



Kurita Water Industries Ltd. Results Presentation for the First Quarter of the Fiscal Year Ending March 31, 2018

(Securities code: 6370)

August 1, 2017

1. Financial Highlights

(Billions of Yen)

	Fiscal Year ended March 2017 First Quarter Actual	Fiscal Year ending March 2018 First Quarter Actual		Plan for First Half	
			YoY Change		YoY Change
Orders	56.3	68.0	+ 20.8%	112.0	- 0.4%
Net sales	46.4	48.3	+ 4.1%	104.0	+ 0.2%
Operating income	3.7	3.5	- 6.1%	7.7	- 20.1%
Ordinary income	3.8	3.6	- 5.4%	7.9	- 18.0%
Profit attributable to owners of parent	2.6	2.5	- 6.1%	5.3	- 19.0%

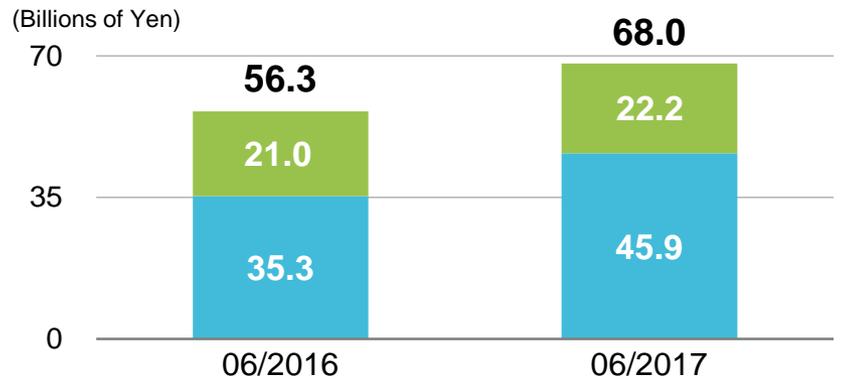
- Orders increased significantly primarily due to large orders in the Water Treatment Facilities business in Japan and overseas.
- Net sales rose in both the Water Treatment Chemicals business and the Water Treatment Facilities business.
- Operating income decreased due to a rise in selling, general and administrative expenses.

Exchange rate (yen)	Fiscal Year ended March 2017 First Quarter Actual	Fiscal Year ending March 2018 First Quarter Actual
USD	115.48	113.64
EUR	127.23	121.08
RMB	17.61	16.57

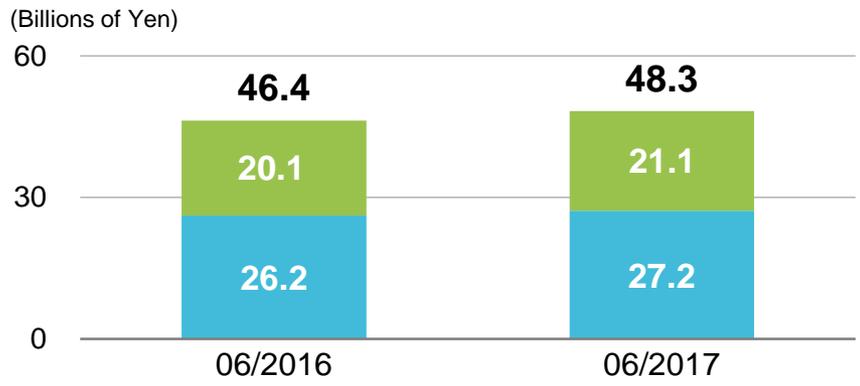
2. Orders, Sales, Operating Income and Operating Income Margin



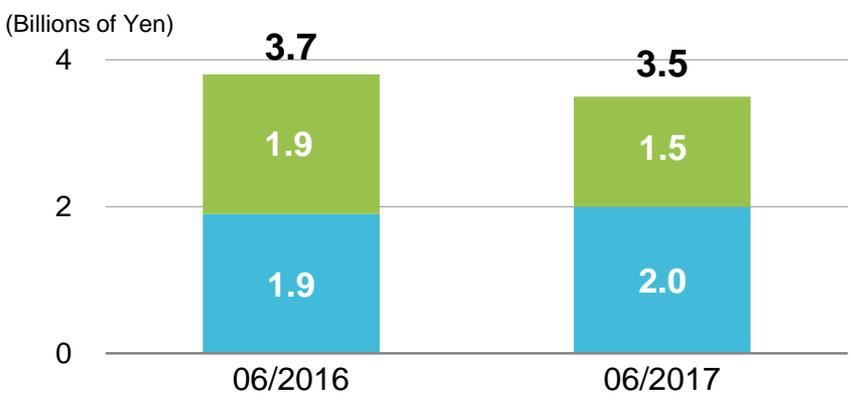
Orders



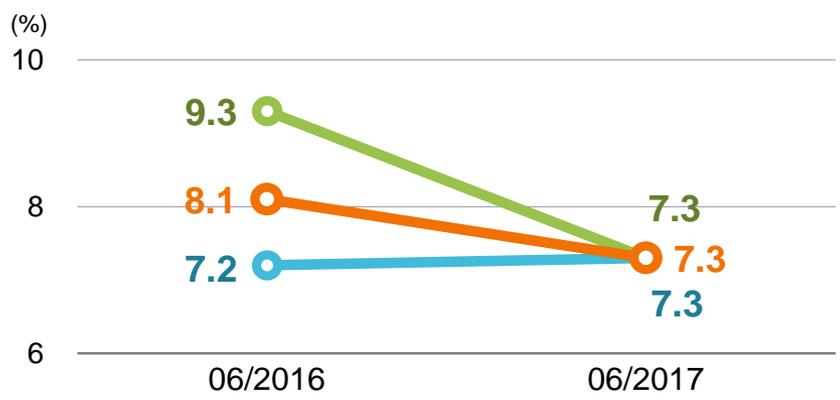
Sales



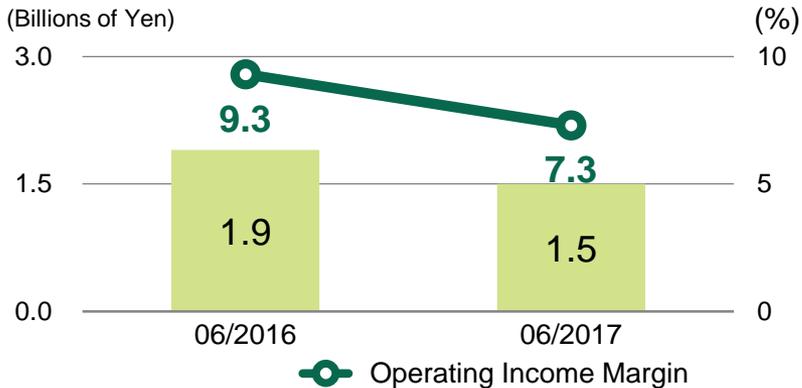
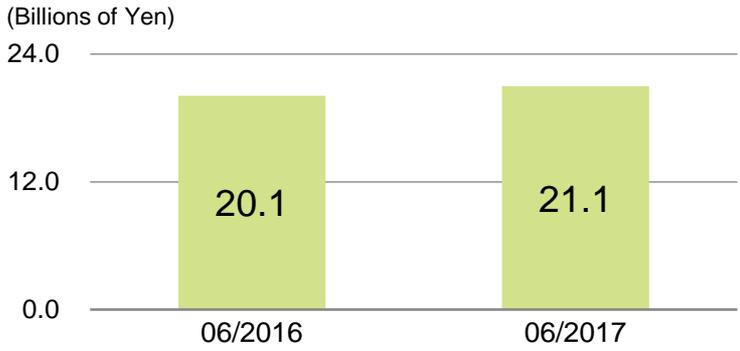
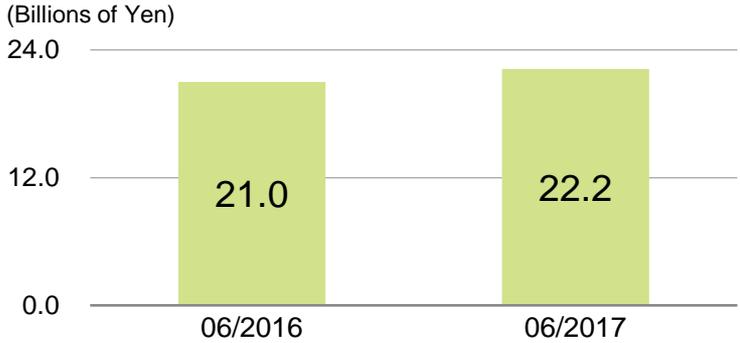
Operating Income



Operating Income Margin



3. Water Treatment Chemicals



Orders

- Domestic orders increased for mainstay products such as those for boiler water and for cooling water, while orders for process treatment chemicals, etc. also increased.
- Overseas orders increased due to the inclusion of Fremont Industries, LLC in the scope of consolidation, but decreased if Fremont is excluded.

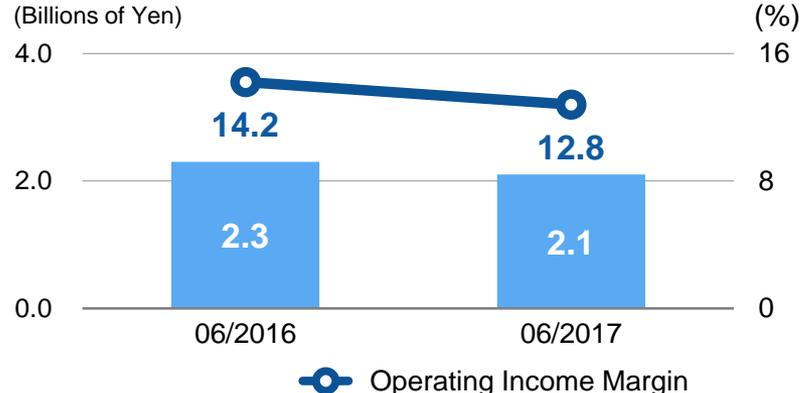
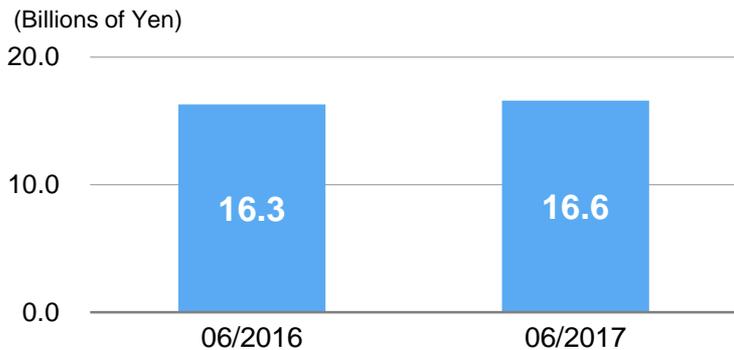
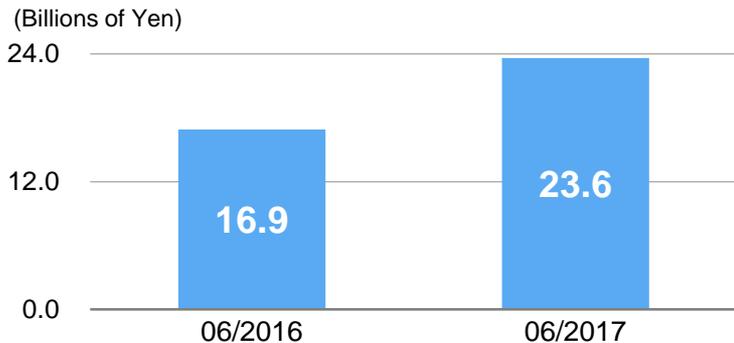
Sales

- Same as above

Operating Income

- Although the cost of sales ratio remained flat, operating income decreased due to a rise in selling, general and administrative expenses and a decrease in sales in Asia.

4. Water Treatment Facilities (for the electronics industry)



Orders

- Orders for hardware in Japan increased due to large orders for semiconductors.
- Orders for maintenance services in Japan increased due to expansion and modification of facilities.
- Orders for hardware increased overseas mainly in South Korea.
- Orders in the ultrapure water supply business declined due to revision of contracts.

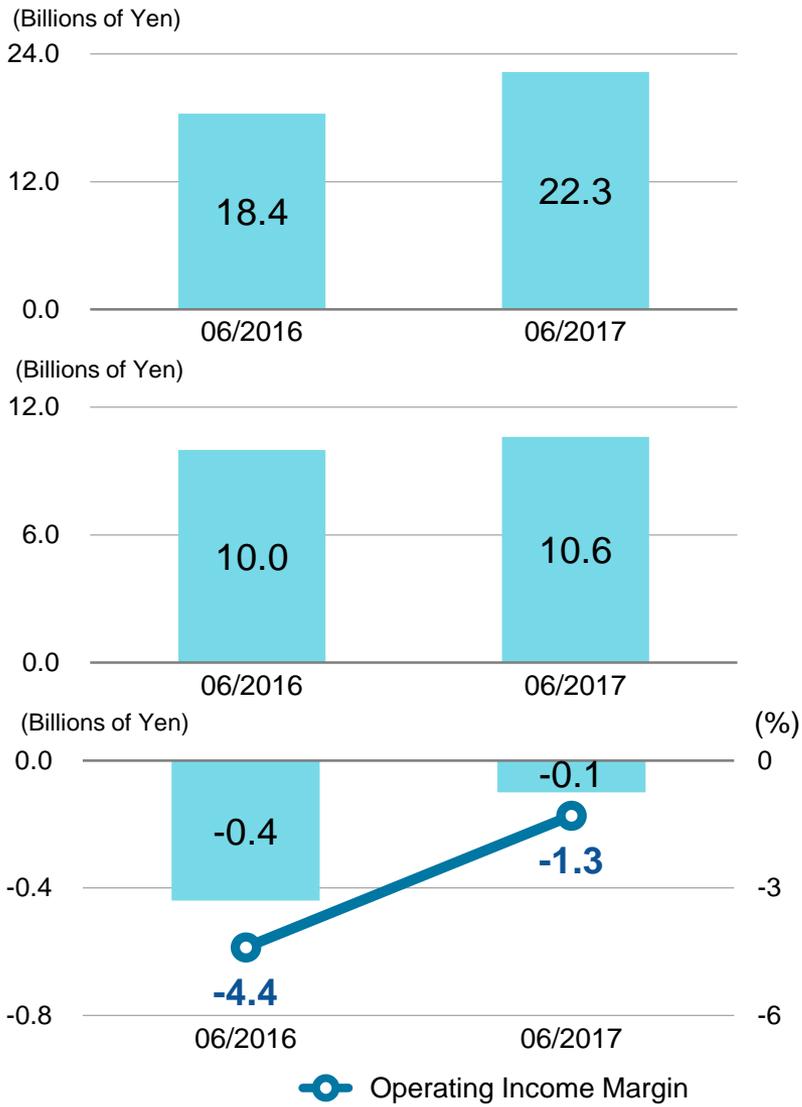
Sales

- Sales of hardware increased in Japan and overseas due to the progress of construction work.
- Sales of maintenance services in Japan increased in line with the rise in orders.
- Sales of the ultrapure water supply business declined due to revision of contracts.

Operating Income

- Operating income was affected by the decline in sales in the ultrapure water supply business.
- The rise in maintenance sales in Japan had an impact.
- The cost of sales ratio improved for overseas hardware.

5. Water Treatment Facilities (for general industries)



Orders

- Orders for soil remediation increased due to orders for large scale projects.
- Orders for maintenance services for general industries increased due to demand associated with renovating old facilities and demand for expansion.
- Orders for hardware from electric power industries increased.

Sales

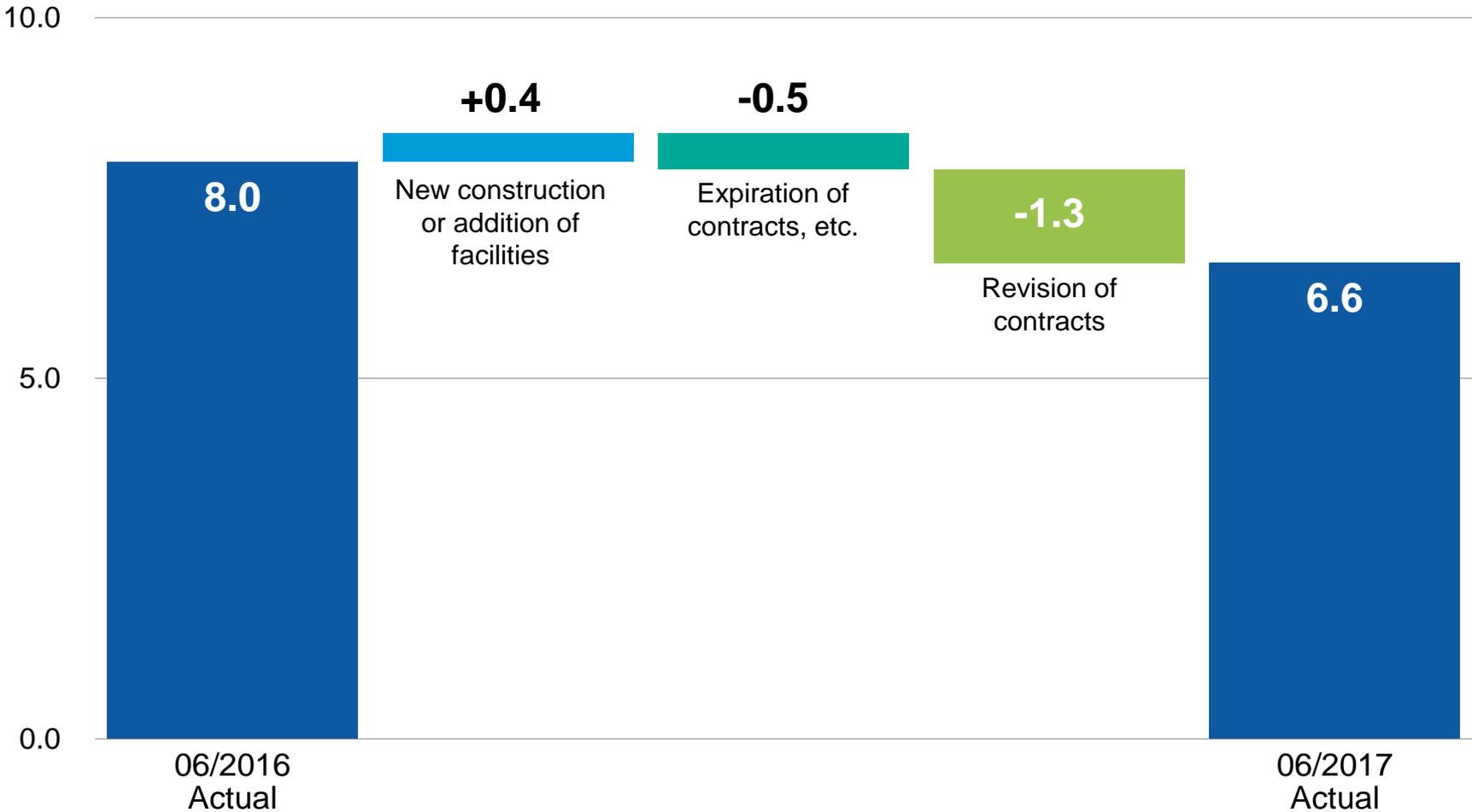
- Soil remediation sales increased due to the progress of construction work.
- Sales of maintenance services for general industries increased in line with the rise in orders.

Operating Income

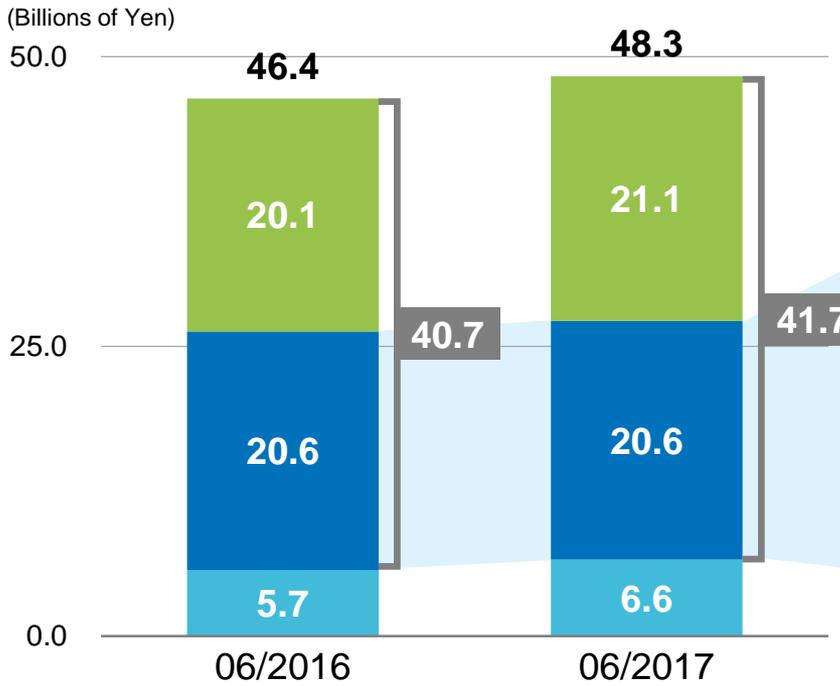
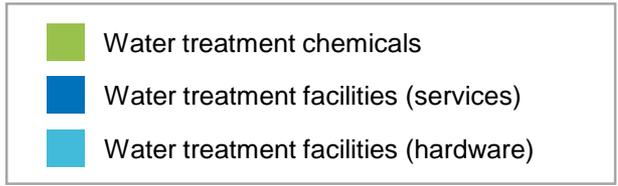
- The cost of sales ratio improved for both hardware and services.

6. Ultrapure Water Supply Business Revenue

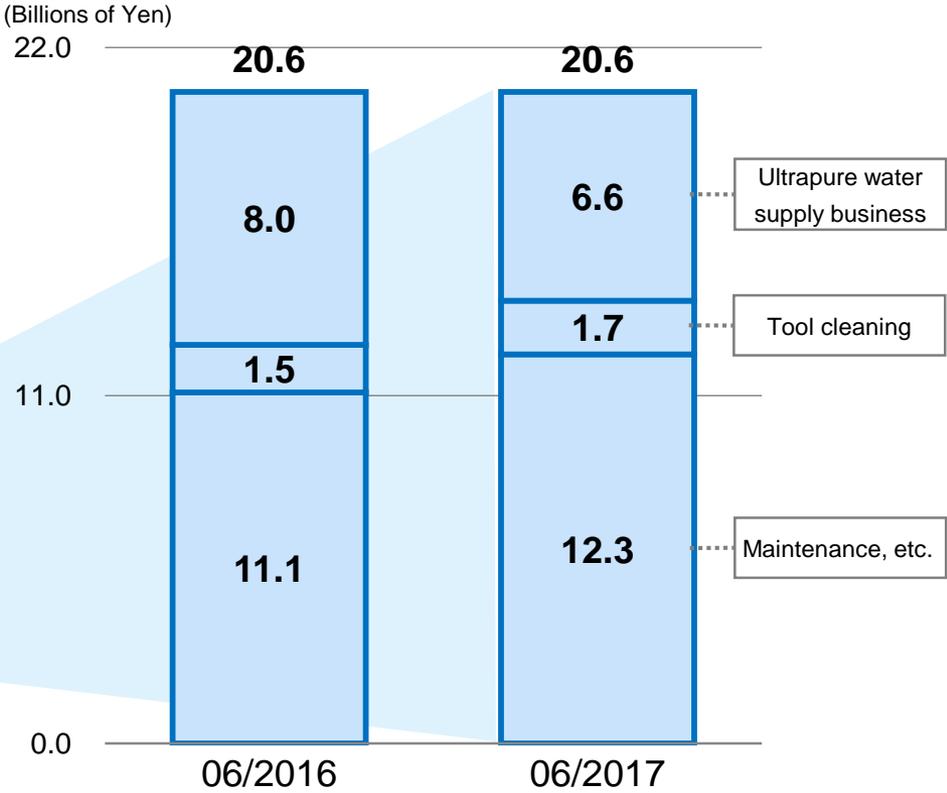
(Billions of Yen)



7. Service Business Revenue

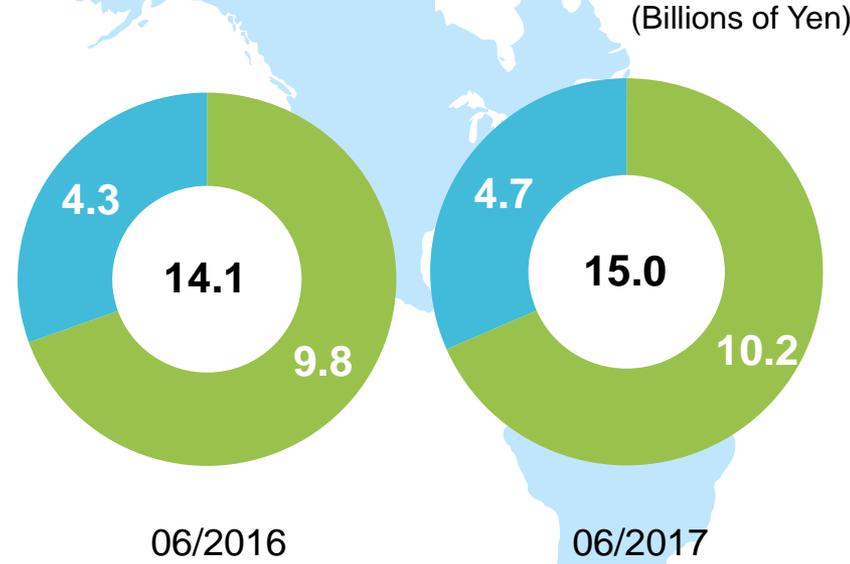
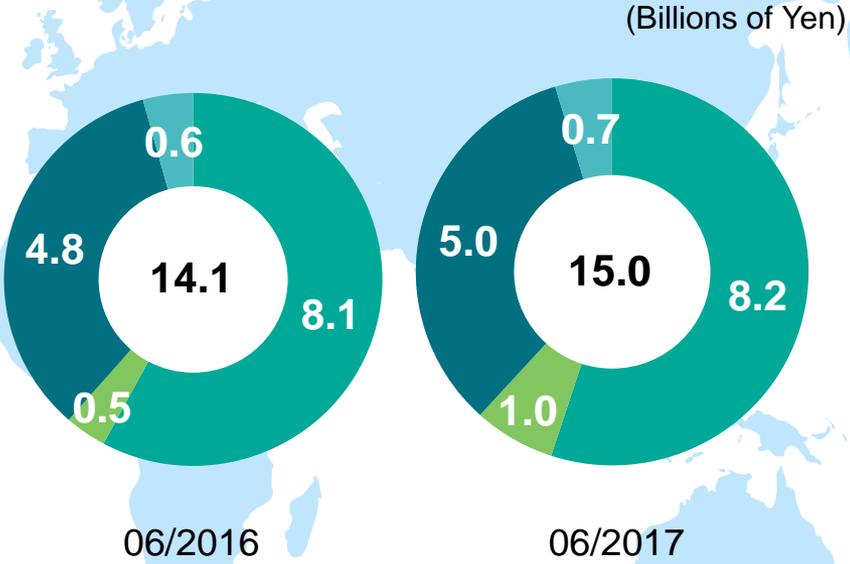


Service Business Revenue in the Water Treatment Facilities Segment



■ Revenues from the ultrapure water supply business declined, but those from maintenance and others increased steadily.

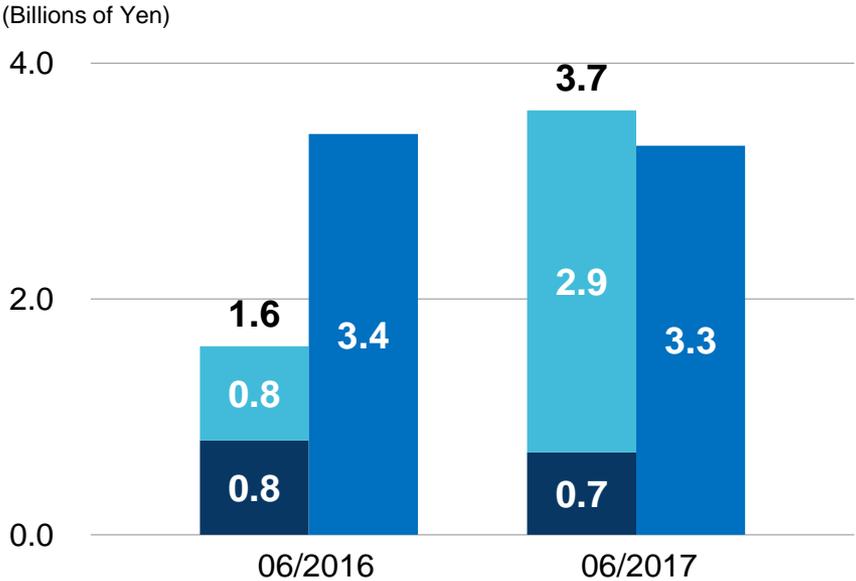
8. Overseas Business Revenue



- In the Water Treatment Chemicals business, sales increased in Europe and the U.S. but declined in Asia.
- In the Water Treatment Facilities business, sales rose mainly in South Korea.

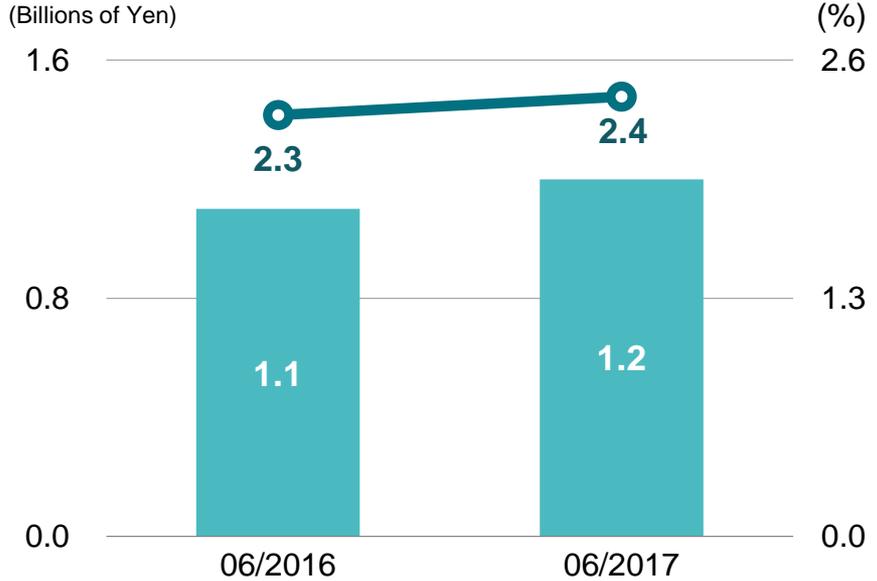
9. Capital Expenditures, Depreciation and R&D Expenses

Capital Expenditures and Depreciation



- Capital expenditures of the ultrapure water supply business progressed as planned.
- Depreciation decreased slightly.

R&D Expenses

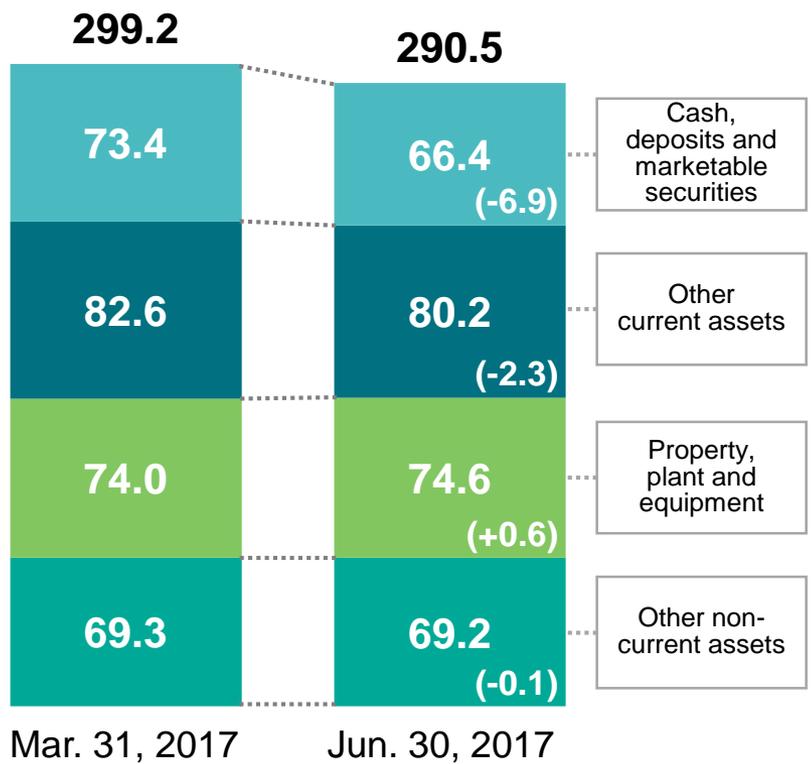


- R&D expenses increased as planned.

10. Financial Condition

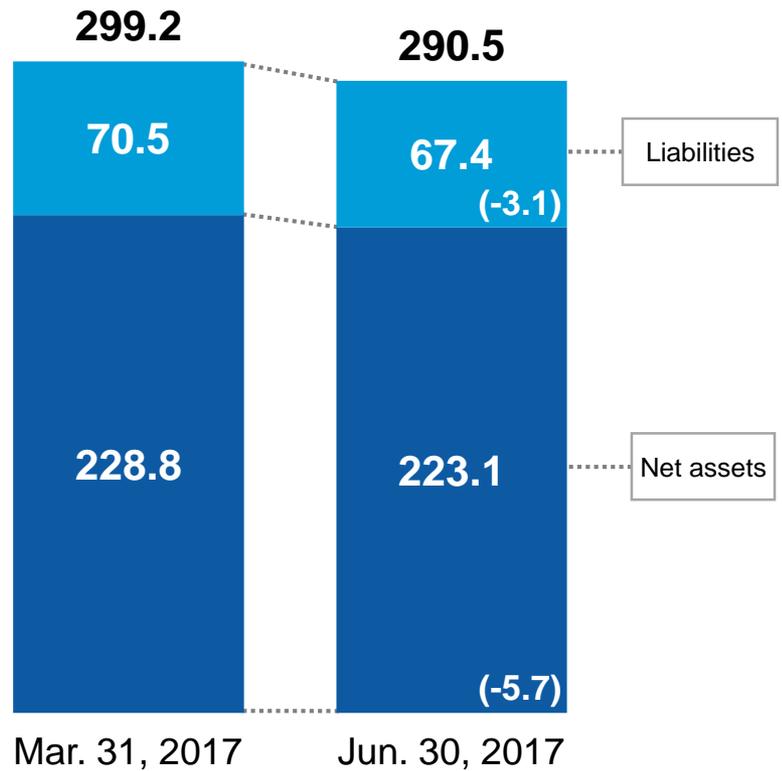
Assets

(Billions of Yen)



Liabilities and Net Assets

(Billions of Yen)



■ Cash and deposits and net assets decreased due to the acquisition of own shares.



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■ M A I L ■ ir@kurita.co.jp

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.