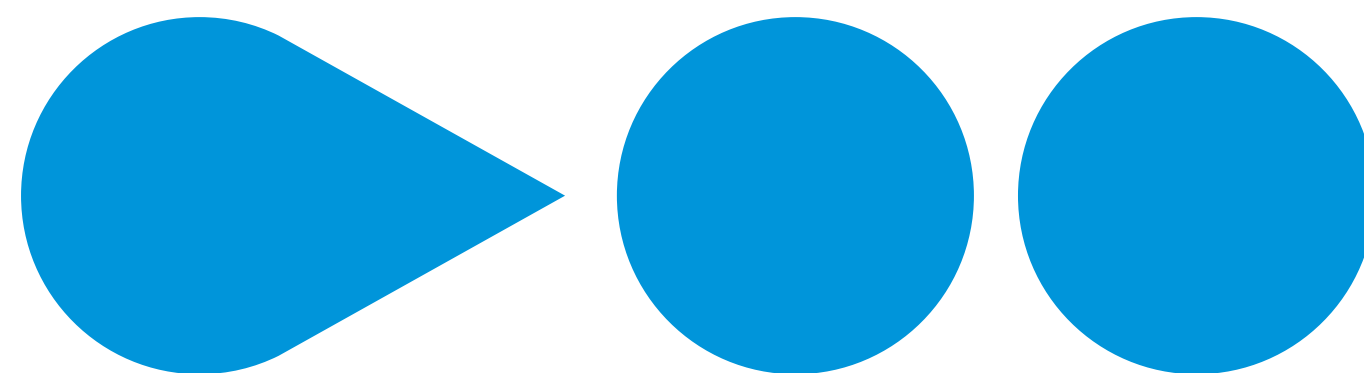


ORGANO CORPORATION

www.organo.co.jp/english/



Printed in Japan





Yasuyuki Koie
President

The ORGANO Group is helping to create a truly affluent society by pursuing the value of water.

Today, issues related to water and the environment are attracting more attention than ever before.

Industrial development has brought with it a number of problems, such as the rapid increase in the amount of water used, environmental pollution, global warming, worldwide drinking water shortages, and the exhaustion of resources. All of these problems require a solution.

ORGANO CORPORATION was established nearly 70 years ago in 1946. The entire history of our company has been spent with water, and over the years we have worked to meet the water-related demand of customers and the needs of the times. In addition to supplying the advanced water treatment technologies required by industry, we believe we have an extremely important role to play in other areas as well, such as protecting the natural environment around us and developing the different types of water needed for an affluent lifestyle.

One of our most important missions is providing the technologies and services we have developed in Japan to meet the needs of industrial development in overseas markets. With these technologies and services, we aim to help establish a balance among the industry, environment, and lifestyles of people in those markets.

We will continue to apply our hearts and technology to our quest to add new value to water, promoting the ORGANO concept of "ecologically clean" operations, and taking these operations to an even higher level. At the same time, we will strive to solve issues related to water and the environment, helping to create a truly affluent society.

In doing so, we hope that we can continue to count on your support in the years to come.

Business Concept

Ecologically Clean

Water is a gift to Earth that is shared by all human beings and all other life on the planet. Valuing this "gift of water" above all else, Organo studies it, makes use of it in various aspects of life and industry, and creates new value with this priceless asset. Keeping "what's best for the earth" in mind, Organo is expanding its operations with respect to water in fields ranging widely from our daily lives to our social infrastructure and advanced industries.

Corporate Philosophy

Organo looks ahead to the future of the earth, and creates value through the use of water with "Heart and Technology."



Organo Corporation

Responding to Water-Related Issues with Technology

It is no exaggeration to say that the history of Organo Corporation represents the history of water purification in Japan. The Company was founded in May 1946 by Masatake Maruyama to market a heat-free water distillation system that he had developed based on experiments conducted as a government medical researcher. His first product was a small device for the production of injection liquid that obtained water of similar purity by filtering it through ion exchange resins. These porous resin materials, whose surfaces have electrical properties that collect cations and anions from the water, are also called "organic zeolites," from which the Company derives its name.

Organo has continuously provided water treatment technology and products directly connected to the life and commerce of the day. These technologies and products were provided to meet government demand for waterworks in every region and sewage treatment plants during the postwar reconstruction period. They were also supplied to coal and nuclear energy generators in the energy generation field and oil refinery field during periods of high growth and, in recent years, they have been provided to a range of electronics fields. Today, the IT industry, centered on LSI, LCD, and materials for electric devices fabrication, accounts for the largest portion of the Company's sales.



Information technology

Ultrapure water is essential to semiconductor fabrication, whose clean rooms require tons of water every hour to wash the chips at every stage of the fabrication process. At Organo, we use the most advanced ion exchange technology in combination with other cutting-edge technologies to remove microscopic impurities. Ultrapure water is also used in large quantities in different processes for manufacturing LCDs, including the process of cleaning liquid crystal panel glass.

It is therefore vital for the IT industry to make effective use of water, specifically by introducing wastewater treatment technologies and their derivative recycling technologies. Organo provided the world's first closed-water treatment system for a semiconductor factory and supplies the largest number of such systems in Japan. Clearly Organo excels not simply in ultrapure water production technologies, but also in general water treatment engineering, including wastewater treatment technology. It is able to meet the demands of many users and to provide solutions for achieving both the effective use of water resources and energy conservation.



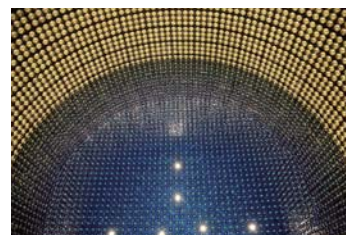
Manufacturing

In the days before the emergence of the IT industry, manufacturing and research represented an even larger part of the Organo customer base than it does today. To serve its traditional customer base, Organo manufactures, for example, pure water equipment used for power generation boilers in the petrochemical,

chemical, and paper and pulp industries and injectable water production systems for pharmaceutical factories. Of particular note is the fact that it manufactures systems for refining sugar and distilled spirits using ion exchange technology.

Research

Organo's ultrapure water is a critical factor not merely for water treatment plants for industry, but for leading-edge research institutes as well. It has found practical application in research laboratories in analytical chemistry and pharmaceuticals production, including Super-Kamiokande, a research facility of the University of Tokyo that contributed to Nobel Prize-winning research into neutrinos. Organo makes a highly valued contribution as a key partner for researchers.



Public utilities

Although these areas of sophisticated technology constitute the Company's core customers today, the sale of ultrapure water supply equipment to electric utilities and of water treatment equipment to the waterworks and sewerage industries provided its primary sources of revenue for many years. Thermal and nuclear power plants throughout Japan rely on Organo systems to provide the pure water they need to generate steam without residue buildup in the tanks or pipes. Similarly, our water engineering technologies and systems make a significant contribution to the country's ability to provide members of the public with high-quality drinking water and to treat its sewage as well as to protect and purify its water sources.

History

1946

JAPAN ORGANO Co., Ltd. established in Suwa, Nagano Prefecture.

1951

Japan's first industrial-scale water-deionization plant completed.

1952

Exclusive distributor agreement signed with U.S. firm of Rohm and Haas for AMBERLITE™ ion exchange resins.

1953

Operations in the field of sugar refining based on ion exchange technology initiated.

1954

Sales of water treatment chemicals initiated.

1955

Head Office moved to Hongo, Bunkyo-ku, Tokyo.

1957

First delivery of water purification equipment to the electronics industry marks entry into this industry.

1961

Company's shares listed on the Second Section of the Tokyo Stock Exchange.

1966

Company's name changed to Organo Corporation.

1969

First large-scale ultrapure water purification equipment delivered to electronics industry.

Water purification equipment for nuclear power plants completed (first in Japan).

1973

Japan's first ultrapure water equipment incorporating a reverse osmosis (RO) membrane developed and delivered.

1980

World's first closed-system ultrapure water treatment equipment completed and delivered.

1984

First delivery of the PURIC-R™ bench-top ultrapure water production system for laboratories.

1985

Company's shares listed on the First Section of the Tokyo Stock Exchange.

Full-fledged overseas business initiated with delivery of ultrapure water-treatment equipment to customer in Malaysia.

1986

Organo (Malaysia) Snd. Bhd. (currently Organo (Asia) Snd. Bhd.) established in Malaysia.

1989

Organo (Thailand) Co., Ltd. established in Thailand.

Tsukuba Factory, world's largest ion exchange resin purification facility, completed.

1993

Chemical-free ultrapure water treatment system equipped with EDI system delivered.



1994

SAN KAN OH™ multi-functional water supply system developed.

Developed and delivered the ORFINE™ membrane water purification system.

1995

Ultrapure water-processing equipment delivered to "Super-Kamiokande," the University of Tokyo's Institute for Cosmic Ray Research's Kamioka Observatory, for use in elemental particle research.

1996

Developed ion adsorption membranes to enhance the purity of ultrapure water.

Developed a system for recovering valuable tetramethyl ammonium hydroxide (TMAH).

1997

Head Office moved to Toyo-cho, Koto-ku, Tokyo.

1998

Developed the ECOCRYSTA™ system for recovering valuable hydrogen fluoride (HF) from wastewater.

2000

Iwaki Factory, a water treatment equipment production facility, completed.

Organo (Singapore) Pte Ltd established in Singapore.

2003

Organo (Suzhou) Water Treatment Co., Ltd. established in China.

2004

Organo (Suzhou) Plant, a water treatment equipment production facility, completed.

2005

Organo Technology Co., Ltd. established in Taiwan.

First delivery of the MPU™ series of ultrapure water production units with an electrodeionizer (EDI) and membranes.

First delivery of the STRATA-GX™ series of compact pure water production units.

Completion of New R&D Center in Sagami-hara, Kanagawa Prefecture.

2006

Organo (Suzhou) Water Treatment Co., Ltd. Beijing Office and Guangzhou Branch established in China.

2009

ORGANO ECO TECH CORPORATION established in Tokyo.

2010

Organo (Suzhou) Water Treatment Co., Ltd. R&D center established in China. Organo (Vietnam) Co., Ltd. established in Ho Chi Minh City.

2013

PT Lautan Organo Water established in Indonesia. Organo(Thailand)Co.,Ltd. ASEAN Engineering Center and ASIA Procurement Center established in Thailand.

2014

Consolidated seven subsidiaries in Japan.

2015

Murugappa Organo Water Solutions established in India.



Business Description

Organo operates three businesses: the plant business sells water treatment systems, the solution business maintains and manages delivered systems and the functional product business sells standard products and chemicals.

Plant Business

Water treatment systems for electronics industries

Ultrapure water for cleaning semiconductors, liquid crystal panels and other electronic materials and parts is used not only by leading Japanese manufacturers but also by overseas companies. In step with the trend towards larger factories, Organo responds to needs for large flow volumes of 2,000 cubic meters per hour and is working to promote environment-friendly closed systems that emit no effluent.

Water treatment systems for general industries

Organo provides systems for efficiently manufacturing and treating process water, by effectively combining different systems to meet the needs of the chemical, oil refinery, food, beverage, paper and pulp, textile, automotive, plating and other industries.

Water treatment systems for power stations

Water treatment systems for domestic thermal and nuclear power stations need to be highly reliable. Organo holds a 70% market share in this sector and a particularly high market share in the market for water treatment systems for nuclear power stations.

Water treatment systems for waterworks and sewage treatment

Waterworks and sewage treatment are essential services. Responsible for water treatment, waterworks and sewage treatment facilities take advantage of Organo's outstanding technologies, such as advanced treatment using activated carbon and ozone, membrane filtration, and biological treatment.

Water treatment systems for medical care and pharmaceutical industries

Organo effectively combines different technologies, including distilled water production equipment for producing injection water and pure water steam generators for protecting drug manufacturing facilities from bacteria. It does this under a quality control system that is based on a consistent philosophy of providing safe water with high purity and zero pyrogen (a fever-producing substance) content.



Solution Business

Maintenance

Based on expertise developed over many years, Organo provides maintenance services for water treatment systems, including repair, parts replacement, regular inspection and maintenance checks.

Proposal-type services

In addition to a facility check for existing water treatment systems, Organo makes proposals for improvement and other environmentally friendly solutions, including a reduction in chemicals consumption and in waste emissions.

Water treatment outsourcing services

Supply of treated water

Organo installs water treatment systems in customers' factories to supply treated water in quantities appropriate to consumption.

Overall maintenance

Organo undertakes all maintenance work, including inspection of water treatment systems and replacement of consumable supplies in customers' factories.

Operation management

Organo dispatches operators to perform operation management of water treatment systems on behalf of the equipment staff of customers' factories.

Remote monitoring

Organo has a monitoring center at its head office. The center responds to alerts about water treatment systems, and provides swift on-site support. Organo conducts predictive monitoring to detect any change in trends from the system operation data to reduce failures at water treatment plants.



Functional Product Business

Standardized water treatment equipments

Organo's standardized water treatment equipments are widely used according to users' needs. They earn high marks for their train features, which allow combinations of different devices.

Water treatment chemicals

Organo offers a broad array of chemicals, including coolant and chemicals for boiler and waste water treatment, proposing a comprehensive system that combines different systems to ensure stable operation.

Food processing materials

Organo supplies food manufacturers with quality improving agents and food materials for increasing health, convenience and other added values of food.



Lineup of ultrapure water systems

From a drip to thousands of tons

Providing a broad array of systems from desktop-type versions for research and analysis to plant-type models for semiconductor and liquid crystal panel factories, Organo supports different industries by supplying water with top-level purity in any quantity suited to their needs.

A lineup of the SAN KAN OH™, multi-functional water supply systems

With cleaning power boosted by dissolving hydrogen, ozone and other gas into ultrapure water, multi-functional water helps reduce chemical consumption in the cleaning process and shortens cleaning duration. It is mainly used in semiconductor factories and has recently found growing application in the food industry. SAN KAN OH™ series won the top-ranked Minister of Economy, Trade and Industry Prize at the 33rd Excellent Environmental Equipment Awards in Japan.

	For research and analysis	For fine chemical factories	For semiconductor/LCD manufacturing factories		For power stations
Multi-functional water	SAN KAN OH H300™	Ionized alkaline water manufacturing system	SAN KAN OH H2400™		
Ultrapure water	Puric ZII	PURIC ω	ORTRIA™ UC2600	MPU™	
Pure water	PURELITE PRA™	Super Desaliner™ SDA Series	Super Desaliner™ SD Series	STRATA-GX™	
	10L/h	100L/h	1m ³ /h (1,000L/h)	10m ³ /h (10,000L/h)	100m ³ /h (100,000L/h) 1,000m ³ /h (1,000,000L/h)
	Water consumption				

Research facilities

The R&D Center houses a facility where research can take place in a clean room much like those found in semiconductor labs, an essential condition for analyzing the ultrapure water used in semiconductor manufacture and developing systems to provide it. The state-of-the-art Sagami R&D Center, which opened in the spring of 2005, boasts facilities covering an area 2.5 times the size of the Tokyo Dome. It is fully equipped with this next-generation analysis equipment. Even with this equipment, however, it is becoming difficult to measure the purity of Organo's finest-quality ultrapure water, which is approaching the limits of measurement using currently available analysis technologies.

The R&D Center is constantly striving to refine the fundamental technologies that will support Organo's future. Specifically, it is working on technologies relating to wastewater treatment linked with global environmental issues, soil remediation technologies, water reclaim system and material recovery process from wastewater, as well as on the development of new businesses.



Factories

The results of our R&D are realized at four factories that employ the technologies to manufacture products that make use of their cutting-edge facilities and technologies. The Tsukuba Factory, in particular, has earned international renown as a leader in the conditioning of ion exchange resins. In 2004, we completed the Suzhou Factory in China to supplement our major factory, the Iwaki Factory. The Suzhou Factory is now supplying a broad array of products to markets around the world. To further increase the production efficiency of water treatment systems and to reduce delivery lead time, our assembly plants in Iwaki, Suzhou, and other locations are adopting the latest technologies to advance the standardization and use of component equipment.



Tsukuba Factory, Japan



Iwaki Factory, Japan



Organo(Suzhou), China



Organo(Asia), Malaysia

What Is Ultrapure Water?

What is ultrapure water?

Ultrapure water refers to water with high purity that has been made as close as possible to H₂O by integrating all elemental technologies for water purification. The purity of water is upgraded to an ultra high level by removing not only solid substances and salts but also gas dissolved in water. Organo's industry-leading analysis technology is essential to the manufacture of ultrapure water.

Pure H₂O (theoretical pure water)

	Purposes	Electric? resistivity ratio*	Trace substance analysis for ultrapure water in a clean room If the quantity of impurities is expressed as a quantity of sugar
Multi-functional water Ultrapure water with extra functions Ultrapure water	Cleaning of semiconductor devices and LCD components Pharmaceuticals manufacturing Thermal/nuclear power stations Trace substance analysis	15 MΩ · cm or more	One sugar cube in the Tokyo Dome (1.24million m ³)
Pure water (distilled water) (desalinated water) (refined water)	Cleaning of precision machinery Chemical product manufacturing Materials for beverages Physicochemical tests	0.1 to 15 MΩ · cm	One sugar cube in a 50-meter swimming pool
Utility water	Cooking, laundry, bathing	0.002 to 0.02 MΩ · cm	Several drums of sugar in a 50-meter swimming pool
Industrial water	Cooling water and other miscellaneous water for factories		
River water, lake water, groundwater	Source of industrial and utility water		

* The more the impurities, the more conductive and the lower electric resistivity ratio.

Corporate Data

Corporate Name

Organo Corporation

Head Office

1-2-8, Shinsuna, Koto-ku, Tokyo, 136-8631, Japan

Officers (as of June 26, 2015)

Yasuyuki Koie, President

Fiscal year-end

March 31

Establishment

May 1, 1946

Paid-in capital

¥8,225,499,312.-

Stock Exchange Listings

First Section of the Tokyo Stock Exchange

Transfer Agent

Sumitomo Mitsui Trust Bank, Limited

Number of employees

2,088 (on a consolidated base)
1,011 (on a non-consolidated base)

Branches

Hokkaido, Tohoku, Chubu, Kansai, Chugoku, Kyushu, Taiwan

R&D Center

Sagamihara

Factories

Iwaki, Tsukuba

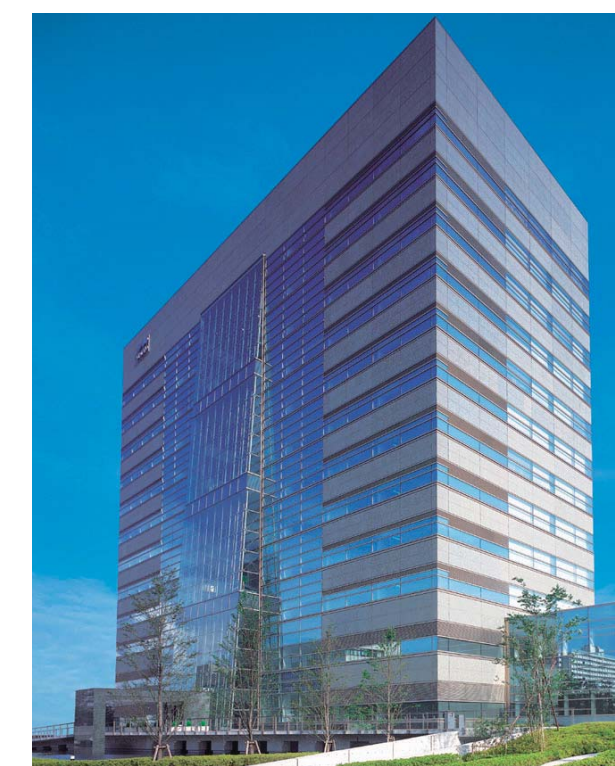
Subsidiaries and Affiliates

< Japan >

Organo Plant Service Corporation
Organo Food Tech Corporation
ORGANO ECO TECH CORPORATION
Organo Acty Corporation
Hostech Corporation
Tohoku Denki Tekko Co., Ltd.

< Asia >

Organo (Asia) Sdn.Bhd., Malaysia
Organo (Suzhou) Water Treatment Co., Ltd., China
Organo Technology Co., Ltd., Taiwan
Organo (Thailand) Co., Ltd., Thailand
PT Lautan Organo Water, Indonesia
Organo (Singapore) Pte Ltd, Singapore
Organo (Vietnam) Co., Ltd., Vietnam
Murugappa Organo Water Solutions Private Limited, India



Head Office

Profit and Loss Statement summary

(Unit: million yen)

	FY2011	FY2012	FY2013	FY2014	FY2015
Orders received	68,041	60,238	65,501	77,873	76,485
Net sales	68,502	66,718	62,096	68,741	78,719
Gross Profit	18,365	16,846	14,553	15,544	17,749
Gross Profit Margin(%)	26.8%	25.3%	23.4%	22.6%	22.5%
Selling, General and administrative Expenses	13,515	13,348	13,720	13,145	13,802
Operating Income	4,849	3,498	833	2,398	3,947
Operating Income Ratio(%)	7.1%	5.2%	1.3%	3.5%	5.0%
Ordinary Income	4,782	3,909	1,170	2,465	3,871
Ordinary Income Ratio(%)	7.0%	5.9%	1.9%	3.6%	4.9%
Net Income	2,683	2,564	664	1,085	2,485
Net Income Ratio(%)	3.9%	3.8%	1.1%	1.6%	3.2%

Financial Data

(Unit: million yen)

	FY2011	FY2012	FY2013	FY2014	FY2015
Net Assets	43,015	45,207	44,252	45,308	46,567
Total Assets	84,709	85,309	76,852	83,609	94,795
Cash Flow from Operating Activity	-5,231	-1,318	7,619	-2,548	-4,779
Cash Flow from Investing Activity	414	-1,319	-1,347	-1,053	-913
Cash Flow from Financing Activity	1,898	291	-5,330	1,998	4,055
Free Cash Flow	-4,817	-2,637	6,272	-3,602	-5,692
Capital Expenditures	763	720	358	334	603
R&D Expenses	1,902	1,655	1,490	1,392	1,407
Depreciation	1,190	1,159	1,065	999	950
Liabilities with Interest	13,888	14,901	10,230	12,717	17,412
Dividend (Yen)	12	12	8	8	9

Total Shareholders' Equity Ratio(%)	50.4%	52.5%	57.6%	54.2%	49.0%
Book-value Per Share (BPS)(Yen)	740.5	777.0	768.2	786.7	806.9
Earnings Per Share (EPS)(Yen)	46.5	44.5	11.5	18.9	43.2
Return on Equity (ROE)(%)	6.4%	5.9%	1.5%	2.4%	5.4%
Return on Assets (ROA)(%)	5.9%	14.6%	1.4%	3.1%	4.3%

Return on Equity (ROE) = (Net Income / Net Assets) × 100

Return on Assets (ROA) = (Ordinary Income / Total Assets) × 100

Balance Sheet summary

(Unit: million yen)

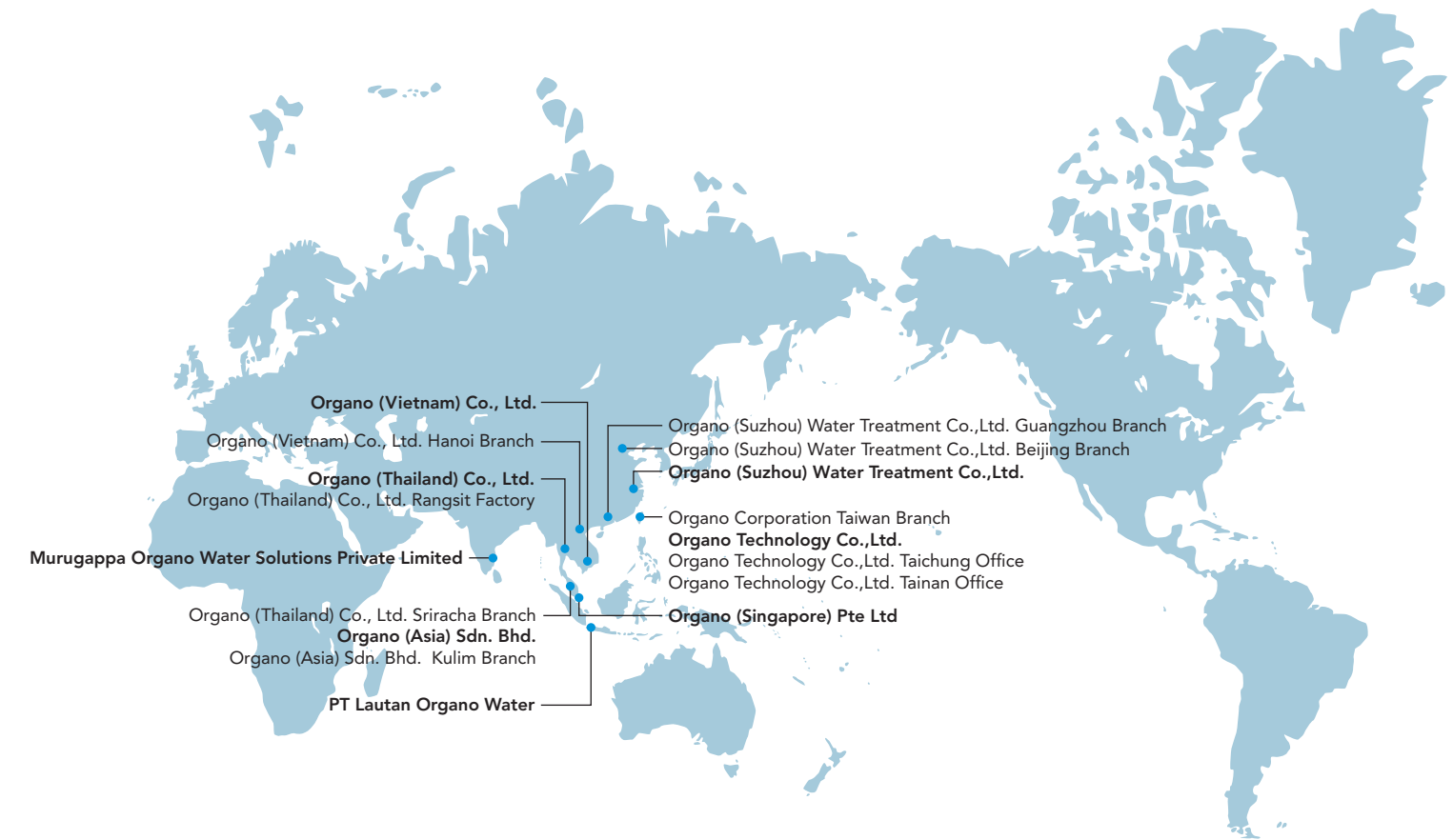
Assets	FY2011	FY2012	FY2013	FY2014	FY2015
Current assets					
Cash	10,273	8,809	10,268	8,939	7,207
Trade notes and accounts	29,246	31,427	24,162	31,071	36,957
Inventories	9,042	10,151	6,163	8,035	9,536
Others	11,325	10,283	11,089	11,246	16,707
Total Current assets	59,888	60,671	51,683	59,293	70,409
Fixed assets					
Tangible fixed assets	21,589	21,338	20,802	20,288	20,048
Intangible fixed assets	380	326	370	463	667
Investments and other assets	2,851	2,972	3,996	3,564	3,670
Total fixed assets	24,821	24,637	25,169	24,316	24,386
Total assets	84,709	85,309	76,852	83,609	94,795

Liabilities	FY2011	FY2012	FY2013	FY2014	FY2015
Current liabilities					
Trade notes and accounts payable	18,118	15,024	12,031	15,184	18,406
Short-term borrowings	7,134	10,848	7,677	8,314	13,610
Others	5,626	6,118	5,033	4,731	5,985
Total Current liabilities	30,879	31,991	24,742	28,230	38,002
Long-term liabilities					
Long-term borrowings	6,753	4,053	2,552	4,402	3,801
Others	4,061	4,057	5,304	5,668	6,423
Total long-term liabilities	10,814	8,110	7,857	10,070	10,225
Total liabilities	41,694	40,101	32,599	38,301	48,227

Net assets	FY2011	FY2012	FY2013	FY2014	FY2015
Shareholders' equity	42,920	44,805	44,730	45,276	47,263
Valuation and translation adjustments	-250	-39	-478	31	-801
Minority interests	345	441	0	0	106
Total net assets	43,015	45,207	44,252	45,308	46,567

Total liabilities and net assets	84,709	85,309	76,852	83,609	94,795
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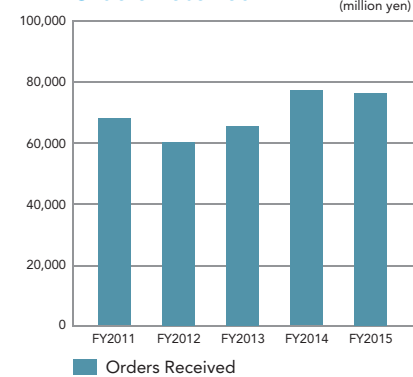
Organo Global Network



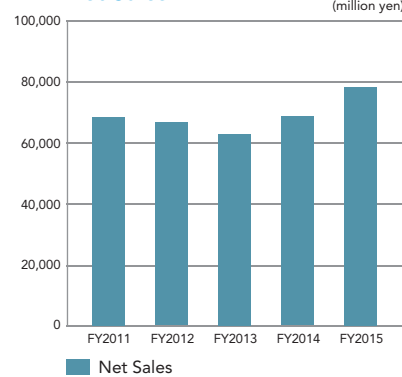
Overseas Affiliates

- Organo (Asia) Sdn.Bhd.** www.organoasia.com/
 Lot 49, Jalan Bagan Terap 26/11, Seksyen 26 Kawasan Perindustrian HICOM, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia Tel.: +60-3-5191-6666
Branches, Offices, and Factories
- Organo (Suzhou) Water Treatment Co., Ltd.** www.organo-sz.com/
 No. 28 Sheng gang Rd. Suzhou Industrial Park, Suzhou 215126, China Tel.: +86-512-6283-6676
Branches, Offices, and Factories
 Beijing Branch [China], Guangzhou Branch [China]
- Organo Technology Co., Ltd.** www.organo.com.tw/
 10F, No.158, Sec2, Gongdao 5th Rd., Hsinchu city300, Taiwan R.O.C Tel.: +886-35-733610
Branches, Offices, and Factories
 Taichung Office [Taiwan], Tainan Office [Taiwan]
- Organo (Thailand) Co., Ltd.** www.organothailand.com/
 Shinawatra Tower 3, Room No.1701-T, 17th Floor 1010 Viphavadi Rangsit Rd., Chatuchak, Chatuchak, Bangkok 10900 Thailand Tel.: +66-2966-2700 to 2703
Branches, Offices, and Factories
 Sriracha Branch [Thailand], Rangsit Factory [Thailand]
- PT Lautan Organo Water**
 Graha Indramas 5th Floor, Jl. AIP II K.S. Tubun Raya, No.77, Jakarta 11410, Indonesia Tel.: +62-21-29940900
- Organo (Vietnam) Co., Ltd.**
 EBH building, Floor6, 394 Ung Van Khiem Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam Tel.: +84-8-6290-2512 to 2513
Branches, Offices, and Factories
 Hanoi Branch [Vietnam]
- Organo (Singapore) Pte Ltd**
 51 Changi Business Park Central 2, #03-09, The Signature, SINGAPORE 486066 Tel.: +65-6272-9693
- Murugappa Organo Water Solutions Private Limited** www.murugappaorgano.com
 Parry House, 5th Floor, 43, Moore Street, Parrys Corner, Chennai 600001, INDIA Tel.: +91-44-25306669 to 72

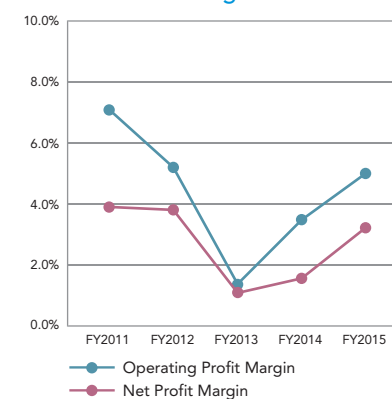
Orders Received



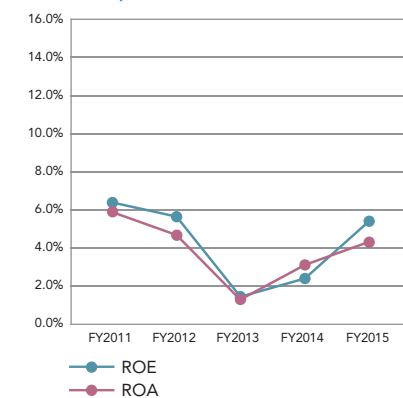
Net Sales



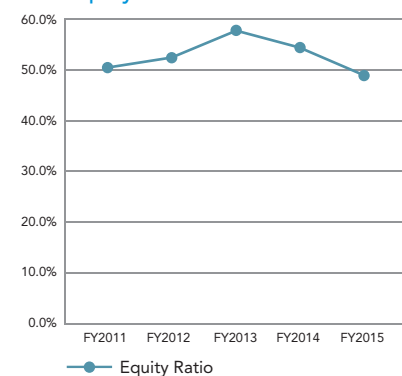
Operating Profit Margin and Net Profit Margin



ROE, ROA



Equity Ratio



Free Cash Flow

