

# Half-Year Consolidated Financial Summary

For the Six Months Ended September 30, 2018

## Contents

Results of Operations.....	1	Research and Development (R&D) Expenses.....	4
Orders, Net Sales and Operating Income.....	2	Capital Expenditures (Property, Plant and Equipment) .....	4
by Business Segment		Depreciation (Property, Plant and Equipment) .....	4
Orders and Net Sales of Water Treatment Facilities .....	3	Number of Employees .....	4

November 9, 2018

**KURITA WATER INDUSTRIES LTD.**

Forecasts contained in this report are based on management's assumption and beliefs in light of the information currently available. But they may be subject to change due to a wide range of factors, and no warranty is made regarding their attainability.

## Results of Operations

Unit: Millions of yen

	2018/3						2019/3							
	1st Half Result	Change from Previous Year		Full Year Result	Change from Previous Year		1st Half Initial Forecast	1st Half Result	Change from Previous Year		Full Year Initial Forecast	Full Year Revised Forecast	Change from Previous Year	
		Amount	Percentage		Amount	Percentage			Amount	Percentage			Amount	Percentage
Orders	125,300	+12,819	+11.4%	251,447	+32,717	+15.0%	126,500	139,584	+14,284	+11.4%	247,000	256,000	+4,552	+1.8%
Water Treatment Chemicals	44,582	+2,577	+6.1%	90,358	+8,240	+10.0%	51,800	52,473	+7,891	+17.7%	102,200	102,000	+11,641	+12.9%
Water Treatment Facilities	80,717	+10,241	+14.5%	161,088	+24,477	+17.9%	74,700	87,110	+6,392	+7.9%	144,800	154,000	-7,088	-4.4%
Net Sales	108,107	+4,296	+4.1%	236,815	+22,628	+10.6%	127,200	128,587	+20,479	+18.9%	255,000	260,000	+23,184	+9.8%
Water Treatment Chemicals	44,074	+2,623	+6.3%	90,361	+8,478	+10.4%	51,200	51,875	+7,800	+17.7%	102,200	101,900	+11,538	+12.8%
Water Treatment Facilities	64,032	+1,672	+2.7%	146,453	+14,149	+10.7%	76,000	76,711	+12,678	+19.8%	152,800	158,100	+11,646	+8.0%
( Cost of Sales Ratio )	(66.2%)	(-0.7)		(67.8%)	(-0.1)		(67.8%)	(69.4%)	(+3.2)		(67.3%)	(68.1%)	(+0.3)	
Gross Profit	36,532	+2,208	+6.4%	76,338	+7,606	+11.1%	41,000	39,297	+2,764	+7.6%	83,400	83,000	+6,661	+8.7%
SG & A Expenses	26,378	+1,698	+6.9%	53,863	+4,583	+9.3%	29,600	29,024	+2,645	+10.0%	59,400	59,000	+5,136	+9.5%
( % of Net Sales )	(24.4%)	(+0.6)		(22.7%)	(-0.3)		(23.3%)	(22.6%)	(-1.8)		(23.3%)	(22.7%)	(-0.0)	
Operating Income	10,153	+510	+5.3%	22,475	+3,023	+15.5%	11,400	10,272	+119	+1.2%	24,000	24,000	+1,524	+6.8%
( % of Net Sales )	(9.4%)	(+0.1)		(9.5%)	(+0.4)		(9.0%)	(8.0%)	(-1.4)		(9.4%)	(9.2%)	(-0.3)	
Net of non-operating income and expenses	121	+125	-	-370	-992	-	100	104	-17	-	200	200	+570	-
Ordinary Income	10,274	+635	+6.6%	22,104	+2,030	+10.1%	11,500	10,376	+101	+1.0%	24,200	24,200	+2,095	+9.5%
( % of Net Sales )	(9.5%)	(+0.2)		(9.3%)	(-0.1)		(9.0%)	(8.1%)	(-1.4)		(9.5%)	(9.3%)	(-0.0)	
Net of Extraordinary Gains and Losses	206	+206	-	3,430	+3,039	-	-	-723	-929	-	-	-	-3,430	-
Profit Attributable to Owners of Parent	7,412	+870	+13.3%	17,897	+3,391	+23.4%	8,100	6,516	-896	-12.1%	17,000	17,000	-897	-5.0%
( % of Net Sales )	(6.9%)	(+0.6)		(7.6%)	(+0.8)		(6.4%)	(5.1%)	(-1.8)		(6.7%)	(6.5%)	(-1.0)	
Net income per share (yen)	65.99	+9.63	+17.1%	159.37	+34.14	+27.3%	72.14	58.04	-7.95	-12.0%	151.41	151.41	-7.96	-5.0%

## Orders, Net Sales and Operating Income by Business Segment

Unit: Billions of yen

	2018/3						2019/3							
	1st Half Result	Change from Previous Year		Full Year Result	Change from Previous Year		1st Half Initial Forecast	1st Half Result	Change from Previous Year		Full Year Initial Forecast	Full Year Revised Forecast	Change from Previous Year	
		Amount	Percentage		Amount	Percentage			Amount	Percentage			Amount	Percentage
Orders	125.3	+12.8	+11.4%	251.4	+32.7	+15.0%	126.5	139.6	+14.3	+11.4%	247.0	256.0	+4.6	+1.8%
Water Treatment Chemicals	44.6	+2.6	+6.1%	90.4	+8.2	+10.0%	51.8	52.5	+7.9	+17.7%	102.2	102.0	+11.6	+12.9%
Domestic	23.0	+0.6	+2.7%	44.5	+1.0	+2.3%	23.6	23.5	+0.5	+2.0%	45.3	45.4	+0.8	+1.9%
Overseas	21.5	+2.0	+10.1%	45.8	+7.3	+18.8%	28.2	29.0	+7.4	+34.5%	56.9	56.6	+10.8	+23.6%
Water Treatment Facilities	80.7	+10.2	+14.5%	161.1	+24.5	+17.9%	74.7	87.1	+6.4	+7.9%	144.8	154.0	-7.1	-4.4%
Domestic	63.0	+3.0	+5.0%	111.7	-3.0	-2.7%	61.2	68.9	+5.9	+9.4%	116.3	124.4	+12.7	+11.4%
Overseas	17.7	+7.3	+69.5%	49.3	+27.5	+126.2%	13.5	18.2	+0.5	+2.8%	28.5	29.6	-19.8	-40.1%
Net Sales	108.1	+4.3	+4.1%	236.8	+22.6	+10.6%	127.2	128.6	+20.5	+18.9%	255.0	260.0	+23.2	+9.8%
Water Treatment Chemicals	44.1	+2.6	+6.3%	90.4	+8.5	+10.4%	51.2	51.9	+7.8	+17.7%	102.2	101.9	+11.5	+12.8%
Domestic	22.6	+0.7	+3.2%	44.4	+1.1	+2.4%	23.0	23.0	+0.4	+1.6%	45.2	45.2	+0.8	+1.8%
Overseas	21.4	+1.9	+9.8%	45.9	+7.4	+19.3%	28.2	28.9	+7.4	+34.7%	57.0	56.7	+10.7	+23.4%
Water Treatment Facilities	64.0	+1.7	+2.7%	146.5	+14.1	+10.7%	76.0	76.7	+12.7	+19.8%	152.8	158.1	+11.6	+8.0%
Domestic	51.4	+0.5	+1.0%	113.8	+7.2	+6.7%	56.0	56.1	+4.7	+9.1%	118.5	121.3	+7.5	+6.6%
Overseas	12.6	+1.2	+10.3%	32.6	+7.0	+27.1%	20.0	20.6	+8.0	+63.3%	34.3	36.8	+4.2	+12.8%
Operating Income	10.2	+0.5	+5.3%	22.5	+3.0	+15.5%	11.4	10.3	+0.1	+1.2%	24.0	24.0	+1.5	+6.8%
(% of Net Sales)	(9.4%)	(+0.1)		(9.5%)	(+0.4)		(9.0%)	(8.0%)	(-1.4)		(9.4%)	(9.2%)	(-0.3)	
Water Treatment Chemicals	3.9	-0.2	-5.7%	7.2	-0.1	-0.7%	4.4	4.5	+0.7	+17.3%	8.2	8.4	+1.2	+17.0%
(% of Net Sales)	(8.7%)	(-1.2)		(7.9%)	(-0.9)		(8.6%)	(8.6%)	(-0.1)		(8.0%)	(8.2%)	(+0.3)	
Water Treatment Facilities	6.3	+0.7	+13.3%	15.3	+3.1	+25.3%	7.0	5.8	-0.5	-8.6%	15.8	15.6	+0.3	+1.9%
(% of Net Sales)	(9.8%)	(+0.9)		(10.4%)	(+1.2)		(9.2%)	(7.4%)	(-2.4)		(10.3%)	(9.9%)	(-0.6)	

Note 1. Orders and net sales are figures for external customers.

Note 2. Operating income by segment indicates figures prior to adjustments and eliminations between segments.

Note 3. Operating income margin by segment is calculated using sales and operating income figures prior to adjustments and eliminations between segments.

## Orders and Net Sales of Water Treatment Facilities

Unit: Billions of yen

		2018/3						2019/3							
		1st Half Result	Change from Previous Year		Full Year Result	Change from Previous Year		1st Half Initial Forecast	1st Half Result	Change from Previous Year		Full Year Initial Forecast	Full Year Revised Forecast	Change from Previous Year	
			Amount	Percentage		Amount	Percentage			Amount	Percentage			Amount	Percentage
Domestic		63.0	+3.0	+5.0%	111.7	-3.0	-2.7%	61.2	68.9	+5.9	+9.4%	116.3	124.4	+12.7	+11.4%
	for the electronics industry	27.6	+3.3	+13.6%	55.3	+4.0	+7.8%	28.1	31.6	+4.0	+14.6%	53.3	59.3	+4.0	+7.2%
	Facilities	4.7	+3.6	+307.6%	9.2	+4.9	+115.6%	5.5	6.3	+1.6	+33.0%	6.5	10.0	+0.8	+8.7%
	Maintenance	7.1	+1.6	+28.1%	14.6	+1.5	+11.4%	6.5	8.8	+1.7	+24.2%	14.5	16.8	+2.1	+14.7%
	UPWS Business	12.3	-2.2	-15.1%	24.6	-2.8	-10.3%	12.8	13.1	+0.8	+6.3%	25.3	25.6	+1.0	+4.1%
	Tool Cleaning	3.4	+0.4	+12.2%	6.9	+0.4	+6.1%	3.4	3.4	-0.0	-0.5%	6.9	6.9	+0.0	+0.5%
	for general industries	35.4	-0.3	-0.9%	56.5	-7.0	-11.1%	33.1	37.3	+1.9	+5.3%	63.0	65.2	+8.7	+15.4%
	Energy / Infrastructure	27.5	-2.0	-6.6%	44.3	-7.2	-14.0%	26.4	27.5	+0.0	+0.0%	51.9	52.7	+8.4	+19.1%
	Soil remediation	6.4	+1.4	+29.1%	9.1	-0.1	-1.1%	5.5	8.3	+1.9	+30.3%	8.7	10.1	+1.0	+11.5%
	Others	1.6	+0.2	+13.2%	3.2	+0.3	+10.9%	1.2	1.5	-0.1	-3.8%	2.4	2.4	-0.8	-24.7%
	Overseas	17.7	+7.3	+69.5%	49.3	+27.5	+126.2%	13.5	18.2	+0.5	+2.8%	28.5	29.6	-19.8	-40.1%
	Facilities	12.7	+5.6	+78.2%	39.1	+24.7	+171.7%	6.8	12.1	-0.6	-4.6%	16.8	18.2	-20.9	-53.5%
	Maintenance	3.9	+1.2	+43.5%	7.5	+1.4	+23.1%	5.2	4.5	+0.7	+17.4%	8.9	8.3	+0.9	+11.7%
	UPWS Business	1.2	+0.5	+82.5%	2.8	+1.4	+103.0%	1.5	1.6	+0.4	+34.4%	2.9	3.0	+0.3	+10.3%
Total Orders	80.7	+10.2	+14.5%	161.1	+24.5	+17.9%	74.7	87.1	+6.4	+7.9%	144.8	154.0	-7.1	-4.4%	
Domestic		51.4	+0.5	+1.0%	113.8	+7.2	+6.7%	56.0	56.1	+4.7	+9.1%	118.5	121.3	+7.5	+6.6%
	for the electronics industry	25.0	+0.3	+1.2%	54.4	+5.1	+10.4%	27.3	28.4	+3.3	+13.2%	56.0	59.6	+5.2	+9.5%
	Facilities	2.8	+1.4	+94.1%	7.9	+5.3	+203.6%	3.8	4.1	+1.3	+46.3%	8.7	10.3	+2.3	+29.3%
	Maintenance	6.5	+0.8	+14.0%	15.0	+2.2	+17.3%	7.4	7.7	+1.2	+19.0%	15.0	16.8	+1.8	+11.7%
	UPWS Business	12.3	-2.2	-15.1%	24.6	-2.8	-10.3%	12.8	13.1	+0.8	+6.3%	25.3	25.6	+1.0	+4.1%
	Tool Cleaning	3.4	+0.3	+10.8%	6.9	+0.4	+6.6%	3.4	3.4	+0.0	+0.4%	6.9	6.9	+0.0	+0.7%
	for general industries	26.4	+0.2	+0.7%	59.4	+2.1	+3.6%	28.7	27.8	+1.4	+5.3%	62.5	61.7	+2.3	+3.9%
	Energy / Infrastructure	22.3	+1.1	+5.1%	48.4	+2.7	+5.9%	22.8	20.9	-1.4	-6.3%	50.2	47.6	-0.8	-1.7%
	Soil remediation	2.9	-0.7	-19.7%	7.8	-1.0	-10.9%	4.7	5.5	+2.6	+90.7%	9.9	10.8	+3.0	+37.8%
	Others	1.2	-0.2	-12.7%	3.1	+0.3	+10.3%	1.2	1.4	+0.2	+14.7%	2.4	3.3	+0.2	+6.6%
	Overseas	12.6	+1.2	+10.3%	32.6	+7.0	+27.1%	20.0	20.6	+8.0	+63.3%	34.3	36.8	+4.2	+12.8%
	Facilities	8.7	+0.3	+3.9%	22.5	+4.3	+23.6%	14.7	16.1	+7.3	+84.0%	22.8	25.6	+3.0	+13.5%
	Maintenance	2.7	+0.3	+13.2%	7.4	+1.3	+20.9%	3.8	2.9	+0.2	+8.5%	8.6	8.2	+0.8	+11.5%
	UPWS Business	1.2	+0.5	+82.5%	2.8	+1.4	+103.0%	1.5	1.6	+0.4	+34.4%	2.9	3.0	+0.3	+10.3%
Total Sales	64.0	+1.7	+2.7%	146.5	+14.1	+10.7%	76.0	76.7	+12.7	+19.8%	152.8	158.1	+11.6	+8.0%	

Note. UPWS Business stands for Ultrapure Water Supply Business.

**Research and Development (R&D) Expenses**

Unit: Billions of yen

	2018/3		2019/3		
	1st Half Result	Full Year Result	1st Half Result	Full Year Initial Forecast	Full Year Revised Forecast
Water Treatment Chemicals	1.0	2.1	0.9	1.7	1.7
Water Treatment Facilities	1.5	3.2	1.8	3.8	3.7
Total	2.6	5.3	2.7	5.5	5.5

**Capital Expenditures (Property, Plant and Equipment)**

Unit: Billions of yen

	2018/3		2019/3		
	1st Half Result	Full Year Result	1st Half Result	Full Year Previous Forecast	Full Year Current Forecast
Water Treatment Chemicals	0.9	2.8	1.6		
Water Treatment Facilities	7.9	19.3	11.3		
Total	8.8	22.1	12.9	36.0	36.0

**Depreciation (Property, Plant and Equipment)**

Unit: Billions of yen

	2018/3		2019/3		
	1st Half Result	Full Year Result	1st Half Result	Full Year Initial Forecast	Full Year Revised Forecast
Water Treatment Chemicals	0.8	1.8	1.0	2.0	2.0
Water Treatment Facilities	5.7	11.7	6.5	11.5	11.5
Total	6.6	13.5	7.5	13.5	13.5

**Number of Employees**

	2017/9	2018/3	2018/9	Amount change	
				vs.2017/9	vs.2018/3
Consolidated	5,837	6,011	6,219	+382	+208