



Kurita Water Industries Ltd.

**Results Presentation  
for the First Quarter  
of the Fiscal Year Ending March 31, 2025**

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(Securities code: 6370)

August 8, 2024

I am Shuji Shirode, Managing Executive Officer, Executive General Manager of Corporate Control and Administration Division and Chief Financial Officer (CFO).

I would like to explain the financial results for the first quarter of the fiscal year ending March 31, 2025.

## Overview of Results



(Billions of Yen)		FY 03/2024 Three-Month Results	FY 03/2025 Three-Month Results	YoY Change	FY 03/2025 1H Forecast	YoY Change
Orders		98.4	99.3	+ 0.9%	212.0	+ 13.7%
Net Sales		90.5	94.0	+ 3.8%	194.0	+ 3.0%
Business Profit		7.5	8.4	+ 12.1%	20.0	+ 10.7%
Net of Other Income and Expenses		0.7	0.3	—	(0.5)	—
Operating Profit		8.1	8.6	+ 6.2%	19.5	+ 6.6%
Profit Before Tax		8.1	8.7	+ 7.6%	19.2	+ 5.6%
Profit Attributable to Owners of Parent		5.7	5.7	+ 0.1%	13.5	+ 7.2%
Basic Earnings per Share (yen)		50.67	50.74	+ 0.1%	120.13	+ 7.2%
Foreign Exchange Rate	USD (yen)	137.4	155.9		142.0	
	EUR (yen)	149.5	167.9		154.0	
	CNY (yen)	19.6	21.5		19.8	

- Arcade Engineering GmbH and its group companies were consolidated in the General Industry segment in the second quarter of the previous fiscal year.

## Overview of Results

During the first quarter of this fiscal year, the impact of the weak yen on foreign exchange rates had a positive impact on the results.

Excluding this impact, both orders and net sales decreased, while business profit increased.

Arcade Engineering, which operates water treatment facility business for the electronics industry in Europe, was consolidated in the second quarter of the previous fiscal year.

For the first quarter of this fiscal year, this new consolidation had an impact of approximately 1.3 billion yen on both orders and net sales.

## Results by Segment



(Billions of Yen)		FY 03/2024 Three-Month Results	FY 03/2025 Three-Month Results	YoY Change	FY 03/2025 1H Forecast
Total	Orders	98.4	99.3	+ 0.9	212.0
	Net Sales	90.5	94.0	+ 3.4	194.0
	Business Profit	7.5	8.4	+ 0.9	20.0
	Business Profit Margin	8.2%	8.9%	+ 0.7pp	10.3%
	Operating Profit	8.1	8.6	+ 0.5	19.5
Electronics Industry	Orders	42.0	37.4	(4.7)	86.0
	Net Sales	43.2	43.6	+ 0.4	85.0
	Business Profit	4.4	4.7	+ 0.4	9.8
	Business Profit Margin	10.1%	10.8%	+ 0.7pp	11.5%
	Operating Profit	4.5	4.8	+ 0.2	9.8
General Industry	Orders	56.4	61.9	+ 5.5	126.0
	Net Sales	47.3	50.4	+ 3.0	109.0
	Business Profit	3.1	3.7	+ 0.6	10.2
	Business Profit Margin	6.5%	7.3%	+ 0.7pp	9.4%
	Operating Profit	3.6	3.9	+ 0.3	9.7

### Electronics Industry

- Orders declined due to decreased facility orders.
- Net sales declined excluding the impact of foreign exchange rates due to the absence of net sales coming from a Japanese large-scale facility project in the same period of the previous fiscal year, although recurring contract-based services increased.
- Business profit increased, with the effects of an improved cost of sales ratio due to the increase of service business sales, more than offsetting the impact of decreased sales and increased SG&A expenses.

### General Industry

- Orders increased excluding the impacts of foreign exchange rates and new consolidation mainly due to increased orders for maintenance.
- Net sales declined excluding the impacts of foreign exchange rates and new consolidation mainly due to decreased sales in overseas chemicals business.
- Business profit increased, with the effects of an improved cost of sales ratio due to expanded CSV business and optimization of product composition, more than offsetting the impact of decreased sales and increased SG&A expenses.

## Results by Segment

Business profit in the Electronics Industry segment increased compared to the same period of the previous fiscal year.

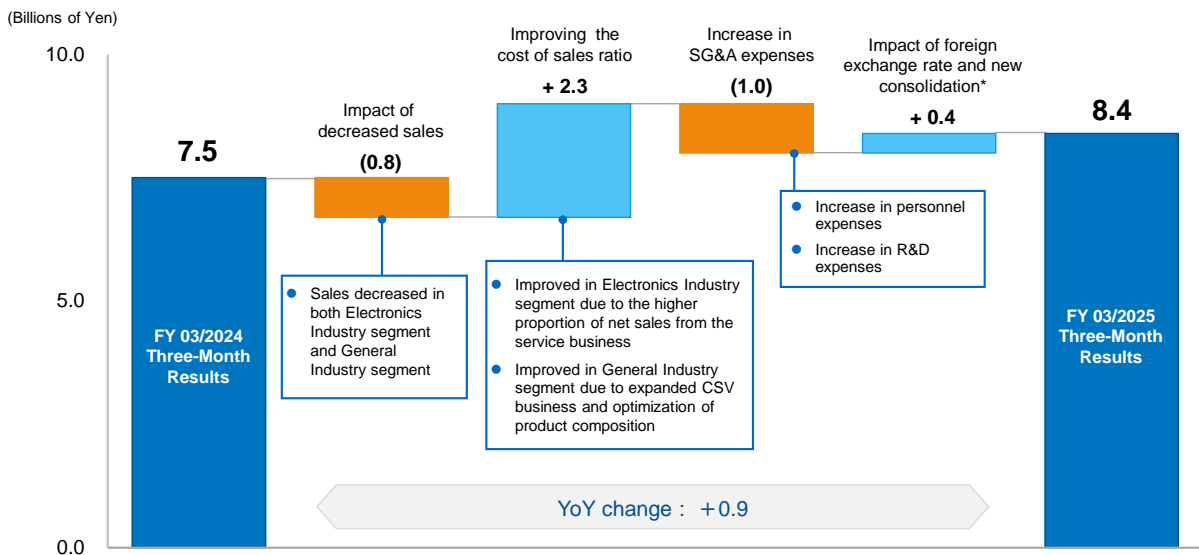
Due to the increased sales of recurring contract-based services and the absence of sales coming from a Japanese large-scale facility project in the previous fiscal year, the proportion of net sales from the service business increased, leading to improved cost of sales ratio.

The effect of an improved cost of sales ratio outweighed the negative impact of decreased sales and increased SG&A expenses.

Business profit in the General Industry segment also increased compared to the same period of the previous fiscal year.

The cost of sales ratio was improved due to expanded CSV business and optimization of product composition, more than offsetting the impact of decreased sales and increased SG&A expenses.

## Factors in Business Profit Change (YoY Change)



\* Arcade Engineering GmbH and its group companies were consolidated in the General Industry segment in the second quarter of the previous fiscal year.

## Factors in Business Profit Change (YoY Change)

On an organic basis excluding the impact of foreign exchange rate and new consolidation, business profit increased by 0.5 billion yen.

The factors of impact of decreased sales and improving the cost of sales ratio were explained in the previous slide.

SG&A expenses increased due to an increase in personnel expenses as well as costs associated with promoting innovation and digital transformation.

# Electronics Industry Segment



(Billions of Yen)	FY 03/2024 Three-Month Results	FY 03/2025 Three-Month Results	YoY Change	FY 03/2025 1H Forecast
<b>Orders</b>	<b>42.0</b>	<b>37.4</b>	<b>(4.7)</b>	<b>86.0</b>
Facilities	14.9	6.4	(8.5)	30.4
Recurring Contract- Based Services	11.3	11.9	+ 0.7	23.9
Services	15.9	19.0	+ 3.2	31.7
Chemicals	2.5	3.0	+ 0.5	5.5
Precision Tool Cleaning	5.6	7.2	+ 1.5	13.6
Maintenance	7.7	8.8	+ 1.2	12.6
<b>Net Sales</b>	<b>43.2</b>	<b>43.6</b>	<b>+ 0.4</b>	<b>85.0</b>
Facilities	19.5	18.1	(1.4)	33.2
Recurring Contract- Based Services	11.2	11.9	+ 0.8	23.7
Services	12.6	13.6	+ 1.1	28.1
Chemicals	2.5	2.9	+ 0.3	5.5
Precision Tool Cleaning	5.7	7.0	+ 1.3	13.6
Maintenance	4.3	3.7	(0.6)	9.0

- Orders for facilities declined due to the absence of the several large projects in the same period of the previous fiscal year. Net sales for facilities decreased due to the absence of sales coming from a Japanese large-scale facility project posted in the previous fiscal year despite of an increased sales in China.
- Recurring contract-based services increased due to an increase in water supply business.
- Net sales for precision tool cleaning increased even excluding the impact of foreign exchange rates.
- Orders and net sales for maintenance were in line with 1H forecast, while year on year change depends on the timing of the projects.

Factors in Change (Billions of Yen)	
Organic Change	(1.9)
Impact of Foreign Exchange Rate	+ 2.3

## Orders and Net Sales in the Electronics Industry Segment

Orders decreased mainly due to decreased orders for facilities.

Facility orders declined mainly in China and South Korea due to the absence of several large projects in the same period of the previous fiscal year.

Orders for precision tool cleaning increased even excluding the impact of foreign exchange rates. However, cleaning needs, which are affected by the operating status of customers' plants, have not yet fully recovered, and orders increase was slowly.

Recurring contract-based services increased due in part to the contribution of certain project where water supply began in April.

Net sales decreased excluding the impact of foreign exchange rates compared to the same period of the previous fiscal year.

The main factor is a decrease in sales for facilities due to the absence of sales coming from a Japanese large-scale facility project in the previous fiscal year despite increased sales for precision tool cleaning and recurring contract-based services.

## General Industry Segment



(Billions of Yen)	FY 03/2024 Three-Month Results	FY 03/2025 Three-Month Results	YoY Change	FY 03/2025 1H Forecast
<b>Orders</b>	<b>56.4</b>	<b>61.9</b>	<b>+ 5.5</b>	<b>126.0</b>
Facilities	7.7	8.8	+ 1.1	29.5
Recurring Contract- Based Services	2.9	3.2	+ 0.3	5.0
Services	45.8	50.0	+ 4.2	91.5
Chemicals	27.8	29.0	+ 1.3	61.9
Maintenance	16.4	17.9	+ 1.5	25.4
Others	1.7	3.1	+ 1.4	4.3
<b>Net Sales</b>	<b>47.3</b>	<b>50.4</b>	<b>+ 3.0</b>	<b>109.0</b>
Facilities	4.5	6.3	+ 1.8	16.8
Recurring Contract- Based Services	2.2	2.7	+ 0.5	5.3
Services	40.6	41.4	+ 0.8	86.8
Chemicals	27.7	28.5	+ 0.8	61.7
Maintenance	11.2	10.9	(0.3)	21.2
Others	1.7	1.9	+ 0.3	3.9

- Orders and net sales for facilities increased due to the new consolidation of Arcade Engineering and an acquisition of projects and construction progress for public sector in North America.
- Recurring contract-based services increased due to the growth both in Japan and overseas.
- Orders and net sales for chemicals declined overseas excluding the impact of foreign exchange rates, but CSV business expanded.
- Orders for maintenance increased mainly in Japan.

Factors in Change (Billions of Yen)	
Organic Change	(0.9)
Impact of Foreign Exchange Rate	+ 2.7
Impact of New Consolidation	+ 1.3

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### Orders and Net Sales in General Industry Segment

Orders increased even excluding the impact of foreign exchange rates compared to the same period of the previous fiscal year.

Facility orders increased due to the new consolidation of Arcade Engineering and expanded facilities business for public sector in North America, and orders for maintenance increased mainly in Japan.

Net sales decreased excluding the impact of foreign exchange rates and new consolidation, compared to the same period of the previous fiscal year.

Chemical sales decreased mainly due to the impact of changes in the business environment in Asia and lower demand for chemicals in Europe where the average temperature in June was lower than last year.

On the other hand, net sales in CSV business increased in each region, in line with the business expansion initiatives.

## Net Sales by Region / CSV Business Net Sales



### Net Sales by Region - Consolidated

(Billions of Yen)	FY 03/2024 Three-Month Results	FY 03/2025 Three-Month Results	YoY Change	FY 03/2025 1H Forecast
Japan	48.1	42.4	(5.7)	85.8
Asia	20.3	25.1	+ 4.8	50.0
North & South America	14.2	17.2	+ 3.0	37.5
EMEA	8.0	9.3	+ 1.3	20.7
<b>Total</b>	<b>90.5</b>	<b>94.0</b>	<b>+ 3.4</b>	<b>194.0</b>

### Net Sales by Region - General Industry

(Billions of Yen)	FY 03/2024 Three-Month Results	FY 03/2025 Three-Month Results	YoY Change	FY 03/2025 1H Forecast
Japan	23.6	23.8	+ 0.2	48.6
Asia	5.4	5.1	(0.3)	12.0
North & South America	10.6	12.3	+ 1.7	27.8
EMEA	7.7	9.1	+ 1.3	20.7
<b>Total</b>	<b>47.3</b>	<b>50.4</b>	<b>+ 3.0</b>	<b>109.0</b>

### Net Sales by Region - Electronics Industry

(Billions of Yen)	FY 03/2024 Three-Month Results	FY 03/2025 Three-Month Results	YoY Change	FY 03/2025 1H Forecast
Japan	24.5	18.6	(5.9)	37.2
Asia	14.9	19.9	+ 5.0	38.0
North & South America	3.6	4.9	+ 1.3	9.8
EMEA*	0.3	0.2	(0.0)	—
<b>Total</b>	<b>43.2</b>	<b>43.6</b>	<b>+ 0.4</b>	<b>85.0</b>

### CSV Business Net Sales

(Billions of Yen)	FY 03/2024 Three-Month Results	FY 03/2025 Three-Month Results	YoY Change	FY 03/2025 Full-Year Forecast
Consolidated	8.9	11.2	+ 2.3	48.0
Electronics Industry	2.9	3.3	+ 0.4	14.5
General Industry	6.0	7.9	+ 1.9	33.5

\* From the first quarter of this fiscal year, net sales for precision tool cleaning business in EMEA has been recognized as EMEA sales, while the forecast figures are still included in North and South America.

## Net Sales by Region / CSV Business Net Sales

Net Sales for CSV business increased and are progressing roughly in line with our full-year forecast.

As the expansion of CSV business is one of key drivers to improve profitability in General Industry segment, we will continue to pursue various initiatives to expand this business.

## Capital Expenditures, Depreciation and R&D Expenses



(Billions of Yen)	FY 03/2024 Three-Month Results	FY 03/2025 Three-Month Results	YoY Change	FY 03/2025 Full-Year Forecast
Capital Expenditures (Property, Plant and Equipment)	8.3	12.0	+ 3.6	46.4
Depreciation (Property, Plant and Equipment)	6.9	7.3	+ 0.5	31.5
R&D Expenses	1.7	2.0	+ 0.3	7.5

\* Right-of-use assets are included.

- Capital expenditures increased compared to the same period of the previous fiscal year due to a higher investment in water supply business and precision tool cleaning.
- Depreciation increased mainly due to the start of new water supply business project in this fiscal year.
- R&D expenses increased due to strengthening efforts to create innovation.

Capital Expenditures, Depreciation, and R&D Expenses are progressing roughly in line with the full-year forecast.

This concludes my explanation.





**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.

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