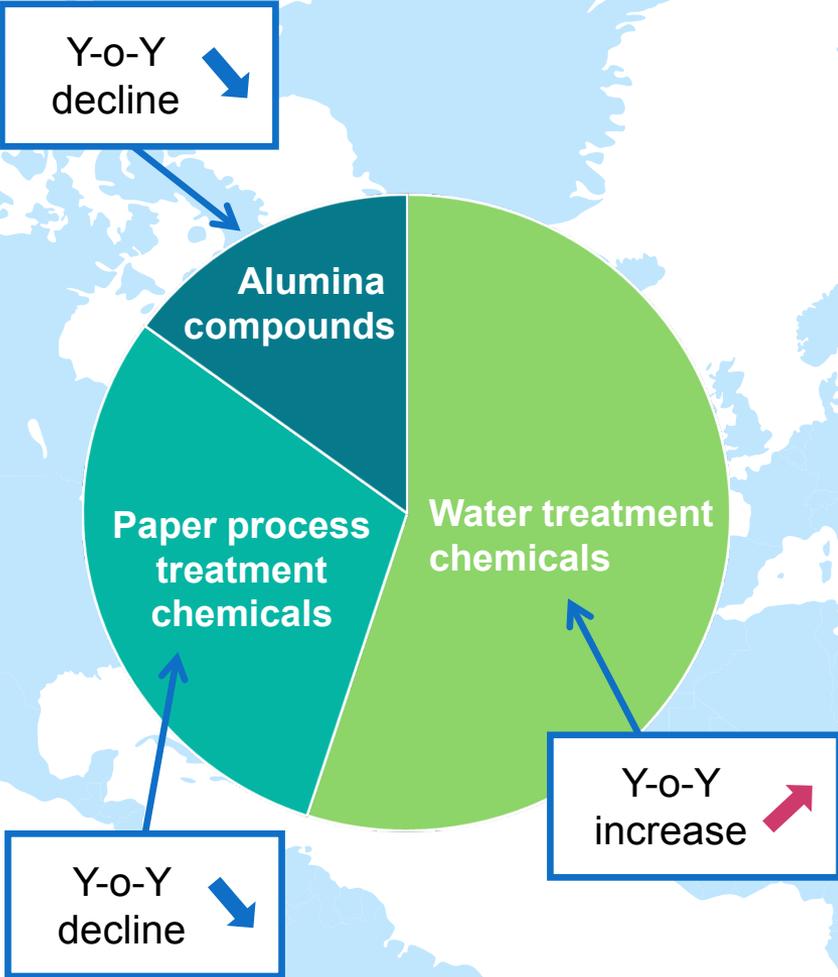
Searching of M&A in North America

Rebuilding and strengthening of the base function in Southeast Asia

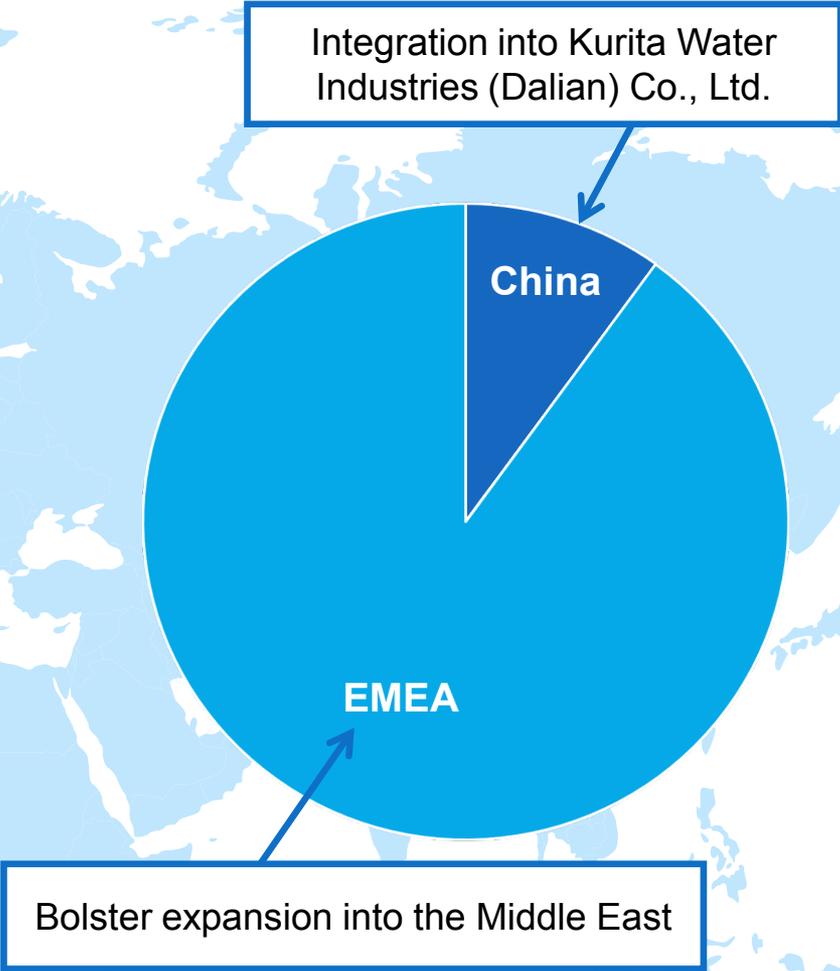
Strengthening of business in the Middle East  
Establishment of a local subsidiary in UAE

# 2. Status of Kurita Europe GmbH

Sales Composition by Product in Europe



Sales Composition by Region

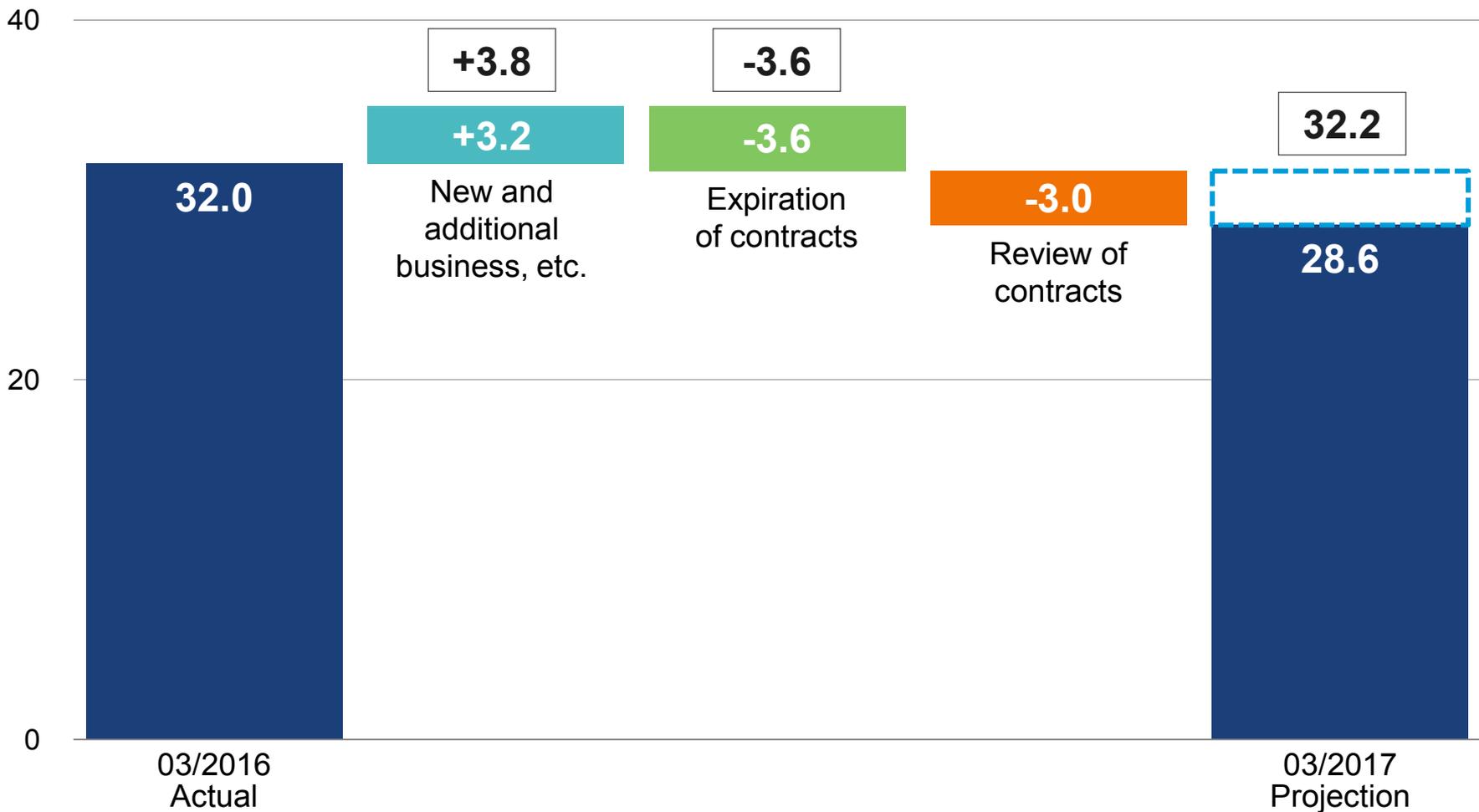


\* Composition ratios based on 2016 outlooks.

# 3. Sales Forecast in Ultrapure Water Supply Business

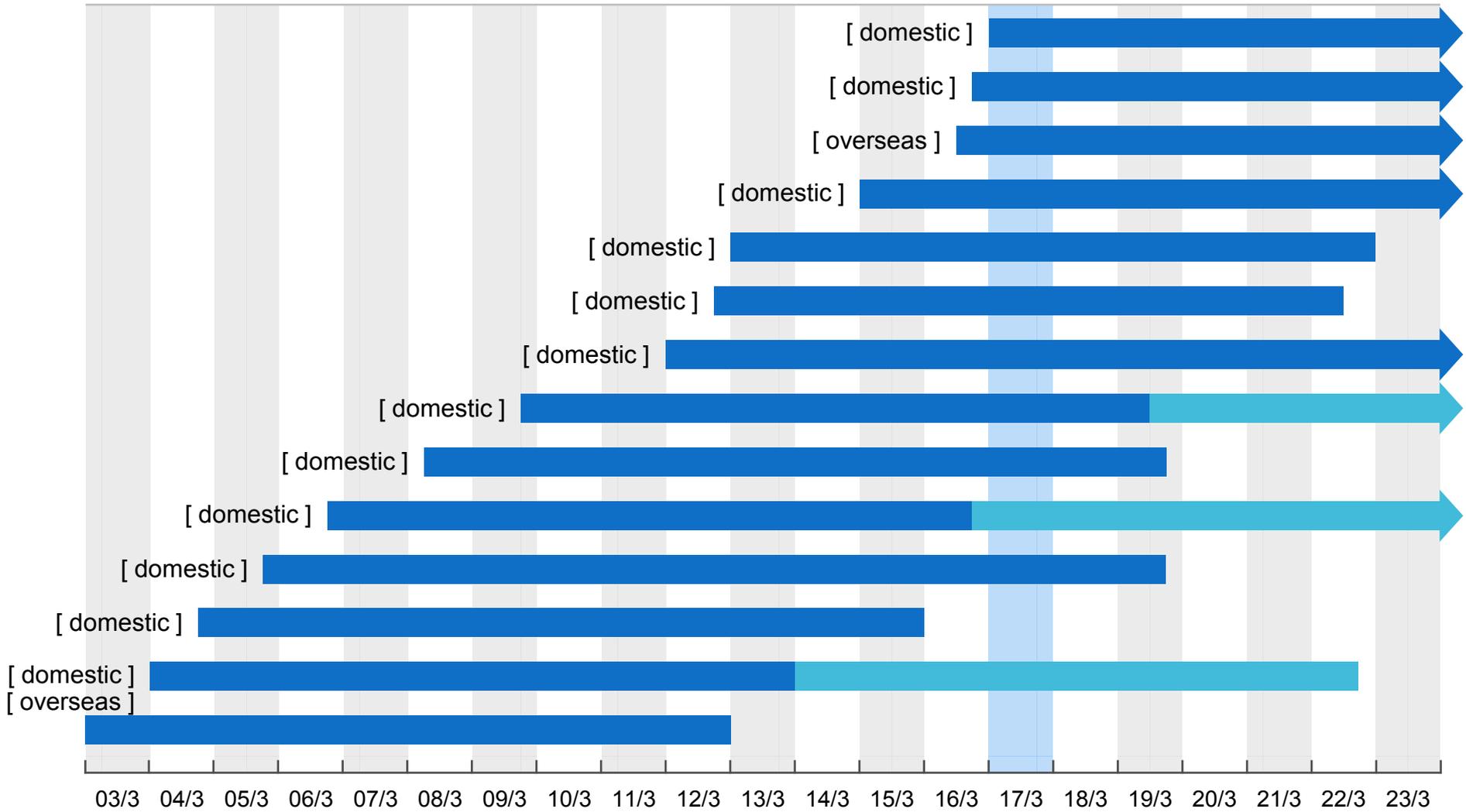


(Billions of Yen)



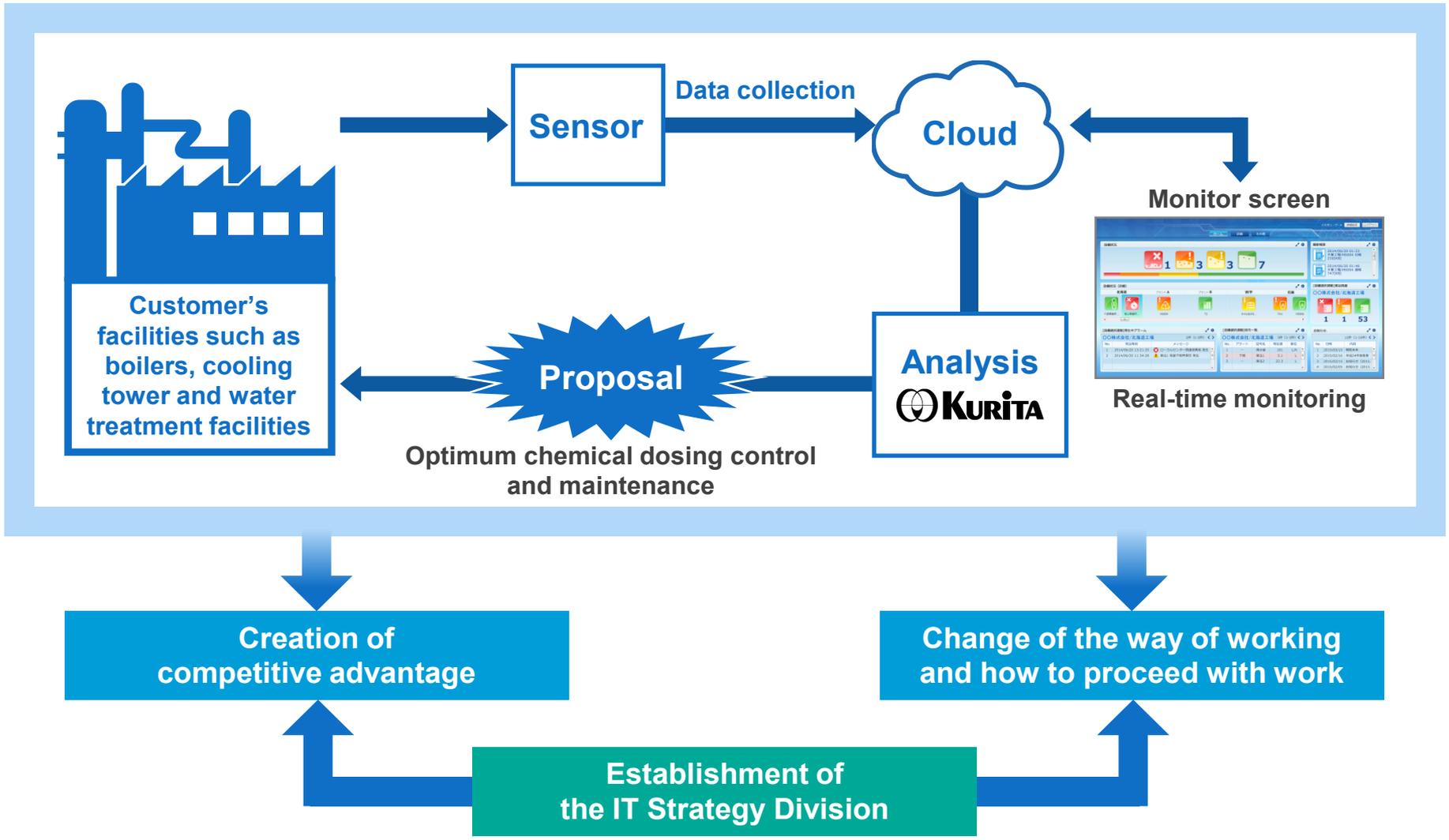
\* □ denotes initial projections

# 4. Trends in the Ultrapure Water Supply Business



\* Key contracts are shown above. This does not cover all contracts.

# 5. Change of the service business, using IT



# 6. Improvement of Capital Efficiency

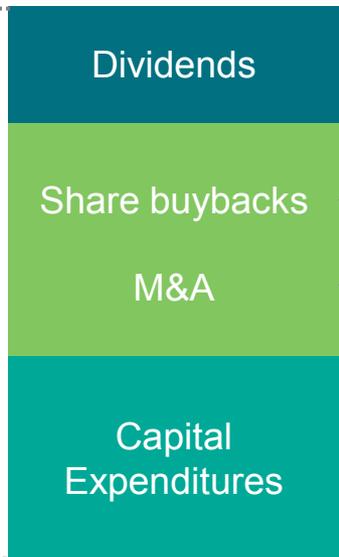
## Uses of Cash (policy)

¥85.0 – ¥88.0 billion

¥85.0 – ¥88.0 billion



Generation of cash



Uses of cash

- Strive to continue raising dividends, aiming for a payout ratio of 30-50% over 5 years.

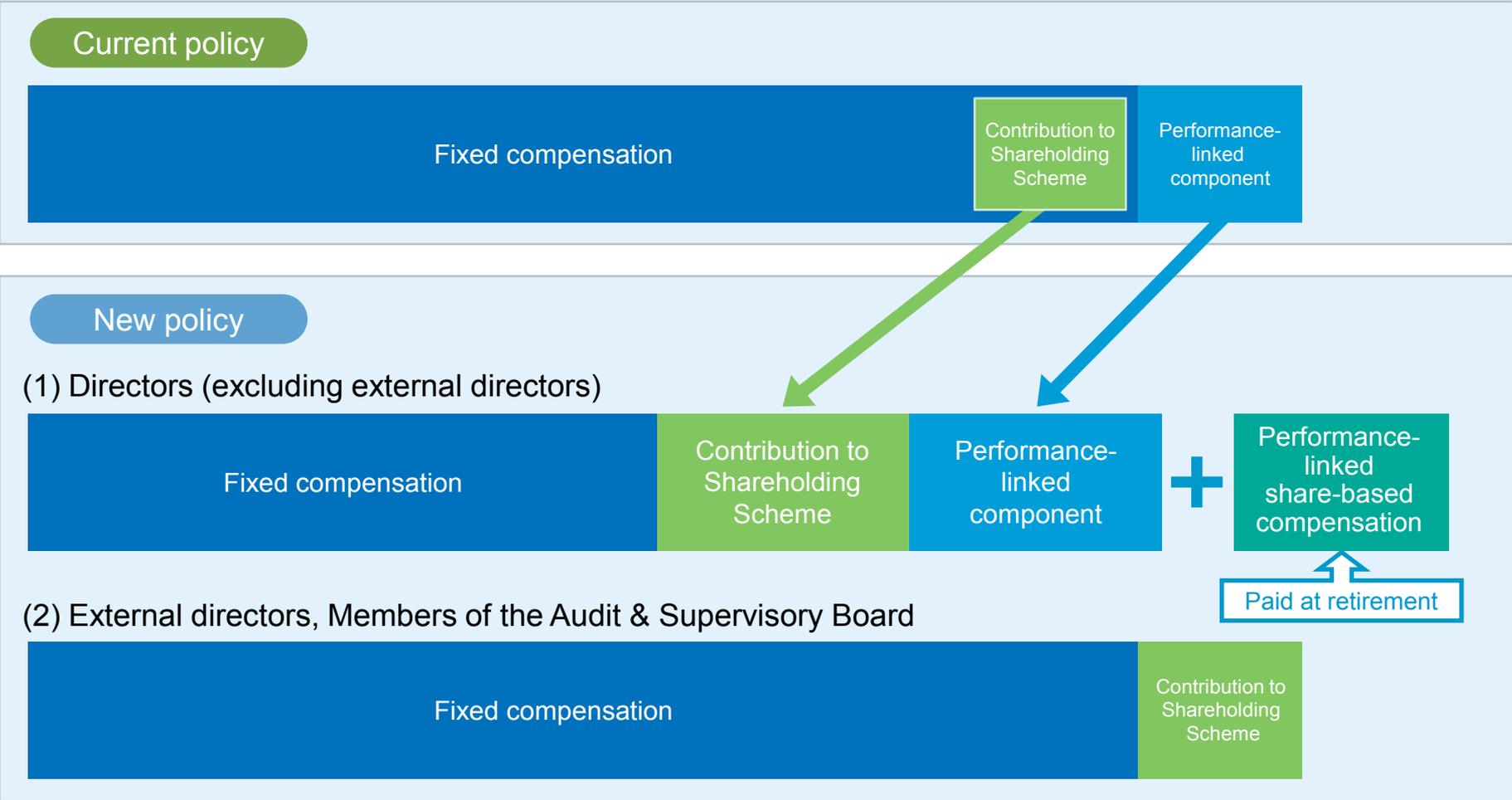
- Prioritize investment in promising businesses and consider share buybacks using surplus funds.
- Consider M&A in North America.

- Invest in the ultrapure water supply business, among other businesses, in Japan and overseas.

For three years from the fiscal year ended March 31, 2016 to the fiscal year ending March 31, 2018

- We will endeavor to curb surplus funds and increases in shareholders' equity upon securing operating funds and contingency funds.
- We will maintain ROE at a level that exceeds cost of shareholders' equity and will strive to increase it.

Change in remuneration policy for directors and the Audit & Supervisory Board members





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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.