



Kurita Water Industries Ltd.

Results Presentation for the First Quarter of the Fiscal Year Ending March 31, 2021

(Securities code: 6370)

August 7, 2020

Overview of Results



(Billions of Yen)		1Q of FY ended 03/2020	1Q of FY ending 03/2021	YoY Change	1H Forecast	YoY Change
Orders		72.7	65.4	(10.0%)	123.0	(10.7%)
Net Sales		64.3	61.0	(5.2%)	123.0	(6.6%)
Business Profit		5.7	5.9	+3.8%	8.9	(34.9%)
Net of Other Income and Expenses		4.6	0.2	-	(0.4)	-
Operating Profit		10.2	6.1	(40.1%)	8.5	(54.1%)
Profit Before Tax		10.4	6.0	(42.8%)	8.6	(54.2%)
Profit Attributable to Owners of Parent		7.3	4.0	(44.9%)	6.0	(55.5%)
Earnings per Share (yen)		65.07	35.87	(44.9%)	53.43	(55.5%)
Foreign Exchange Rate	USD (yen)	109.90	107.62			
	EUR (yen)	123.49	118.48			
	CNY (yen)	16.07	15.17			

- Pentagon Technologies, which operates a tool cleaning business in the United States, was included in the scope of consolidation from the quarter under review.
- Other income and expenses includes the gain on the sale of ultrapure water supply business assets in the same period of the previous fiscal year, and a gain on the step acquisition of Pentagon shares in the quarter under review.

Results by Segment



(Billions of Yen)		1Q of FY ended 03/2020	1Q of FY ending 03/2021	YoY Change	1H Forecast
Total	Orders	72.7	65.4	(7.3)	123.0
	Net Sales	64.3	61.0	(3.3)	123.0
	Business Profit	5.7	5.9	+0.2	8.9
	Business Profit Margin	8.8%	9.7%		7.2%
	Operating Profit	10.2	6.1	(4.1)	8.5
Water Treatment Chemicals	Orders	28.9	25.7	(3.2)	51.8
	Net Sales	28.0	24.5	(3.5)	51.5
	Business Profit	2.6	2.8	+0.2	4.0
	Business Profit Margin	9.2%	11.4%		7.8%
	Operating Profit	2.4	2.8	+0.3	3.7
Water Treatment Facilities	Orders	43.8	39.7	(4.1)	71.2
	Net Sales	36.3	36.5	+0.2	71.5
	Business Profit	3.2	3.1	(0.1)	4.9
	Business Profit Margin	8.7%	8.5%		6.8%
	Operating Profit	7.9	3.4	(4.5)	4.8

- Orders and net sales in the Water Treatment Chemicals business decreased due to a decline in the operating rate of customer facilities caused by the spread of the coronavirus.
- The impact of decreased sales in the Water Treatment Chemicals business was covered by decreased costs and reduction of expenses, resulting in an increase in profit being secured.
- In the Water Treatment Facilities business, orders decreased despite the new consolidation of Pentagon, and net sales slightly increased.
- Business profit of the Water Treatment Facilities business decreased slightly due to the impact of decreased sales in existing business being offset by Pentagon's contribution to profit.
- Operating profit of the Water Treatment Facilities business decreased significantly due to the absence of the gain on sale of assets that was recorded in the same period of the previous fiscal year.

Water Treatment Chemicals



(Billions of Yen)	1Q of FY ended 03/2020	1Q of FY ending 03/2021	YoY Change	1H Forecast
Orders	28.9	25.7	(3.2)	51.8
Domestic	12.3	11.4	(0.9)	19.7
Overseas	16.7	14.4	(2.3)	32.1
Net Sales	28.0	24.5	(3.5)	51.5
Domestic	11.2	10.1	(1.1)	19.5
Overseas	16.8	14.4	(2.4)	32.0
Business Profit	2.6	2.8	+0.2	4.0
Business Profit Margin	9.2%	11.4%		7.8%
Operating Profit	2.4	2.8	+0.3	3.7

- Domestic net sales decreased in all customer industries.
- Two months of business results of Avista were added overseas.
- Overseas orders and net sales decreased as a result of the impact of the coronavirus.
- Business profit increased due to reduction of costs and expenses.

Overseas Sales by Region

(Billions of Yen)	1Q of FY ended 03/2020	1Q of FY ending 03/2021	YoY Change	1H Forecast
Asia	6.6	5.2	(1.4)	11.2
North America	4.8	4.5	(0.3)	10.2
EMEA	4.8	4.3	(0.6)	9.4
Other	0.6	0.5	(0.2)	1.2
Total	16.8	14.4	(2.4)	32.0

Factors in Change (Billions of Yen)

Organic Change	(2.1)
Effect of Foreign Exchange Rate	(0.7)
New Consolidation	+0.5

Water Treatment Facilities (for the domestic electronics industry)



(Billions of Yen)	1Q of FY ended 03/2020	1Q of FY ending 03/2021	YoY Change	1H Forecast
Orders	14.1	13.2	(0.8)	25.5
Facilities	0.2	0.8	+0.6	2.3
Maintenance	6.1	3.6	(2.5)	5.7
Ultrapure Water Supply Business	6.2	6.9	+0.7	13.9
Tool Cleaning	1.6	2.0	+0.3	3.6
Net Sales	14.1	12.8	(1.3)	25.0
Facilities	2.7	0.5	(2.2)	1.9
Maintenance	3.6	3.5	(0.1)	5.6
Ultrapure Water Supply Business	6.2	6.9	+0.7	13.9
Tool Cleaning	1.6	2.0	+0.3	3.6

- Net sales of facilities decreased significantly due to the recording of sales of large projects running their courses.
- Although orders in maintenance decreased due to the postponement of large projects as a result of the spread of the coronavirus, net sales remained almost the same.
- Net sales in the ultrapure water supply business increased due to the commencement of water supply in the previous fiscal year for a certain contract.
- Tool cleaning remained steady.

Water Treatment Facilities (for domestic general industries)



(Billions of Yen)	1Q of FY ended 03/2020	1Q of FY ending 03/2021	YoY Change	1H Forecast
Orders	21.4	15.5	(5.9)	24.2
Energy and Infrastructure	16.5	13.8	(2.6)	20.4
Soil Remediation	4.2	1.0	(3.2)	2.8
Other	0.7	0.7	(0.1)	1.1
Net Sales	12.5	12.2	(0.3)	26.1
Energy and Infrastructure	10.1	10.2	+0.1	21.6
Soil Remediation	1.8	1.4	(0.4)	3.4
Other	0.7	0.6	(0.0)	1.1

- Energy and infrastructure orders decreased due to the absence of large projects for water treatment facilities, and orders also decreased in maintenance for general industries due to the postponement of projects amid the coronavirus outbreak.
- Energy and infrastructure net sales remained at the same level as the same period of the previous fiscal year for both facilities and maintenance due to the recording of sales from order backlog.
- Soil remediation orders and net sales decreased due to large projects running their courses.

Water Treatment Facilities (Overseas)



(Billions of Yen)	1Q of FY ended 03/2020	1Q of FY ending 03/2021	YoY Change	1H Forecast
Orders	8.3	11.0	+2.7	21.5
Facilities	5.4	4.1	(1.3)	11.0
Maintenance	2.1	3.4	+1.3	4.2
Ultrapure Water Supply Business	0.8	0.7	(0.0)	1.4
Tool Cleaning	-	2.7	+2.7	4.9
Net Sales	9.7	11.4	+1.8	20.4
Facilities	7.0	5.1	(1.9)	10.9
Maintenance	1.9	2.9	+1.0	3.2
Ultrapure Water Supply Business	0.8	0.7	(0.0)	1.4
Tool Cleaning	-	2.7	+2.7	4.9

- There were no significant changes in demand trends of facilities in China and South Korea.
- Maintenance was steady.
- Tool cleaning has been newly added due to the new consolidation of Pentagon.

Overseas Sales by Region

(Billions of Yen)	1Q of FY ended 03/2020	1Q of FY ending 03/2021	YoY Change	1H Forecast
Asia	7.8	6.4	(1.4)	11.6
North America and Other	1.9	5.0	+3.2	8.8
Total	9.7	11.4	+1.8	20.4

Factors in Change (Billions of Yen)

Organic Change	(0.6)
Effect of Foreign Exchange Rate	(0.3)
New Consolidation	+2.7

Breakdown of Service Business Sales



(Billions of Yen)	1Q of FY ended 03/2020	1Q of FY ending 03/2021	YoY Change	1H Forecast
Water Treatment Chemicals	28.0	24.5	(3.5)	51.5
Water Treatment Facilities	24.7	29.0	+4.3	53.4
Ultrapure Water Supply Business	6.9	7.6	+0.7	15.3
Tool Cleaning	1.6	4.7	+3.0	8.5
Soil Remediation	1.8	1.4	(0.4)	3.4
Domestic Maintenance	11.9	12.0	+0.1	21.9
Overseas Maintenance	1.9	2.9	+1.0	3.2
Other	0.6	0.5	(0.0)	1.1
Total	52.7	53.6	+0.8	104.9

- Water Treatment Chemicals net sales decreased due to the impact of the coronavirus.
- Ultrapure water supply business and overseas maintenance increased.
- Tool cleaning increased due to the new consolidation of Pentagon.

Capital Expenditures, Depreciation and R&D Expenses



(Billions of Yen)	1Q of FY ended 03/2020	1Q of FY ending 03/2021	FY ending 03/2021 (Forecast)
Capital Expenditures (Property, Plant and Equipment)	9.8	2.7	22.8
Ultrapure Water Supply Business	6.7	0.5	7.9
Other than the above	3.2	2.2	14.8
Depreciation (Property, Plant and Equipment)	3.3	4.4	17.3
Water Treatment Chemicals	0.9	1.0	4.0
Water Treatment Facilities	2.4	3.4	13.3
R&D Expenses	1.3	1.1	5.2
Water Treatment Chemicals	0.5	0.4	2.4
Water Treatment Facilities	0.8	0.7	2.9

- Although investment in property, plant and equipment decreased significantly year on year, it progressed according to plan.
- Depreciation of property, plant and equipment proceeded as anticipated at the start of the fiscal year.



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.