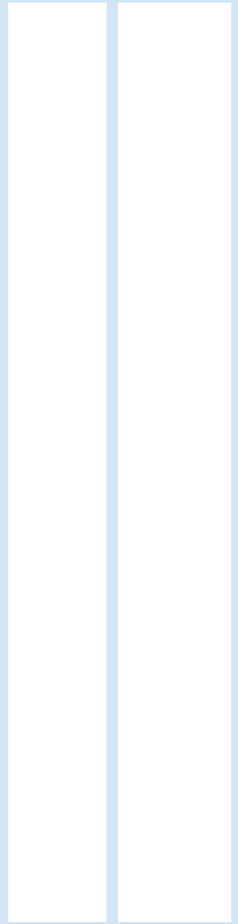
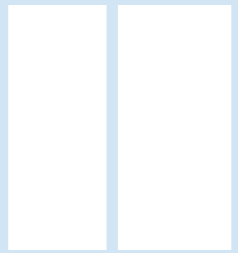




1941–60

1961–1980





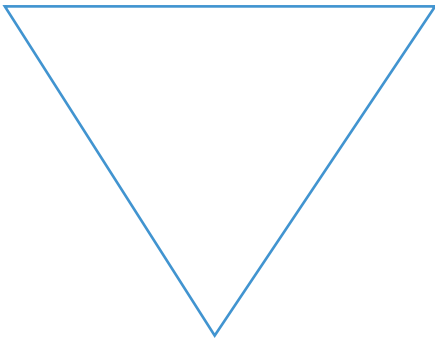


In terms of the market environment in Japan, capacity utilization at plants has fallen, and companies continue to curb capital investment, consolidate production sites, and relocate overseas. These trends were partly because restoration-related demand following the 2011 Great East Japan Earthquake has run its course, and they were also caused by a decline in personal consumption, the weakness of the European economy, as well as the leveling out of economic growth in emerging countries. There are hopes for a domestic economic upturn, and in fact there have been signs of an improvement in the export environment based on the correction of the historically strong yen, but I think that it will take time for this to translate into better earnings for the Kurita Group.

Looking overseas, however, we have seen strong demand relating to water treatment, especially in emerging countries. Japanese companies transferring their operations overseas have spurred fresh investment in water treatment facilities, and stimulated new demand for water treatment chemicals. When you add the growth of local companies on top of this, I feel that there are significant business opportunities for us in many countries. This includes China, where water shortages and environmental problems have emerged, South Korea and Taiwan, where capital investment in the electronics sector continues, and Southeast Asia, where continued economic growth is expected.

Looking overseas, we have seen strong demand relating to water treatment, especially in emerging countries.

In terms of progress on key initiatives of the TA-14 plan, our overseas business has continued to expand, especially in the electronics industry in Asia. During the fiscal year, we added office in Malaysia, and built up a maintenance business platform in Singapore, as part of our



- Boiler water treatment chemicals

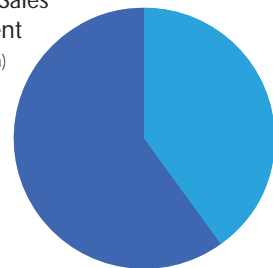
- Cooling water treatment chemicals

- Wastewater treatment chemicals

-

PERFORMANCE IN THE FISCAL YEAR ENDED E

Overseas Sales
by Segment
(Billions of yen)



RESEARCH AND DEVELOPMENT

ment supervision.

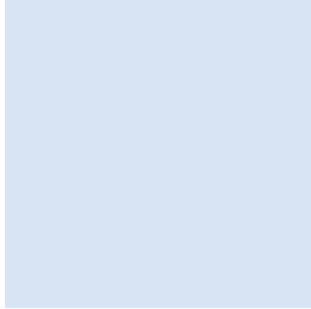
Mr. Seiji Nakamura, Kurita's part-time external

of five years from the time of mandatory retirement (60 years old) in accordance with the 2013 amendment to the Act on Stabilization of Employment of Elderly Persons.

Between 2006 and April 1, 2013, a total of 250 senior employees have been rehired. As of April 1, 2013, there were 115 senior employees working at the Company.

Quality Assurance Policy

The Kurita Group's Quality Policy is to speedily provide our customers with products, technologies and services that can meet their quality expectations, thereby winning their unshakable trust. In accordance with this Quality Policy, we will continue to enhance our problem-solving capabilities, with a focus on "quality via products" and "quality via people" from the customers' perspective. To this end, we will extend the capabilities of our human resources, developing a team that understands our customers' needs, and provides value to them. As a result, we will help our customers boost productivity, improve environmental performance, and reduce costs.



e) Operating Income

Operating income decreased to ¥20,989 million in the year ended March 31, 2013, down 28.6% from ¥29,382 million in the fiscal year ended March 31, 2012. The operating margin declined to 11.7% from 15.2% in the previous fiscal year.

f) Segment Information

Water Treatment Chemicals

Orders and Sales

In Japan, although chemicals for reverse osmosis membranes and certain other

k) Returns to Shareholders

Kurita's basic policy is to pay stable dividends on an ongoing basis. Kurita strives to increase its dividends, taking into consideration earnings performance and investment in its businesses.

second half of the fiscal year. The decline in income taxes payable was due to a fall in income before income taxes and minority interests.

Long-term Liabilities

Long-term liabilities as of March 31, 2013 were ¥19,046 million, a small increase of ¥265 million from ¥18,781 million as of March 31, 2012.

c) Net Assets

As of March 31, 2013, net assets totaled ¥209,118 million, an ¥884 million decrease from ¥210,002 million as of March 31, 2012. The change mainly reflects a ¥12,217 million increase in treasury stock through a tender offer, a ¥6,266 million increase in retained earnings resulting from the posting of ¥11,476 million in net income, which exceeded dividend payments in the previous fiscal year and interim dividend payments in the fiscal year under review of

Cash Flows from Financing Activities

Financing activities used net cash of ¥18,561 million, an increase of ¥12,954 million versus the previous fiscal year. The main uses of cash were ¥12,216

CONSOLIDATED BALANCE SHEETS

Kurita Water Industries Ltd. and Consolidated Subsidiaries
As of March 31, 2013 and 2012

CONSOLIDATED STATEMENTS OF INCOME AND

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Kurita Water Industries Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2013 and 2012

CONSOLIDATED STATEMENTS OF CASH FLOWS

service cost and expansion of the disclosure based on a point of view that improved a financial report and an international end.

Marketable securities and investment securities are exposed to the risk of market price fluctuations and business risk of the investees.

Payment terms of trade payables such as notes and accounts are mostly less than one year. Lease obligations under finance lease transactions are mainly related to ultrapure water supply business and its payment term is 16 years (17 in 2012) later at maximum.

8. Inventories

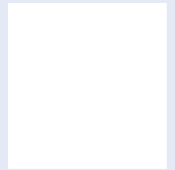
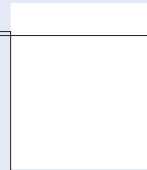
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	Millions of yen	Thousands of U.S. dollars (Note 1)

12. Shareholders' equity

15. Other income (expenses)

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17. Comprehensive income

The components of other comprehensive income for the year ended March 31, 2013 and 2012 are
Set forth in the

(3) Sales, income and loss, assets and liabilities, and other amounts by reportable segment

Company Name Kurita Water Industries Ltd.



10-1, Nakano 4-chome, Nakano-ku, Tokyo 164-0001, Japan

URL: <http://www.kurita.co.jp/english/>