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### Kurita Water Industries Revises Earnings Forecast

Kurita Water Industries Ltd. announces that, in light of its recent operating performance, it has revised the earnings forecast that it issued on April 27, 2012 for the first six months of the fiscal year ending March 31, 2013 (April 1, 2012 – September 30, 2012) and the full fiscal year (April 1, 2012 – March 31, 2013). Details appear below.

#### 1. Earnings Forecast Revision

##### (1) Revision of consolidated earnings forecast for the first six months of fiscal year ending March 31, 2013 (April 1, 2012 – September 30, 2012)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	(millions of yen)				(yen)
Previous forecast (A)	95,000	13,500	13,700	7,500	59.21
Revised forecast (B)	90,200	10,800	11,300	4,850	38.29
Change (B – A)	(4,800)	(2,700)	(2,400)	(2,650)	—
Percent change	(5.1)%	(20.0)%	(17.5)%	(35.3)%	—
For reference: First six months of the fiscal year ended March 31, 2012 (actual)	89,515	13,017	13,384	7,881	62.23

##### (2) Revision of consolidated earnings forecast for the full fiscal year ending March 31, 2013 (April 1, 2012 – March 31, 2013)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	(millions of yen)				(yen)
Previous forecast (A)	200,000	29,500	30,000	17,500	138.17
Revised forecast (B)	196,000	25,000	25,700	13,600	107.37
Change (B – A)	(4,000)	(4,500)	(4,300)	(3,900)	—
Percent change	(2.0)%	(15.3)%	(14.3)%	(22.3)%	—
For reference: Fiscal year ended March 31, 2012 (actual)	193,792	29,382	30,369	16,548	130.65

## **2. Reason for revisions**

### **(1) Earnings forecast for the six months ended September 30, 2012**

Net sales are expected to increase in comparison with the same period of the previous fiscal year, but decline in comparison with the previous forecast due primarily to domestic customers' consolidation of manufacturing sites and lower capacity utilization rates, a slowdown in European, Chinese and other overseas economies, along with the curbing and postponement of capital investment by major East Asian customers.

Income is expected to decline significantly in comparison with the same period of the previous fiscal year due to deterioration in the cost to sales ratio, an increase in general administrative expenses resulting from the relocation of the head office, and a loss on valuation of investment securities totaling approximately ¥2.3 billion posted as an extraordinary loss.

### **(2) Earnings forecast for the fiscal year ending March 31, 2013**

The Company does not expect a significant recovery in customer capacity utilization rates or capital investment demand in the second half of the fiscal year, and in consideration of the earnings forecast for the first six months of the fiscal year ending March 31, 2013, both net sales and income are expected to be lower than the previous forecast.

There is no change to the dividend forecast.

Earnings forecast are based on information currently available to the Company, and actual results may be materially different from these forecasts due to a variety of factors.