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For Immediate Release

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(Securities Code: 6370, First
Section of TSE)
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**Notice Regarding the Acquisition of Avista Technologies, Inc. and Avista Technologies (UK) Ltd.
(to Make Them Subsidiaries)**

Kurita Water Industries Ltd. (“Kurita”) announced today that it has decided to acquire 100% of the outstanding shares of Avista Technologies, Inc. (Head Office: California, US; “A-US”), which manufactures and sells water treatment chemicals, and Avista Technologies (UK) Ltd. (Head Office: UK; “A-UK”), through Kurita America Holdings Inc. (Head Office: Delaware, U.S.; a wholly owned subsidiary of Kurita) and Kurita Europe GmbH (Head Office: Germany; a wholly owned subsidiary of Kurita), and has signed a stock transfer agreement with four members of the senior management of A-US and A-UK, who are shareholders.

1. Purpose of the acquisition

A-US specializes in RO chemicals. RO chemicals are water treatment chemicals applied to reverse osmosis (RO) membranes, which are one of the components of water treatment facilities. Besides manufacturing and selling many types of RO chemicals, A-US also offers services such as RO membrane cleaning and has many customers, mostly in the US, across a wide range of industries, including the mining, chemical, oil, offshore oil field, and food and beverage industries, and local government. Meanwhile, A-UK conducts a similar business in the EMEA (Europe, Middle East and Africa) region under licenses granted by A-US.

Kurita Group will expand its product lineup for RO chemicals by combining the RO chemicals of A-US and its own unique RO chemicals, and will accelerate expansion in sales of RO products by proposing a wide range of products to customers. Kurita Group will also seek to strengthen services related to RO membranes through the exchange of technologies and knowhow with A-US.

2. Overview of the subsidiaries

Overview of A-US

(1)	N a m e	Avista Technologies, Inc.	
(2)	L o c a t i o n	140 Bosstick Blvd. San Marcos, California 92069, United States	
(3)	Name and title of representatives	Dave Walker, CEO	
(4)	Business description	Manufacture and sale of RO chemicals, and provision of RO membrane-related services	
(5)	Paid-in capital	3,719 US dollars	
(6)	Date of founding	May 5, 1999	
(7)	Major shareholders and shareholding ratios	CEO of A-US 75% Vice President of A-US 25%	
(8)	Relationships with Kurita Group	E q u i t y relationship	None
		H u m a n relationship	None
		B u s i n e s s relationship	None
(9)	Net sales in the fiscal year ended December 31, 2018	23,055,000 US dollars (2,582,000,000 yen)	

(Note 1) 1 US dollar = 112 yen

(Note 2) These figures were disclosed by A-US and have not been audited.

(Note 3) We have refrained from publishing details of net assets, total assets, trends in net sales, operating income, ordinary income, net income and dividends per share, as the other party to the agreement has not consented to the disclosure of this information.

Overview of A-UK

(1)	N a m e	Avista Technologies (UK) Ltd.	
(2)	L o c a t i o n	13 Nasmyth Square, Houstoun Industrial Estate Livingston, EH54 5GG, United Kingdom	
(3)	Name and title of representatives	Michael Jefferies, Managing Director	
(4)	Business description	Manufacture and sale of RO chemicals, and provision of RO membrane-related services	
(5)	Paid-in capital	65 pounds	
(6)	Date of founding	March 23, 2001	

(7)	Major shareholders and shareholding ratios	Managing Director of A-UK 53.8% Operations Director of A-UK 46.2%
(8)	Relationships with Kurit a	E q u i t y relationship None
		H u m a n relationship None
		B u s i n e s s relationship None
(9)	Net sales in the fiscal year ended December 31, 2018	4,452,000 pounds (633,000,000 yen)

(Note 1) 1pound = 142.24 yen

(Note 2) These figures were disclosed by A-UK and have not been audited.

(Note 3) We have refrained from publishing details of net assets, total assets, trends in net sales, operating income, ordinary income, net income and dividends per share, as the other party to the agreement has not consented to the disclosure of this information.

3. Overview of the sellers

(1)	N a m e	1) CEO of A-US 2) Vice President of A-US 3) Managing Director of A-UK 4) Operations Director of A-UK
(2)	Relationships with Kurit a	None

4. Number of shares acquired, purchase cost and shareholding

(1)	Number of shares held before the acquisition	0 shares of A-US [shareholding ratio: 0%] 0 shares of A-UK [shareholding ratio: 0%]
(2)	Number of shares a c q u i r e d	80,000 shares of A-US 65 shares of A-UK
(3)	A c q u i s i t i o n c o s t	Purchase price of shares of A-US and A-UK: 81.8 million US dollars (Approximately 9.2 billion yen) Advisory fees: Approximately 230 million yen
(4)	Number of shares held after the acquisition	80,000 shares of A-US [shareholding ratio: 100%] 65 shares of A-UK [shareholding ratio: 100%]

(Note 1) The acquisition price of the shares of A-US and A-UK will be 81.8 million US dollars plus or minus adjustments for any excess or deficiency in working capital and net interest-bearing liabilities at the time of closing.

(Note 2) 1 US dollar = 112 yen

5. Schedule

(1)	Date of Board of Directors' resolution	May 13, 2019
(2)	Date of signing	May 13, 2019
(3)	Date of stock transfer	May 15, 2019 (Plan)

6. Financial impact

The impact of this acquisition on Kurita's consolidated earnings forecast is currently under consideration. Kurita will promptly disclose matters as necessary.

End

(Ref) Consolidated earnings forecast for the fiscal year ending March 31, 2020 (disclosed on May 13, 2019) and consolidated earnings for the previous fiscal year (yen in millions)

	Consolidated net sales	Consolidated operating income	Income before tax	Profit attributable to owners of parent
Consolidated earnings forecast for the current fiscal year ending March 31, 2020	278,000	29,000	29,200	20,600

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Profit attributable to owners of parent
Consolidated earnings for the previous fiscal year ended March 31, 2019	259,409	24,326	23,919	17,323

(Note) Kurita makes consolidated earnings for the previous fiscal year ended March 31, 2019 based on Japanese generally accepted accounting principles. Kurita makes consolidated earnings forecast for current fiscal year ending March 31, 2020 based on International Financial Reporting Standards.