

Kurita to acquire German-based Water Solutions, Paper Solutions and Alumina Compounds businesses of BK Giulini

Kurita Water Industries Ltd. ("we" or "Kurita") announced today that Kurita, BK Giulini GmbH and its affiliates ("BKG") and its ultimate parent company, Israel Chemicals Limited ("ICL") have entered into an agreement where Kurita will acquire, through its subsidiary, the Water Solutions, Paper Solutions and Alumina Compounds businesses of BKG (the "Business") (the "Transaction"). The Transaction is expected to be completed by the end of 2014, subject to applicable anti-trust clearance and customary closing conditions.

1. Purpose of the Transaction

The Transaction will enable Kurita to strengthen its overseas business platform through combining the Business's broad customer base in Europe and other regions with Kurita's existing customer base, which is mainly in Japan and the Asia region. In addition, Kurita sees the technologies and products of the Business as highly complementary with those of Kurita, leading up to the development of more diverse product offering for its customers.

Kurita and the management of the Business will cooperate to integrate their businesses and technologies to realize expected synergies in the near future. Kurita believes that this effort will benefit customers as well as employees of Kurita and the Business and will also contribute to its mid to long-term growth.

2. Overview of the Business

(1) Target business	Manufacturing, developing and marketing water treatment chemicals, paper chemicals and alumina compounds
(2) Location	<p>【Production site】 Germany: Ludwigshafen China: Jiangyin and Anshan Turkey: Bandirma</p> <p>【R&D】 Germany: Düsseldorf</p> <p>【Sales office】 Germany, France, Greece, Italy, Spain, Poland, Sweden, China, Turkey</p>
(3) Employees	Approximately 464
(4) Financial result	<p>Sales: Approximately EUR177 million (Fiscal year ended Dec 2013)</p> <p>(note 1) The data is provided by BKG and not audited</p> <p>(note 2) Ordinary income and asset/liability amount cannot be disclosed due to the difficulty to assess cost/profit allocated to the Business, which is part of BKG's reporting unit.</p>
(5) Purchase price and source of funds	EUR250 million (approximately JPY34.2 billion based on EUR/JPY rate of 136.65), subject to working capital and net debt adjustments; paid with cash on hand.

3. Overview of BKG

(1) Company name	BK Giulini GmbH
(2) Headquarter	Giulinistraße 2, 67065 Ludwigshafen/Rhein, Germany
(3) Title and name of representative	Eli Glazer, Managing Director

(4)	Business	Manufacturing, developing and marketing water treatment chemicals, paper chemicals, alumina compounds, intermediates for pharma and cosmetics and gypsum	
(5)	Paid-in capital	EUR 16 million (as of 31 December 2013)	
(6)	Date of Foundation	1823	
(7)	Net assets	EUR 37 million (as of 31 December 2013)	
(8)	Total assets	EUR 315 million (as of 31 December 2013)	
(9)	Major shareholders/ Shareholding ratio	Rotem Holding GmbH (94.9%) Hoyermann Chemie (5.1%) ※ ICL is the ultimate parent of BKG	
(10)	Relationship with Kurita	Capital relationship	None
		Human relationship	None
		Business relationship	None
		Related party	BKG is not a related party of Kurita. None of directors, employees, nor affiliates of BKG is a related party of Kurita

4. Overview of ICL

(1)	Company name	Israel Chemicals Limited	
(2)	Headquarter	Millennium Tower, 23 Aranha St. Tel Aviv 61070, Israel	
(3)	Title and name of representative	Stefan Borgas, President & CEO	
(4)	Business	Manufacturing, developing and marketing fertilizers and special purpose chemical products	
(5)	Paid-in capital	USD 542 million (as of 31 December 2013)	
(6)	Date of Foundation	1968	
(7)	Net assets	USD 3,678 million (as of 31 December 2013)	
(8)	Total assets	USD 7,973 million (as of 31 December 2013)	
(9)	Major shareholders/ Shareholding ratio	Israel Corp.(46.18%) Potash Corp Agricultural Society Ltd (13.85%)	
(10)	Relationship with Kurita	Capital relationship	None
		Human relationship	None
		Business relationship	Kurita procures raw materials from ICL group. The amount is immaterial.
		Related party	ICL is not a related party of Kurita. None of directors, employees, nor affiliates of ICL is a related party of Kurita

5. Acquiring entity

Kurita's newly established and wholly owned subsidiary in Germany will acquire the Business.

Overview of acquiring entity

(1)	Company name	Kurita Europe APW GmbH (The registration is in process. The current name is Blitz F14-246 GmbH)
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(2)	Headquarter	Industriering 43, 41751 Viersen, Germany
(3)	Name of Representative	Koichi Iioka

6. Schedule of closing

(1)	Board approval	October 22, 2014 (*)
(2)	Date of execution	October 27, 2014 (*)
(3)	Closing date	The Transaction expects to close by the end of 2014. The closing date may vary depending on progress of merger review and other closing conditions.

(*) After the board resolution on October 22, 2014, we continued discussing details of contracts with BKG and ICL, and reached definitive agreement on October 27, 2014.

7. Accounting treatment

The Transaction will be treated as an acquisition under Japanese Generally Accepted Accounting Principles.

8. Financial impact

Financial impact on Kurita's consolidated financial statements is still under review and will be disclosed in a timely manner where necessary.

(Reference) Consolidated financial outlook for FY2014 and result for FY2013 (reported as of April 30, 2014)

(unit: millions of JPY)

	Net sales	Operating income	Ordinary income	Net income
Outlook for FY2014 (April 1, 2014 – March 31, 2015)	185,000	17,000	17,800	11,000
Result for FY2013 (April 1, 2013 – March 31, 2014)	178,137	14,886	16,072	9,352