



Kurita Water Industries Ltd.

Acquisition of U.S. Water

(Securities code: 6370)

February 12, 2019

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Acquisition Overview



Transaction

- Kurita Water Industries will acquire U.S. Water Services, Inc. ("U.S. Water"), which manufactures and sells water treatment chemicals and facilities in the United States.

Acquisition Structure

- Kurita America Holdings Inc., a wholly owned subsidiary of Kurita Water Industries, will acquire all outstanding shares of Global Water Services Holdings Company, Inc., the wholly owning parent company of U.S. Water, from ALLETE Enterprises, Inc.

Acquisition Cost

- US\$270 million (approx. ¥29.4 billion^{*1})
(The final cost will be adjusted for working capital, etc., at closing.)

Funds Procurement

- Cash on hand

*1: Converted at the exchange rate of US\$1.00 = ¥109

U.S. Water Overview



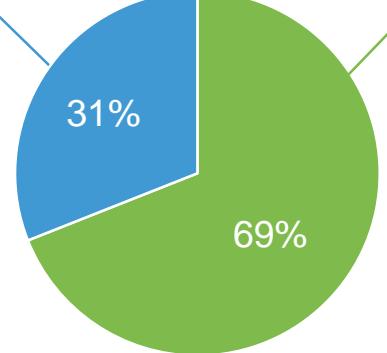
Basic information

- Head office location : United States (St. Michael, Minnesota)
- Date of founding : 1997
- Shareholder : ALLETE, Inc. (indirectly owns 100% of shares)
- Number of employees : Approx. 500 (as of December 31, 2018)
- Net sales (FY2018) : Approx. US\$172 million (approx. ¥18.8 billion*1)
- Business description : Manufacture, sale and service of water treatment chemicals, water treatment facilities, and consumables (filters, membranes, etc.)

Business overview

Water treatment facilities

- Manufacture, sales and engineering of facilities
- Main products include systems for water and wastewater treatment, ion exchange, reverse osmosis, filtration, and purification.



Water treatment chemicals

- Manufacture and sales of chemicals
- Main products include scale inhibitors, corrosion inhibitors, dispersants, and biocides

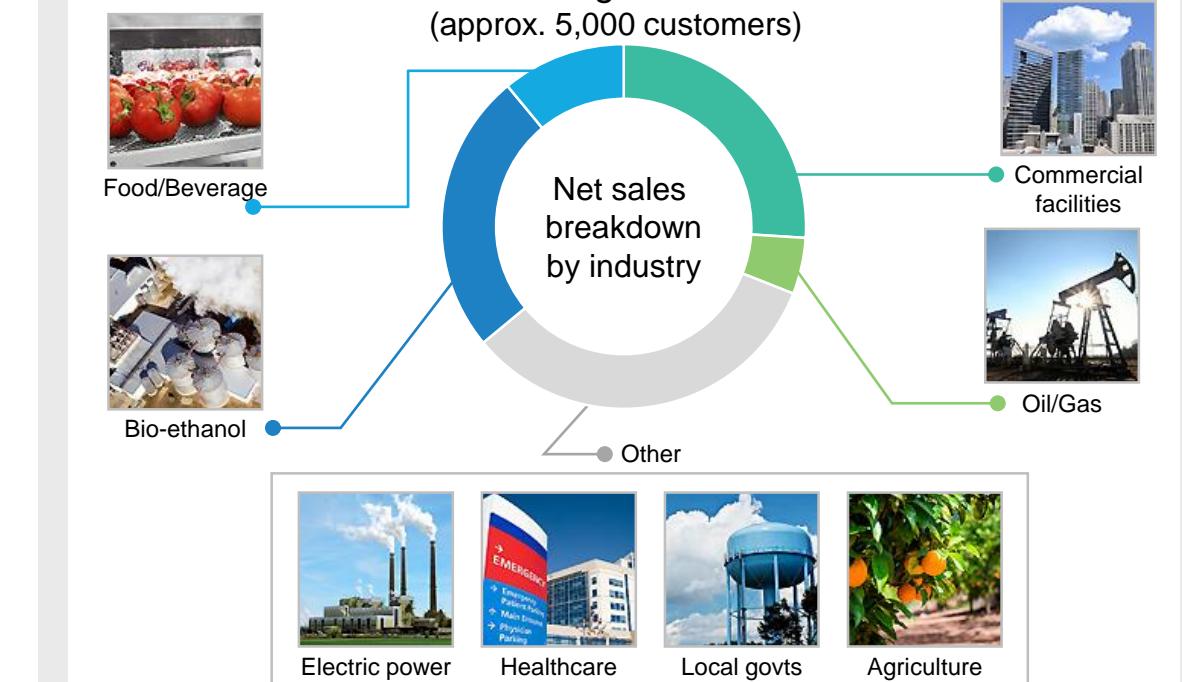
(Reference) FY2018 net sales breakdown by business

*1: Converted at the exchange rate of \$1.00 = ¥109

Strengths

Providing optimal comprehensive water treatment solutions through engineering services combining water treatment chemicals and facilities

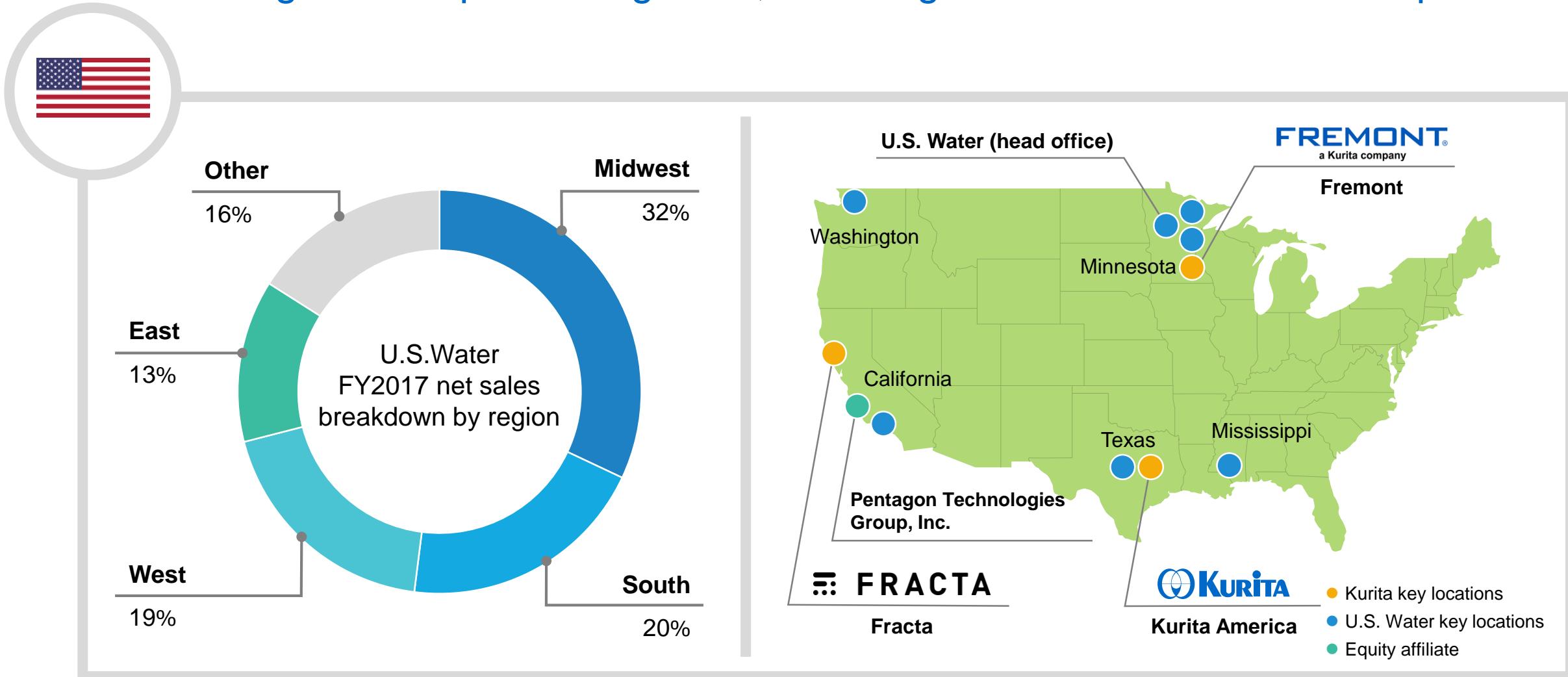
Strong customer base covering broad array of industries throughout North America (approx. 5,000 customers)



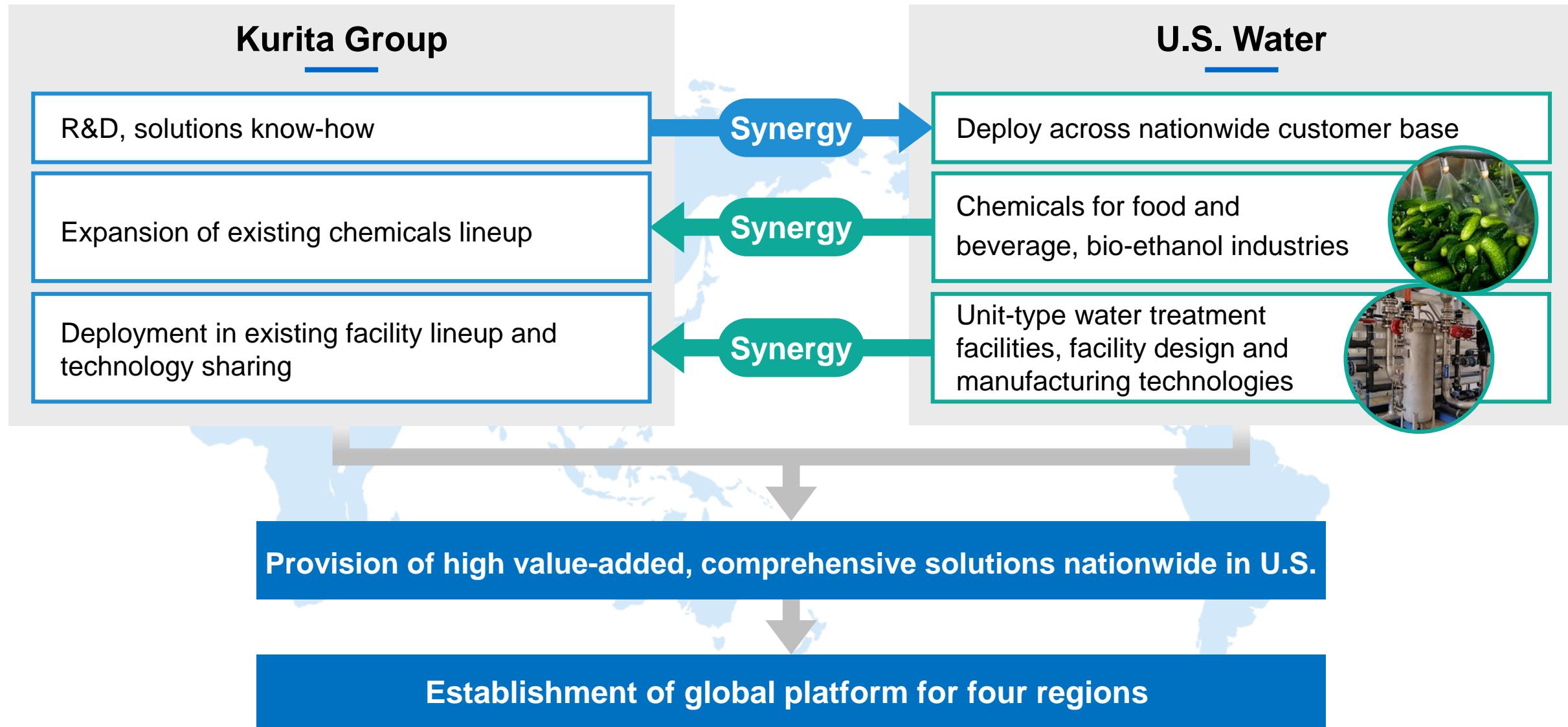
Bolstering U.S. Business Foundation



Aiming for a leap in U.S. growth, following success in Asia and Europe



Strategic Aim





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.