

Company Name: Kurita Water Industries Ltd.
Representative: Michiya Kadota, President
(Securities Code: 6370, First Section of TSE)
Contact: Hisashi Tanabe
General Manager of Corporate
Planning Department
(Tel: +81-3-6743-5492)

Notice Regarding Transfer of Alumina Compounds Business of Subsidiary Kurita Europe GmbH

At a meeting of the Board of Directors held on July 31, 2018, Kurita Water Industries Ltd. (“Kurita”) resolved to transfer the alumina compounds business of Kurita Europe GmbH, a subsidiary of Kurita, to Blitz 17-630 AG (“LIVIA”), a subsidiary of LIVIA Corporate Development SE. Kurita Europe GmbH and LIVIA entered into a business transfer agreement on August 3, 2018

1. Reason for the business transfer

The alumina compounds business of Kurita Europe GmbH is a business which Kurita acquired with a water solutions business and a paper solutions business from BK Giuliani GmbH in Germany and its affiliate in 2015, but it is not a core business of the Kurita Group. Believing that selling this business will improve its future profitability, the Group has been examining the possibility of concluding a business transfer agreement and has recently reached an agreement with LIVIA.

The Kurita Group is striving to promote growth investments and improve its profitability in a focused manner, with the aim of building a group of companies with a solid revenue base in its medium-term management plan “MVP-22 (Maximize Value Proposition 2022),” which has started in the current fiscal year. The business transfer this time is a part of these efforts.

2. Overview of the business transfer

(1) Details of the business to be transferred

Manufacture and sale of alumina compounds

(2) Operating results of the business to be transfer

Net sales in the immediately preceding fiscal year are approximately 2.8 billion yen, and profit and loss are very small.

(3) Assets and liabilities of the business to be transfer and their amounts

The items and amounts of assets and liabilities to be transferred are under careful examination.

(4) Transfer price and the method of settlement

We will refrain from publishing the transfer price based on confidentiality obligations between the parties. The price is to be settled on the date of closing.

3. Overview of the other party

(1)	Name	Blitz 17-630 AG (new company; will be renamed by closing)
(2)	Address	Alter Hof 5, 80331 Munich, Germany
(3)	Main shareholders and holding ratio	Plahoma Eight AG 100% (LIVIA Corporate Development SE is the wholly owning parent company of Plahoma Eight AG. The LIVIA Group invests in industries, real estate, art, emerging markets and agriculture, etc. in a focused manner.)
(4)	Relationship between the listed company and this company	There is no relationship to specially mention.

* We will refrain from publishing the position and name of the representative, business, capital, the date of establishment, net assets and total assets of the new company (Blitz 17-630 AG) because we have not obtained the consent of the other party.

4. Schedule

(1)	Date of resolution of the Board of Directors	July 31, 2018
(2)	Date of contract	August 3, 2018
(3)	Date of business transfer	September 30, 2018 (planned)

5. Overview of accounting

Kurita has posted the amount of estimated loss of 2,869 million yen associated with this transfer in extraordinary losses (provision for loss on transfer of business) in its financial results for the first quarter of the fiscal year ending March 31, 2019.

6. Future outlook

While Kurita has posted the above extraordinary loss as a result of this transfer, Kurita will keep its consolidated results forecasts for the fiscal year ending March 31, 2019 unchanged because a gain on the sale of investment securities is expected to be posted in or after the second quarter of the current fiscal year. If any matter requiring disclosure occurs, Kurita will immediately disclose it.

(Reference) Consolidated results forecasts (published on April 27, 2018) for the current fiscal year and consolidated results for the previous fiscal year

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Consolidated results forecasts for the current fiscal year (Ending March 31, 2019)	255,000 million yen	24,000 million yen	24,200 million yen	17,000 million yen
Consolidated results for the previous fiscal year (Ended March 31, 2018)	236,815 million yen	22,475 million yen	22,104 million yen	17,897 million yen