

Pioneering "new value for water"

KURITA GROUP Integrated Report 2024 Pioneering "new value for water"



KURITA WATER INDUSTRIES LTD.

Nakano Central Park East, 4-10-1 Nakano
Nakano-ku, Tokyo 164-0001, Japan
Tel: +81-3-6743-5000
<https://www.kurita-water.com/en>

**KURITA GROUP
Integrated Report 2024**

Fiscal year ended March 31, 2024

Contents

Profile of Kurita	02	Kurita Group Philosophy System and Materiality
	04	History of Value Creation
	06	Value Creation Story
	08	Business Fields and Solutions
	10	Management Capital/Performance
The Kurita Group's Sustainability Management and PSV-27 Plan	12	Message from the President
	18	Value Pioneering Path
	20	Financial Strategy Message from the CFO
	24	Promotion of Sustainability Management Message from the Officer in Charge
	26	Promotion System and PDCA
	28	Solve Issues Related to Water Resources
	30	Contribute to the Realization of a Decarbonized Society
	33	Contribute to Building a Circular Economy Society
	34	CSV Business
	The Kurita Group's Businesses	36
37		Electronics Industry Segment
38		Message from the Officer in Charge
40		General Industry Segment
41		Message from the Officer in Charge Asian Region
42		EMEA & Americas Region
43		Industrial & Social Infrastructure Sector
The Kurita Group's Technologies	44	Message from the CTO
	46	Production Strategy
	48	Innovation Strategy Message from the Officer in Charge
	50	Intellectual Property Strategy
Foundation for Creating Shared Value	53	Digital Strategy DX Initiatives/ Information Security Control
	56	Meta-Aqua Project
	60	Human Resources Strategy Message from the Officer in Charge
	69	Values
	70	Conduct Business Activities Respecting Human Right/ Conduct Fair Business Activities
	72	Risk Management
	76	Corporate Governance Round Table Discussion between Chairperson of the Board of Directors and External Directors
	80	Corporate Governance Structure
	82	Nominating Committee
	85	Audit Committee
	86	Compensation Committee
	89	Sustainability Advisory Council
	90	Evaluation of the Effectiveness of the Board of Directors/ Status of Board of Directors Meetings in the Fiscal Year Ended March 01, 2024/Shareholdings of Other Listed Companies
	92	Directors
	94	Executive Officers and Corporate Officers
	Corporate and Financial Information	96
98		Stock Information/Corporate Data/ External Evaluation

Editorial Policy

This Integrated Report is intended to report to our stakeholders the vision and roadmap that the Kurita Group is pursuing in medium to long terms and what specific actions are being taken in terms of corporate strategy, business modeling and business base building in line with the vision and roadmap. We hope this will provide a basis for further discussion with our shareholders, investors and all the other stakeholders to consider our future and to drive further increase in our corporate value.

Organizations Covered

This Report covers Kurita Water Industries as the parent and also its subsidiaries that operate under the parent's management policy. As a general rule, the scope of report includes all the operating sites of Kurita Water Industries and its financially consolidated subsidiaries. However, note that the environmental data does not cover the following companies and sites.

- A company before starting environmental improvement activities
- A company with no business operations and no environmental impact
- A subsidiary sharing the same location as the parent company (included in the parent company)
- A location where it is impossible to calculate the environmental impact due to tenant occupancy, etc.

Period Covered

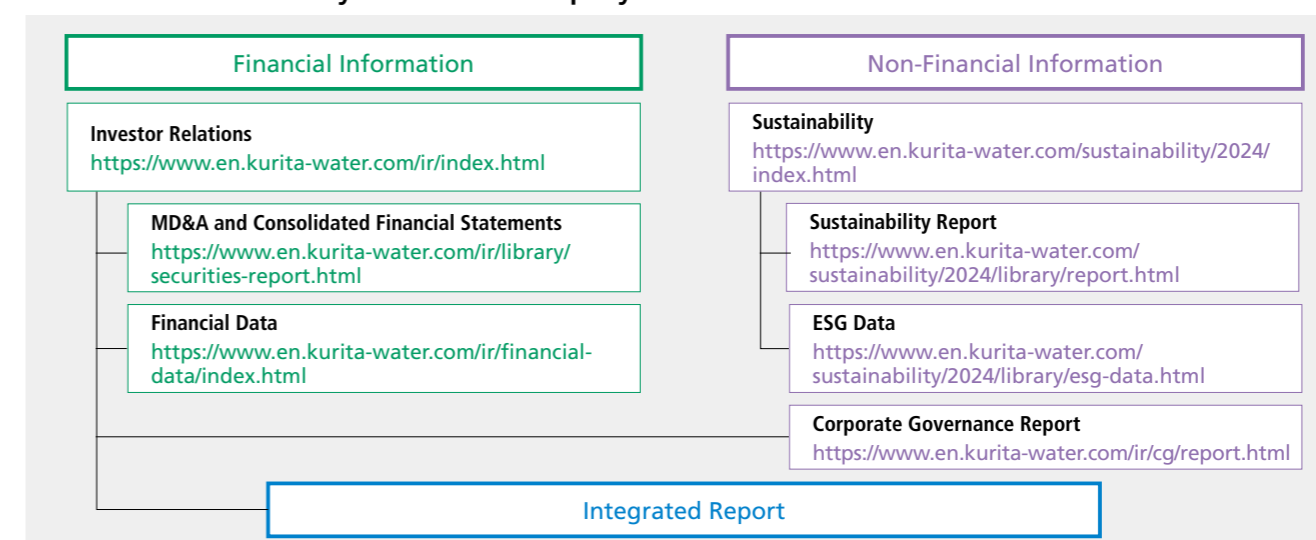
Fiscal 2024 (April 1, 2023 to March 31, 2024)

* Some content includes initiatives that fall outside of this period.

Supplementary Information

- Unless otherwise specified, "the Company" mentioned in this Report refers to Kurita Water Industries, "the Group Company" refers to the financially consolidated subsidiaries of Kurita Water Industries, and "the Kurita Group" or "the Group" refer to Kurita Water Industries and its financially consolidated subsidiaries.
- Any information quoted from a past report that needs to be modified or adjusted for consistency is so modified or adjusted in the notes provided in the page where the information is given.
- This report references guidelines such as the GRI Standards and SASB Standards.

Information Disclosure System on the Company's Website



* If you are viewing the Report on our website, clicking on one of the above sections will open the section on the screen.

Copyrights and Trademarks, etc.

Our company or our licensors hold the copyrights for all the materials posted in this report. You may not use them beyond the range of use legally permitted for private use, etc.: you cannot, for example, copy, process, transfer, or distribute them without consent from the respective copyright holders.

Disclaimer

This report contains forward-looking statements from Kurita Water Industries Ltd. and its consolidated subsidiaries pertaining to plans and strategies. These forward-looking statements are based on currently available information, and actual results may vary significantly from the forward-looking statements contained in this report due to a range of variable factors.

Kurita Group Philosophy System and Materiality

© Kurita Group Philosophy System

The missions that the Kurita Group will fulfill in society into the future, its medium- and long-term visions, and its ways of thinking and values as the foothold for achieving them are stipulated as the Kurita Group Philosophy System

Corporate Philosophy

Study the properties of water, master them, and we will create an environment in which nature and humanity are in harmony

1. Creating new functions and value for water through a deep and far-reaching exploration of the essential properties of water.
2. Winning the trust of our customers and society with unique solutions that capitalize on our diverse technologies.
3. Contributing to the realization of a sustainable society by leveraging our mastery of water to create shared value with society.

*The corporate philosophy was set out in 1989 to mark the 40th founding anniversary of the Company.

*The Kurita Group Philosophy System clearly states that all of the Group's activities are aimed at achieving the Corporate Philosophy.

Vision

Pioneering "new value for water" to contribute to the realization of a sustainable society.

1. In seeking to realize its corporate philosophy, Kurita Group creates shared value with society through its business, addressing water resource issues, contributing to a decarbonized society and building a circular economy.
2. Kurita Group creates new value by leveraging knowledge accumulated from a broad array of frontline sites (Gemba) to address social issues.
3. Kurita Group elevates and refines its technology and human resources to be an indispensable partner to our customers, swiftly providing unprecedented technology and services.

Values

Deepen understanding of frontline sites (Gemba)

Our solutions are rooted in a deep understanding of frontline site (Gemba) issues and information. We maximize customer value while also seeking to further elevate our expertise in water.

Elevate and connect expertise

We strive to elevate our knowledge of water and the environment, which are precious. Innovation and the creation of new value are generated by connecting the diverse and ever more sophisticated knowledge accumulated by all.

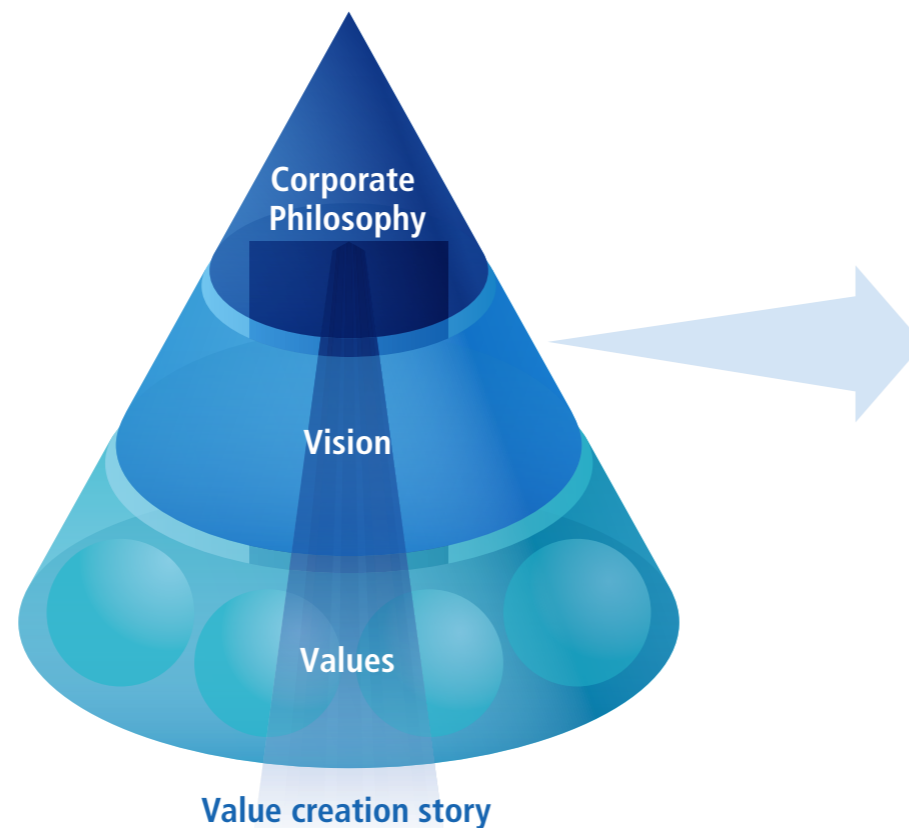
Exceed expectations

Our desire to challenge ourselves is driven by our aspiration to serve humanity. We always push ourselves to deliver results that exceed expectations. We build trust with our customers through serial success.

Maintain unwavering integrity

We engage sincerely with all of our stakeholders*. We fulfil our responsibilities to the future through our single-minded pursuit of solutions to social issues.

*Our customers, business partners, shareholders and investors, society at large and our colleagues

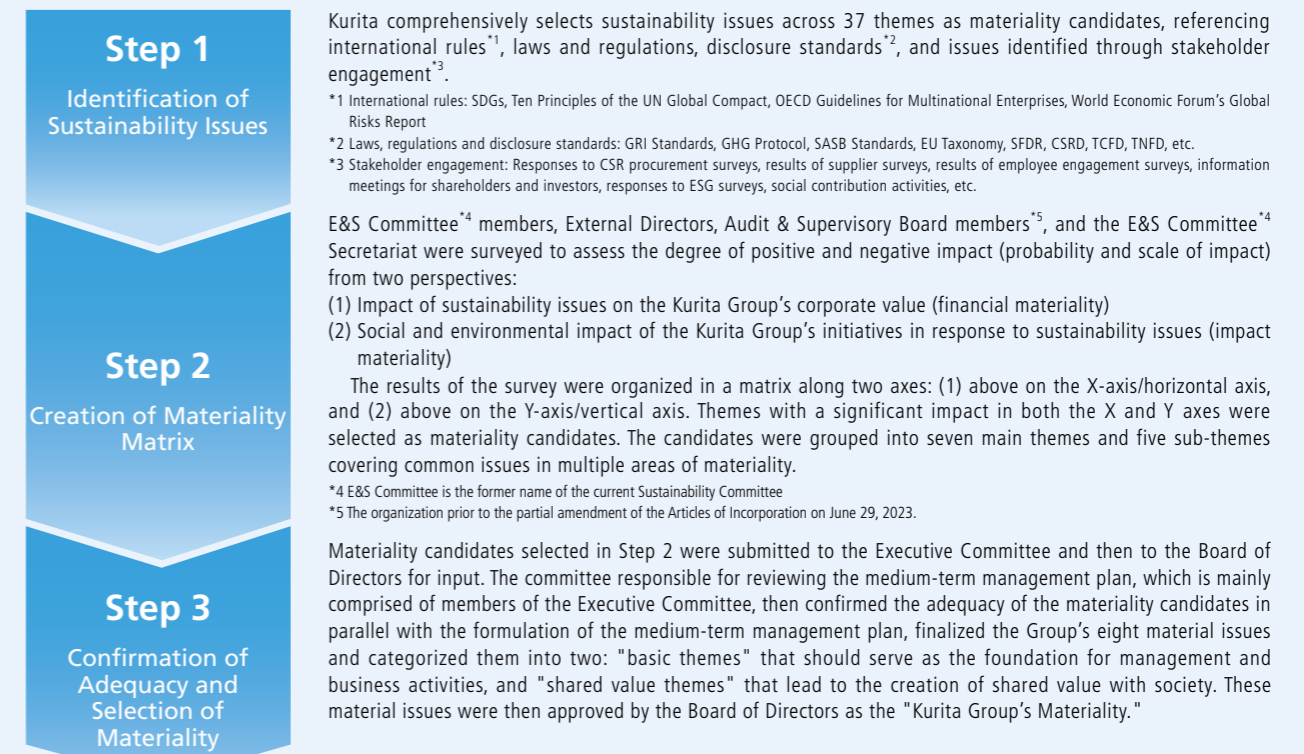


[Kurita Group Philosophy System](https://www.en.kurita-water.com/about/philosophy.html) <https://www.en.kurita-water.com/about/philosophy.html>

© The Kurita Group's Materiality

To achieve its corporate vision, the Kurita Group identifies key issues for each medium-term management plan based on global challenges related to sustainability, defines them as the "Kurita Group's Materiality," and sets metrics and targets to address them.

Materiality Identification Process



[For more information, see the Sustainability section on our website](https://www.en.kurita-water.com/sustainability/2024/management/index.html)
<https://www.en.kurita-water.com/sustainability/2024/management/index.html>

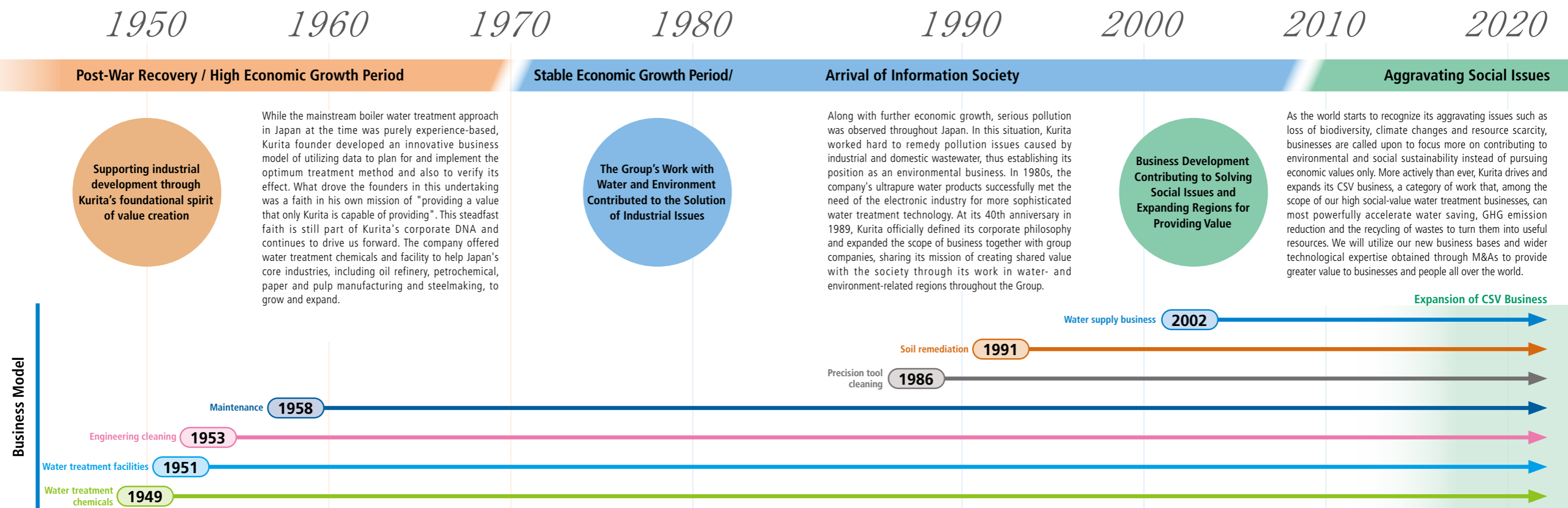
© Kurita Group's Materiality in the Medium-term Management Plan, "Pioneering Shared Value 2027"



History of Value Creation

Founded in 1949 to sell water treatment chemicals for boilers, the Kurita Group started out providing value to customers by supporting the safe and efficient operation of their facilities.

Since then, the Group has steadfastly focused on providing this value to customers, contributing to the development of industry and society by solving issues related to water and the environment. The Group will continue to build on this progress by providing stakeholders with new value, aiming to realize its corporate philosophy, "Study the properties of water, master them, and we will create an environment in which nature and humanity are in harmony."



Scope of Business Base
 Founded the company in Kobe as a boiler water treatment chemicals business (1949)



Expanded the geographical scope of its business from Japan to include South American and Asian countries (1975~)

As many Japanese companies expanded their business overseas, Kurita established its first overseas chemicals sales subsidiary in Brazil in 1975. Kurita continued to build up its overseas operations, mostly in Asia including ASEAN countries such as Singapore and Indonesia as well as the East Asian region that includes China, Korea and Taiwan.

Date	Started business in
1975	Brazil
1978	Singapore
1986	Indonesia
1987	Taiwan
1989	Germany
	Thailand
1995	China
1996	U.S.
1998	South Korea

Accelerates M&As to build a robust business base in Europe and Americas and to acquire wider technical expertise (2015~)

To be able to provide value to people over a wider geographical area, Kurita is now actively pursuing M&As, mostly in Europe and North America, to globalize its business. By doing this, Kurita is successfully creating a robust business base to cover Asia, North and South Americas and EMEA regions. The M&As also brought to the Group valuable technical expertise in fields such as precision tool cleaning, RO membrane technology services, AI and IoT.

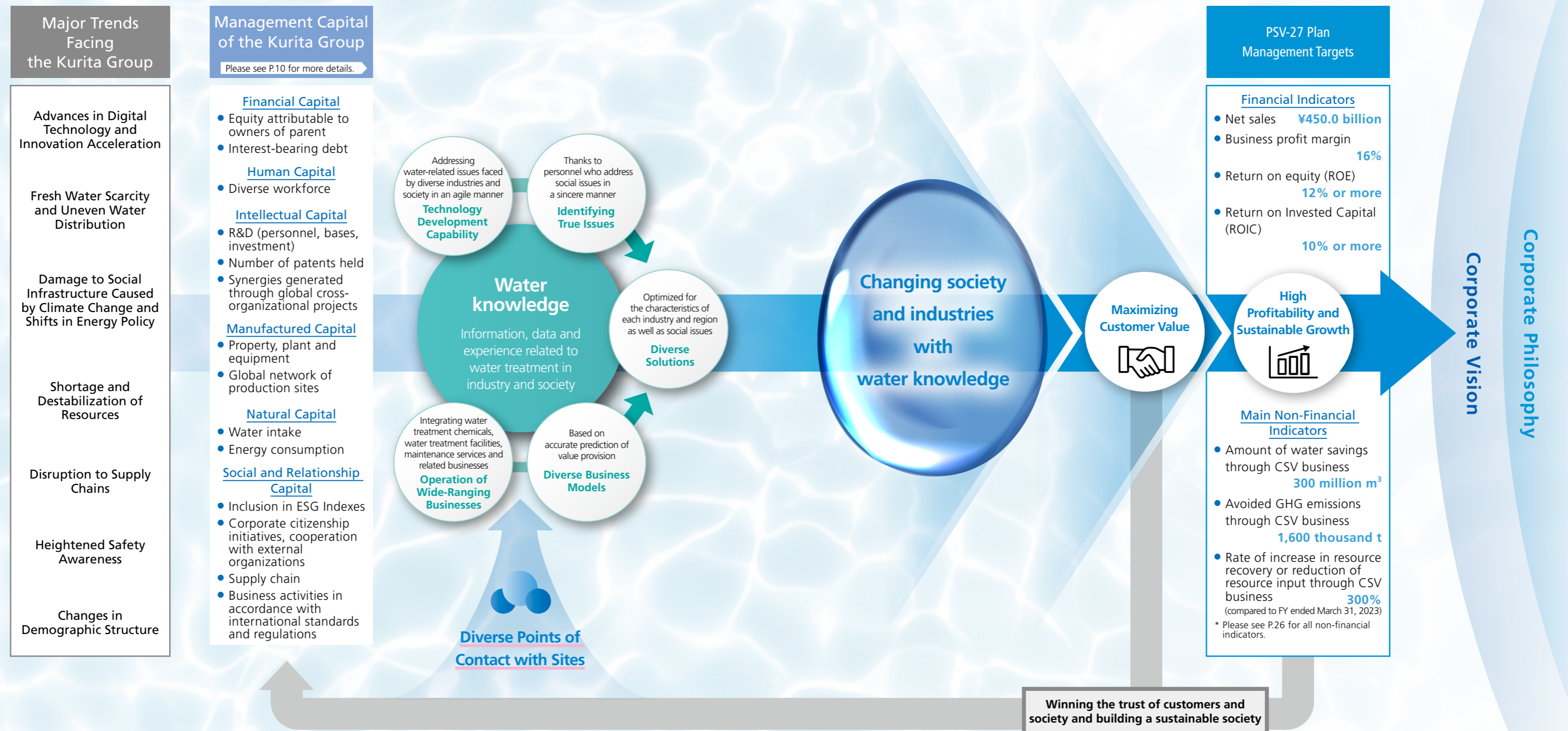
Investment date	Overview
2015	Acquired a business unit from BK Giulini GmbH
2017	Fremont Industries (U.S.)
	Hansu (Korea)
2018	Fracta (U.S.)
2019	U.S. Water Services (U.S.)
	Pentagon Technologies Group (U.S.)
	Avista Technologies (U.S.)
2021	Keytech Water Management (Canada)
2023	Arcade Engineering (Germany)

Value Creation Story

The Kurita Group's "value creation story" is a roadmap in order to realize our corporate philosophy and corporate vision - to grow sustainably with society. We have "diverse points of contact with sites," in a wide variety of industries. The Kurita Group aims to maximize customer value and realize a sustainable society by creating and providing solutions to change society and industries through utilizing "water knowledge" that is formed by collecting and accumulating information obtained from this "diverse points of contact with sites."

The Kurita Group's Materiality (Shared value themes, Basic themes)

Medium-Term Management Plan Pioneering Shared Value 2027 (PSV-27plan)

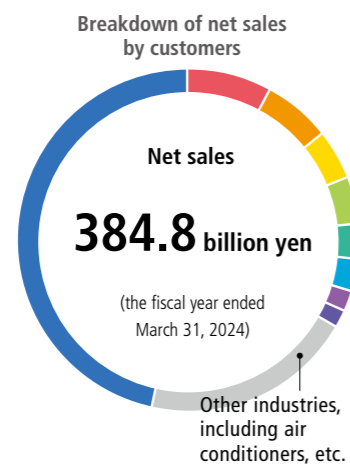


Business Fields and Solutions

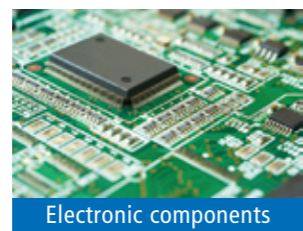
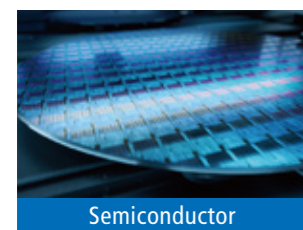
The Kurita Group has points of contact with customers in various industries around the world. "Water knowledge" gained from these contact points in different regions and industries is the Kurita Group's competitive edge, which enables the Group to provide customers with best solutions for their needs and issues.

◎ Diversity of Customer Businesses

The Kurita Group has points of contact with various industries such as the electronics industry, which includes manufactures of semiconductors, flat Panel displays, and electronic components, as well as the general industry, which includes companies that engage in oil refining, petrochemicals, paper and pulp, and steel.



Electronics industry

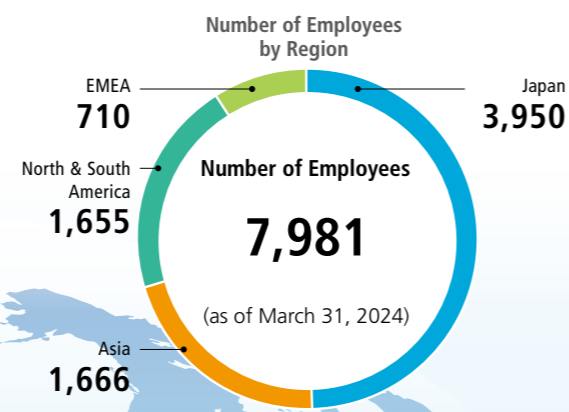
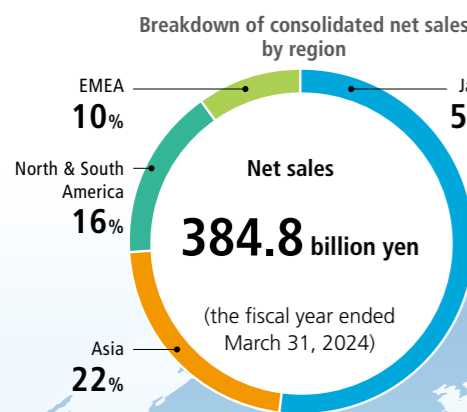


General industry



◎ Diversity of Business Regions

From 2015, the Kurita Group has been accelerating the globalization of business regions through M&A. Sales and the number of employees outside Japan now account for half of the total.



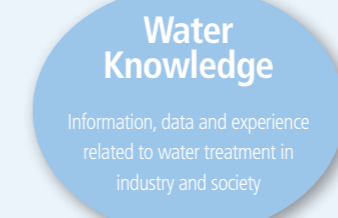
◎ Broad Range of Business Models

The Kurita Group has a wide range of business models that can contribute to the solution of issues in any places at customer factories that use water.

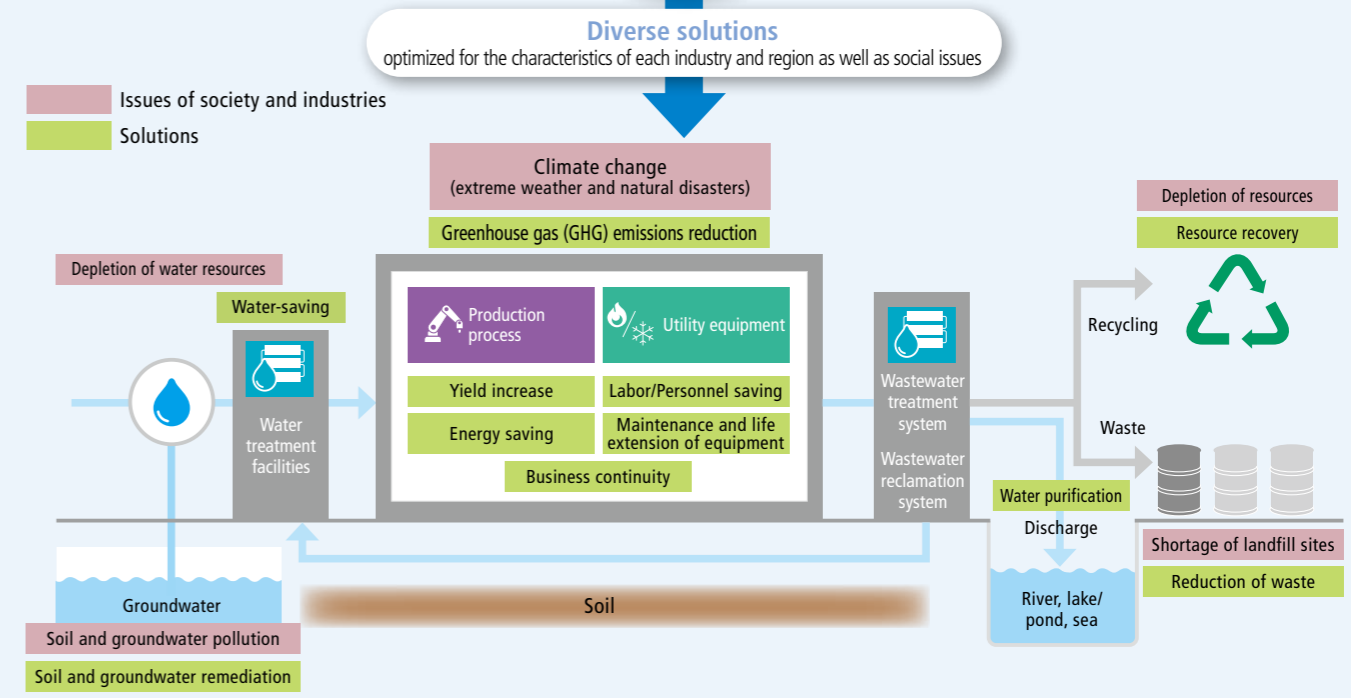


◎ Changing Society and Industries Utilizing "Water Knowledge" Gained from Diverse Points of Contact with Sites

The Kurita Group, with its customer contacts in various industries in many different regions, collects and accumulates "water knowledge"—information, data, and experience of water processing gained from various sites.



By utilizing this knowledge, the Kurita Group provides various solutions adapted to the characteristics of different industries and regions to create shared value of customers and society to change them for the better.

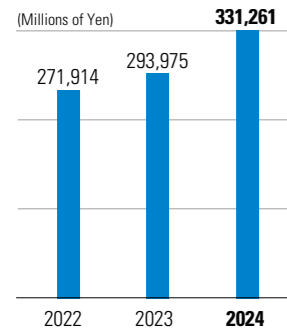


Management Capital

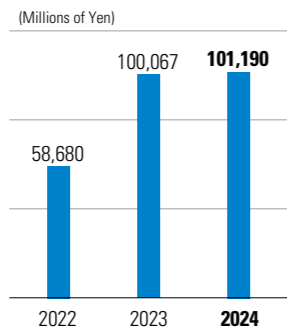
(Fiscal years ended March 31)

Financial Capital

Equity Attributable to Owners of Parent



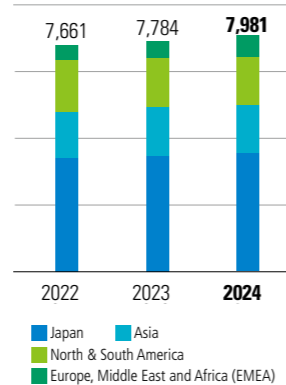
Interest-Bearing Debt



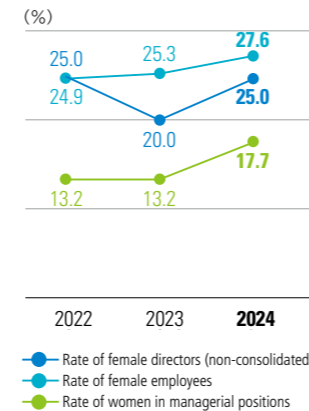
Interest-bearing debt = Bonds and borrowings + Lease liabilities

Human Capital

Number of Employees by Region

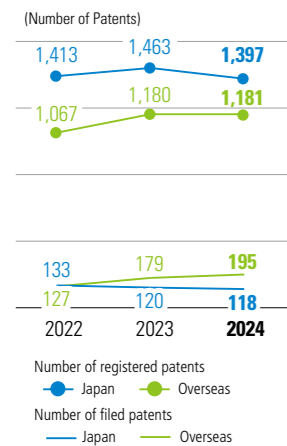


Ratio of Female Directors and Employees

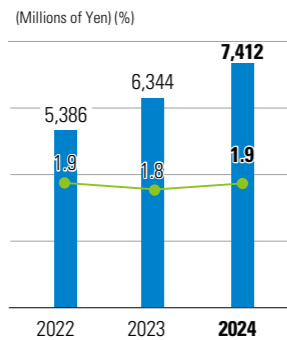


Intellectual Capital

Number of Patents

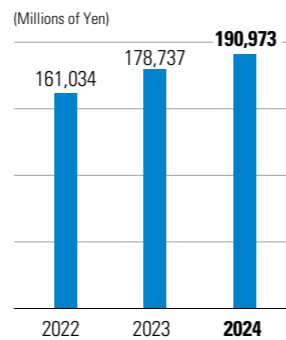


R&D Expenses and Ratio of R&D Expenses to Net Sales

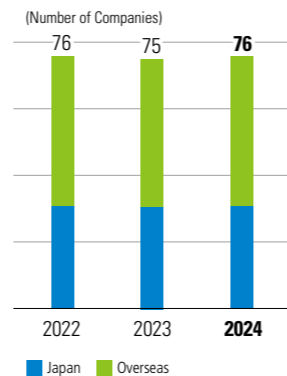


Manufactured Capital

Property, Plant and Equipment

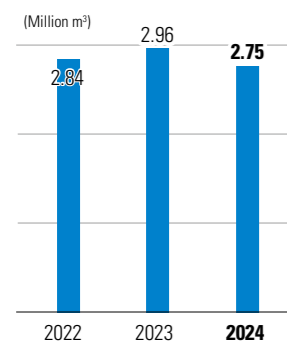


Group network

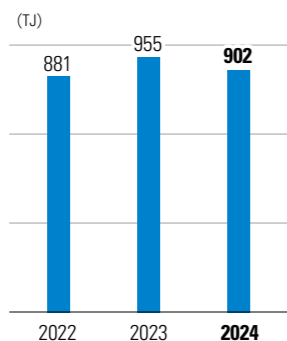


Natural Capital

Water withdrawal

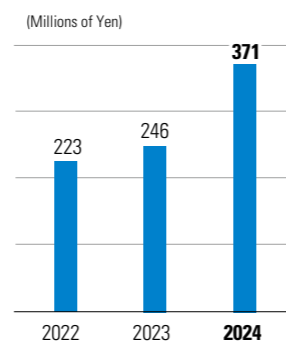


Energy Consumption



Social and Relationship Capital

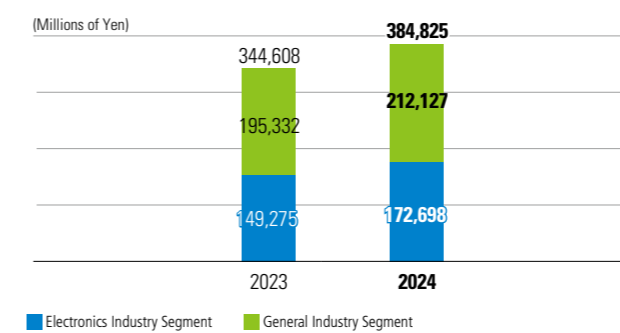
Expenditure on Corporate Citizenship Initiatives



Performance

(Fiscal years ended March 31)

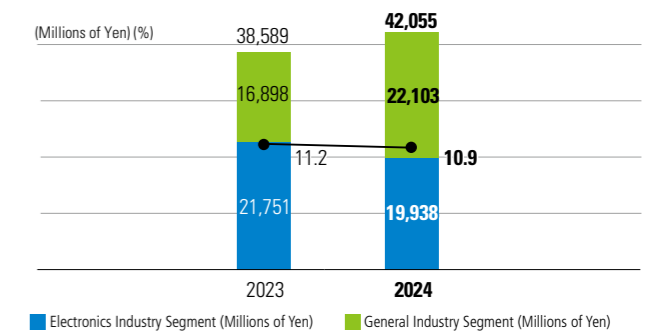
Net Sales



Net sales increased due to the progress in construction for booked facilities and maintenance projects in Japan and East Asia, and an increase in recurring contract-based services in Japan. Additionally, the positive impact of the consolidation of Arcade Engineering GmbH and favorable exchange rates due to the weak yen contributed to the increase.

* Details are for two years as the segment was changed from the fiscal year ended March 31, 2024.

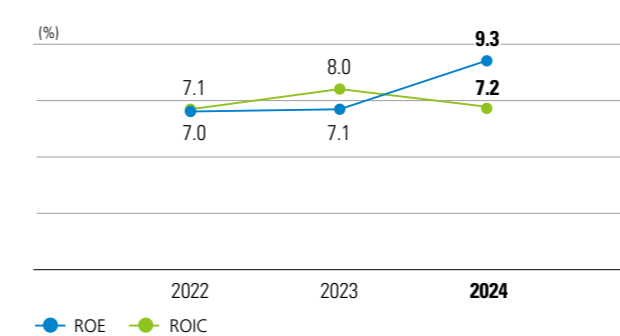
Business Profit and Business Profit Margin



The business profit increased due to the positive impact brought by increased net sales, and improved cost of sales ratio in chemicals business with measures taken against higher cost of raw materials and logistics and revisions to the product mix, despite the negative impact of the increased general and administrative expenses due to higher personnel, sales, and R&D expenses and the deterioration of the business mix due to the lower rate of service business sales in the Electronics Industry segment.

Business profit = Net sales - Cost of sales - Selling, general and administrative expenses
* Details are for two years as the segment was changed from the fiscal year ended March 31, 2024.

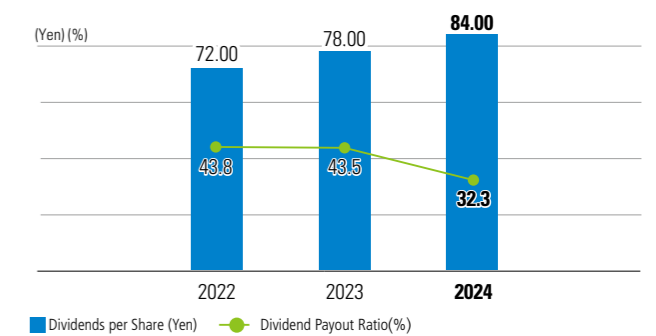
Return on Equity (ROE) and Return on Invested Capital (ROIC)



ROE improved due to the previous fiscal year recording of the impairment loss of goodwill related to chemicals business of Kurita America, Inc., while ROIC dropped due to the increase in the capital invested for the water supply business and the precision tool cleaning business.

ROE = Profit attributable to owners of parent ÷ Equity attributable to owners of parent (average) × 100
ROIC = Profit after tax ÷ invested capital (average) × 100
Profit after tax = Business profit - Income tax expense
Invested capital = Equity attributable to owners of parent + Bonds and borrowings + Lease liabilities

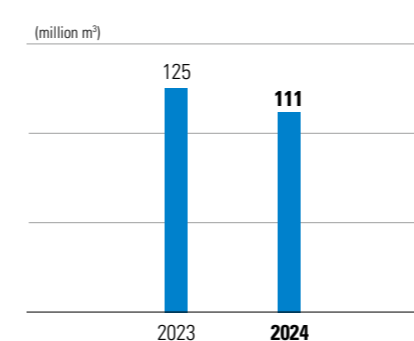
Dividends per Share and Dividend Payout Ratio



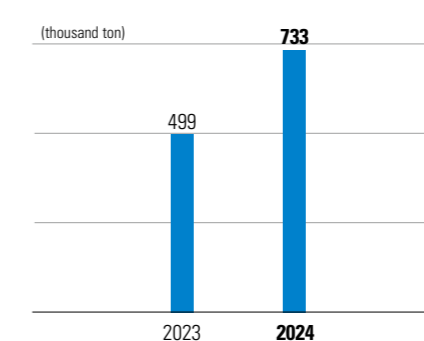
Kurita's policy is to continuously increase dividends where possible. In line with that policy, the dividend was increased for the 20th consecutive year.

Main Non-Financial Indicators

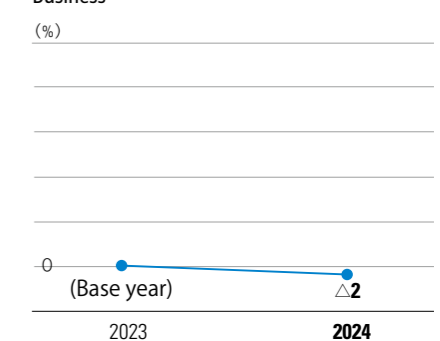
Amount of Water Savings through CSV Business



Avoided GHG Emissions through CSV Business



Rate of Increase in Resource Recovery or Reduction of Resource Input through CSV Business



The amount of contribution to water saving, resource recovery, and reduction of resource input decreased from the level of the previous fiscal year due to the change of the plan of facility project and other factors, while the amount of contribution to GHG reduction increased from the previous fiscal year due to a newly registered CSV business.

* Details are for two years as management indicators were changed from the fiscal year ending March 31, 2023.



Message from the President

Contributing to the realization of a better world by providing solutions and leveraging the Kurita Group's "Water Knowledge"



July 2024

President and Representative Executive Officer

Hirohiko Ejiri

Contributing to the development of industry and society by focusing on providing greater value

This year marks the 75th anniversary of the Kurita Group. More than merely making water cleaner, we have grown in concert with developments throughout industry and society, by consistently providing optimal solutions and value for the issues that customers are facing by pursuing and leveraging the full functionality and potential of water. Remaining close to the issues that our customers are facing allowed us to create points of contact with sites in a broad range of industries and build up "water knowledge"—the

information, data and experience related to water treatment in industry and society—to establish our competitive edge. While water treatment is a business that inherently creates a high level of social value, we firmly believe that we are able to deliver an even higher level of value to customers and thereby contribute to society. This concept is incorporated in our corporate philosophy of "Study the properties of water, master them, and we will create an environment in which nature and humanity are in harmony."

Picking up "changes and movements" from sites

As the president of Kurita, my mission is "to provide greater value to a broader range of customers worldwide and play a role for making the world better—thus bringing long-term, of strong growth for the Kurita Group and consistently enhance our corporate value."

I believe that picking up "changes and movements" are crucial as a way of identifying the approach to be taken from a medium- to long-term perspective, and I am setting aside as much time as possible for internal and external communications and trying to visit sites myself to achieve this. An example that highlights this is the UNGC Leaders Summit that I attended last year. I really felt the high level of awareness with regards to climate change that other countries have and how serious they are working to address the issue, and it reminded me again that, as a company dealing with the

environment, we need to approach this issue by delving deeper.

To date, we have long worked on enhancing and improving our products and services with customer issues as the starting point, and this will remain our cornerstone going forward. Yet only working to resolve issues that are already present is inadequate for responding to demand for solutions to environmental issues like climate change and the ever-changing business environment, as well as growing in a sustainable manner in line with society, leverage our "water knowledge" to address potential issues will help us develop new businesses and markets and provide an even higher level of social value further around the world, in terms of social value as our starting point. It is this type of extra effort that is essential.

Medium-term management plan "Pioneering Shared Value 2027" with sustainability at its core

Our corporate vision for 2030 is "Pioneering 'new value for water' to contribute to the realization of a sustainable society," and we aiming to achieve sustainable growth based on the interaction of corporate activities with the natural environment and social systems, with sustainability underpinning our management. The key issues for achieving this vision are set forth in the "Kurita Group's Materiality," which comprises three shared value themes and five basic themes chosen from global issues related to sustainability, and supporting efforts to achieve them. Each materiality item has been integrated in an organic manner into strategy for our five-year medium-term management plan "Pioneering Shared Value 2027 (PSV-27 Plan)" that kicked off from April 2023, and efforts toward resolving this materiality play a crucial role for achieving the targets of PSV-27 Plan .

PSV-27 Plan has been formulated upon the basic policy of refining human resources, technologies and

business processes to create value that exceeds expectations from stakeholders through overwhelming speed and problem-solving ability. By expanding our diverse service business and CSV business* to suit market characteristics with the two-pronged competitive strategy of "achieve transformation with customer value as the starting point" and "create innovation with social value as the starting point," we are not only aiming to create social value through our businesses, but also seek to have that value recognized so that we are able to grow such that the Kurita Group consistently provides value to society. In light of this, PSV-27 Plan sets out both financial and non-financial indicators that the entire group is working to achieve as a whole (see "Value Pioneering Path" on P.18-19 for details).

* Products, technologies and business models that contribute significantly to water-saving, greenhouse gas (GHG) emissions reduction, and resource recovery or reduction of resource inputs compared to conventional efforts of the business related to water treatment business with high social value



Message from the President

The first step in moving ahead with this was to make significant changes to our organizational structure. Customer requirements vary greatly from market to market, so we separated our segments to the Electronics Industry and General Industry markets and reviewed our organizational structure as a means of providing the value needed in each market in a quicker and more accurate manner. With the market environment becoming increasingly complex, we changed our institutional design to a Company with Nominating Committee, etc. separated our executive and supervisory functions, and also transferred authority substantially to the executive side as a means of making management decisions with a sense of speed. As a result, I feel that the pace of management decisions has

increased. Another effective change that I have witnessed is a sense of tension that is present under the supervision from our stakeholder's perspective.

I think that the results for the fiscal year ended March 31, 2024, the first year of PSV-27 Plan, have started well so far, with both net sales and profits increasing from the previous year and exceeding target figures, despite a drop in profitability due to the impact of conditions in the semiconductor market and strategic projects for developing contacts with new customers. While we were unfortunately unable to achieve our targets for non-financial indicators other than greenhouse gas (GHG) emissions reduction, we have made steady progress with our priority measures, and this has given us a sense of confidence and positivity toward achieving PSV-27 Plan.

Vision Pioneering "new value for water" to contribute to the realization of a sustainable society.

Medium-term management plan "Pioneering Shared Value 2027"

	Results of FY ended March 31, 2023	Results of FY ended March 31, 2024	Targets for FY ending March 31, 2028	
Financial indicators	Net sales	¥344.6 billion	¥384.8 billion	¥450 billion
	Business profit margin	11.2%	10.9%	16%
	ROE	7.1%	9.3%	12% or more
	ROIC	8.0%	7.2%	10% or more
Main non-financial indicators	Amount of water savings	125 million m ³	111 million m ³	300 million m ³
	Avoided GHG emissions	499 thousand t	733 thousand t	1,600 thousand t
	Rate of increase in resource recovery / Rate of increase in rate of reduction of resource input	— (Base year)	△2% (Compared to FY ended March 31, 2023)	300% (Compared to FY ended March 31, 2023)

Aiming to become an indispensable partner for customers in the electronics industry based on our service business

I think that the electronics industry is a market with significant growth potential, given the growing demand for generative AI and the fact that various countries are ramping up production capacity for semiconductors with the view of building value chains from a geopolitical perspective. Given the substantial impact the timing of production ramp-ups have on profitability, there is considerable focus on how fast value can be delivered, which translates to the ability to shorten the lead time from the initial consideration of capital expenditures to execution. To address this, we consolidated all of the Kurita Group's functions which serve the electronics industry, from sales to engineering and R&D, into a single organization. We are also working on four priority measures: "Evolving the Water Supply Business," "Building New Business Foundations in Europe and North America," "Reforming Production Process and Strengthening the Supply Chain," and "Strengthening Foundations of the Precision Tool

Cleaning Business" with the aim of becoming an indispensable partner for our customers in the electronics industry by acquiring a broad range of customer contacts worldwide.

The main results for the fiscal year ended March 31, 2024 were expanding the scope of services provided from the existing water supply business toward acquiring new projects in the water supply business. A new model has been adopted by customers contributing to reducing the environmental impact of plants, which led to growing our customer base.

The Group's production capacity remains a crucial issue, and to keep up with new projects, we are adopting a front-loading approach where comprehensive preparations for the frontend of production processes are made based on demand forecasting from sales information to lower the workload and reworking for back-end processes—we will be transitioning to full-scale operation phase for digital tools, including automated designs, from the fiscal year ending March 31, 2025.

Priority measures for the electronics industry

Priority Measures	Progress in FY ended March 31, 2024	Future Direction
Evolving the Water Supply Business	● Secured 2 new projects	● Expand to new customer base and local communities ● Expand recurring contract-based services in segments other than water supply
Building New Business Foundations in Europe and North America	● Completed M&As in Europe ● Progressed with new projects in North America	● Develop global strategy
Reforming Production Process and Strengthening Supply Chain	● Released digital tools ● Began demand forecasting	● Improve productivity with automated design
Strengthening the Foundation of Precision Tool Cleaning Business	● Made growth investments	● Achieve stable growth by developing new businesses

With these efforts, we are aiming to shorten the lead time of all our production activities by 30%, and to expand our response capacity some 1.5-fold by the fiscal year ending March 31, 2028.

Our efforts toward building a new business foundation in Europe and North America included making Arcade Engineering a consolidated subsidiary in Europe last year, and launching a facilities business in North America comprising EP (Engineering & Procurement) + module methods, as part of efforts to develop a foundation for global business expansion in the electronics market. We will disseminate the experience and know-how we have built up so far—mainly in Japan and Asia—to Europe and North America, and together with production process reform and supply chain strengthening, establish a resilient and productive

value chain on a worldwide scale.

The precision tool cleaning business, however, remains a challenge, with worsening conditions in the semiconductor market and the decline in cleaning demand in the previous fiscal year. While a recovery in business performance is anticipated as market conditions recover, we need to break free from a position that is affected by market trends—to this end, we will continue with growth investments and increase sales by expanding on the areas we provide services to and acquiring new customers, and also enhance profitability by expanding the scope of services we provide beyond cleaning.

Create greater social value across a broad range of general industries using CSV business as the driver for growth

Our customer makeup in the general industry covers a diverse range of industries and regions, enabling us to operate our business with relatively few fluctuations, even with the rapid pace of changes in the business environment. This sector encompasses a broad customer base with growth generally expected to remain in line with the economic growth of each country, furthermore I think we will be able to achieve further growth by shifting our business model here. In the four key regions that the Kurita Group operates in—Japan, Asia, North & South America, and EMEA—we will be accelerating efforts toward expanding value-added business models suited to characteristics of each region and industry. The priority measures for achieving this are: "Expanding the CSV Business," "Utilizing Digital Infrastructure to Accelerate Business Expansion," "Improved Profitability in the U.S. Business," and "Challenging New Businesses that Contribute to a Circular Economy Society."

Providing customers with value—what they perceive as positive effects—is crucial for the expanding the CSV business, and the speed of development remained a challenge, given that it takes time for customers to make decisions on purchases. Yet we have built up models ensuring outstanding



value creation, and have received a positive response to this expansion.

We have also completed developing a data integration platform for collecting and accumulating data pertaining to water treatment worldwide, including equipment operation, water quality and injection of chemicals, in a centralized manner. Looking ahead, this platform will be utilized throughout the Group, and will also play a role



Message from the President

Priority measures for the general industry

Priority Measures	Progress in FY ended March 31, 2024	Future Direction
Expanding the CSV Business	<ul style="list-style-type: none"> Received positive feedback on expansion such as creating good examples 	<ul style="list-style-type: none"> Enhance products and services with customer value as starting point Generate new businesses with social value as starting point
Utilizing Digital Infrastructure to Accelerate Business Expansion	<ul style="list-style-type: none"> Built group common data integrated platform 	<ul style="list-style-type: none"> Utilize data across the Group Enhance customer communication
Improved Profitability in the U.S. Business	<ul style="list-style-type: none"> Improved business profit margin Achieved stable business foundation 	<ul style="list-style-type: none"> Further increase profitability and reduce costs
Challenging New Businesses that Contribute to a Circular Economy society	<ul style="list-style-type: none"> Promoted commercialization of recycling used paper diapers 	<ul style="list-style-type: none"> Expand paper diaper recycling business Develop new businesses by creating innovation with social value as starting point

for enhancing communications with customers and provide more advanced solutions.

For improved profitability in the U.S. business, the fruits of the various initiatives we have been implementing are also beginning to show, including integrating products and reviewing our business portfolio. We will continue increasing efficiency and full-scale expansion of the CSV business so as to raise profitability up to the same level as other regions over the next four years.

And finally in terms of challenging new businesses that contribute to a circular economy society, we have made progress with the recycling business for used paper diapers. We have concluded partnership agreements with local

governments and public agencies, and are pushing ahead with demonstration tests, which has led to securing even more projects. To build on challenges like this, we are working on developing a system for bringing about innovation with social value as the starting point.

In May 2024, we established the new company Kurita AquaChemie India, which has started its business activities. India is one of the largest economies in the world and is slated to grow even further going forward, and demand for water treatment is increasing across various industries. With this platform, we will be ready to provide solutions that address challenges related to water and the environment in India.

Four keys to gaining the competitive edge: production, intellectual property, innovation, and digital technology

I am of the view that business models have a finite life—without developing new or updated business models with a competitive edge, we will not be able to continue providing for our customers or society. The four strategies of "Production," "Intellectual Property," "Innovation," and "Digital Technology" that underpins all these are vital for establishing a competitive edge for the Kurita Group.

The production strategy helps the Kurita Group achieve the quality of its products and services and the speed at which they are delivered, and also leads to improvements in productivity. We will be building a foundation for transforming production processes and strengthening supply chains, which includes the use of digital technology, and also leverage the "water knowledge" we have acquired through our production activities, with the view to preventing non-compliance issues and improving safety and quality throughout the Group.

In addition to ensuring that the Kurita Group's rights are protected, our intellectual property strategy will focus on maintaining and enhancing our competitive edge with both a defensive approach to intellectual property activities, which

includes applying for patents to keep our competitors in check and enhancing our cooperation with partner companies, and an offensive approach to intellectual property activities, such as developing business models and shaping our businesses by leveraging the IP landscape.

Next, our Innovation strategy focuses on creating new business models, businesses and markets with both customer value and social value as starting points, as well as efforts for cultivating the seeds that will lead to a competitive edge in the future over a long-term perspective. I previously touched on the fact that innovation is essential for ensuring sustainable growth of the Kurita Group. To hasten innovation throughout the Kurita Group, in April 2024 we defined the shape that innovation should take, and also transitioned our organization to a function-driven structure to improve and enhance our existing products and services and create groundbreaking innovations, with suitable persons assigned to each role. While only several months have elapsed since forming this new organization, I have already seen some unique ideas coming to light across a broad

range of areas, and there are positive signs of the efforts being made toward creating new businesses that can bring about innovation.

The last area is our digital strategy. The use of AI and IoT has become mainstream in line with the rapid pace of digitalization in recent years, and these are expected to continue presenting a significant impact on society and industry in the future—the rate at which these will change will also increase further. The amount of information that companies need to handle will also certainly continue to rise. In light of these circumstances, we also need to

incorporate transformation into our business models and processes through the use of digital technology, or risk being unable to deliver even greater value or meet the expectations of customers and society. Operational Transformation will focus on developing a foundation for consolidating information, and Business Transformation on transforming information distilled from immense amounts of data into "water knowledge," which can be harnessed in full for securing business opportunities that are broad-ranging and cutting-edge.

Strengthening the uniformity and diversity of human resources that are the driving force behind growth strategies



I am of the belief that the thoughts, ambitions and skills of people, and more than anything, their actions, are the catalysts for things that happen, and that "human resources" are the driving force behind the growth strategy of the Kurita Group. Through my interactions with employees from various regions, I have sensed that the Kurita Group is a collection of people with a high level of sympathy with our corporate philosophy, and with a strong desire to make the world better through water—this is a sense of pride for our group. I am looking forward to changes that will go on to generate new value by maintaining this uniformity, combined with the diversity that comes from the knowledge and expertise built on outside experience.

Management in line with stakeholders

Our stakeholders provide essential backing for the Kurita Group, and I have also been actively engaging in communication with a broad range of stakeholders like our partner companies, shareholders, investors, and employees in addition to our customers. While some of the feedback I receive has been tough, these present valuable opportunities for identifying areas that require changing or that should be maintained, new insights, as well as crucial changes and developments required for making management

The Kurita Group has quickly reached a global scale over the past decade, but looking back at our past, we tended to view the Japanese approach as the correct one, and expanded that line of thinking to other regions. Yet a glimpse at other regions reveals that there are countless better methods and ideas available. Germany may be the leader when it comes to one particular field, and China or Indonesia may be the best in another—if we are able to expand on a worldwide scale with the experts in their respective fields at the helm, we will be able to provide greater value in an all-encompassing manner. I think it is essential that we build a multi-polar network brimming with diversity in order to achieve this, so the leaders of major initiatives throughout the Group, including the non-Japanese executive officer appointed from 2023 as the head of the EMEA & Americas region, will play a key role in driving this notion ahead.

When it comes to enhancing engagement, I want our employees to value their communications and relationships, not only at their workplaces but also at other times. We are planning to hold the "Kurita Global Award" group-wide award program and exchange events this year in commemoration of our 75th anniversary since being established. More than just business performance, these will serve as opportunities to celebrate the contributions we all make to society and our actions that are based on cherished values, and help to broaden our horizons, not only for work but in terms of our minds and actions as human beings.

decisions. I am certain that we will be able to improve ourselves and grow into a group that can contribute to society by harnessing the knowledge gained with communication. Nothing would make me happier than receiving feedback from society expressing gratitude towards the Kurita Group.

I ask all of our stakeholders for their continued understanding and support as we make positive steps forward toward achieving the Kurita Group's corporate vision and philosophy.



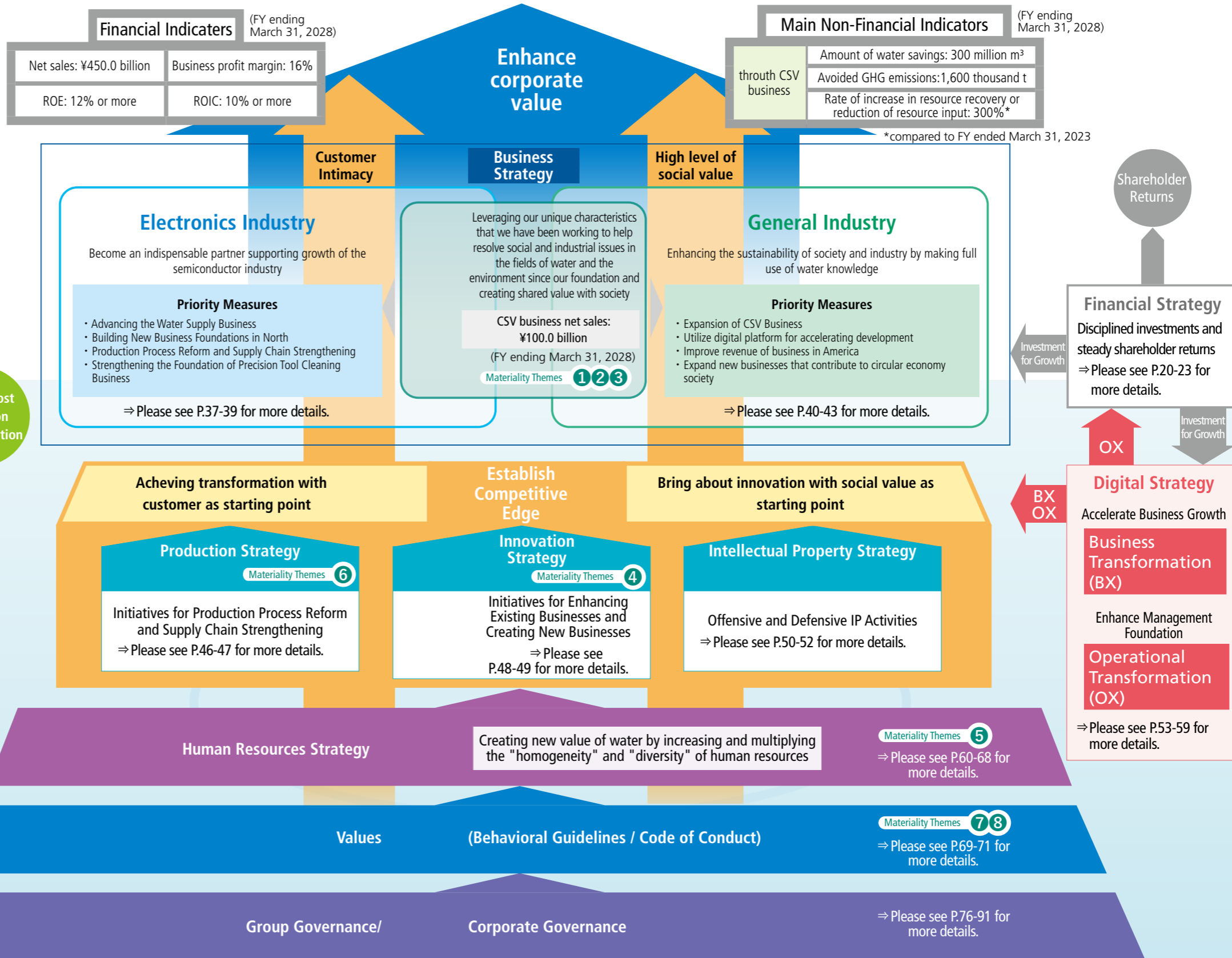
Value Pioneering Path

Overview of Medium-term management plan "Pioneering Shared Value 2027" to Achieve our Corporate Vision

The five-year Medium-Term Management Plan Pioneering Shared Value 2027 (PSV-27 Plan) that began in April 2023 aims to provide a high level of value to society and develop the Kurita Group into a highly profitable company through competitive strategy based on two approaches: "Achieve transformation with customer value as the starting point" and "create innovation with social value as the starting point," which are goals of our corporate vision. To achieve this, PSV-27 Plan incorporates the Kurita Group's efforts toward resolving materiality in an organic manner, which are priority issues for achieving our corporate vision—the full scope of these efforts are outlined in "Value Pioneering Path." We are aiming to achieve our corporate vision by working together as a group to accomplish PSV-27 Plan, adopting "Value Pioneering Path" as our guide.

Achieving Our Corporate Vision: Pioneering "new value for water" to contribute to the realization of a sustainable society

Medium-term management plan "Pioneering Shared Value 2027" (FY2024 to FY2028)





Financial Strategy

Message from the CFO



We will be transforming our business portfolio by allocating funds with an awareness on capital efficiency, leading to an increase in corporate value of the company through sustainable growth

Managing Executive Officer
Executive General Manager of Corporate Control and Administration Division
Chief Financial Officer (CFO)

Shuji Shirode

Investments for growth with an awareness on capital efficiency while maintaining financial stability

The Kurita Group ensures financial management with an awareness on optimal capital structure in order to maintain a stable financial foundation. We focus on the ratio of equity attributable to owners of the parent, net debt-to-equity ratio and net debt-to-EBITDA ratio as indicators of financial stability, operating profit ratio for profitability, and ROE and ROIC for capital efficiency. We are managing these indicators and maintaining positive credit ratings for ensuring stable financial operations as well as supporting the sustainable growth of Kurita Group. Funds are being allocated as per the cash allocation policy shown in PSV-27 Plan, and we are prioritizing growth investments based on disciplined investment decisions as we work toward increasing corporate value of the company through sustainable growth. We focus on NPV and ROIC when making capital investments, and these are reviewed rigorously by an internal investment committee. Our shareholder return policy is also to maintain ongoing dividend increases.

If market capitalization of stocks is an indicator of the overall assessment of the Kurita Group's financial and non-financial performance, it will be necessary to execute efficient investments, reduce the cost of shareholders' equity and WACC, expand the equity spread and EVA spread, and steadily increase shareholder returns to increase corporate value. We will

continue to revise our business portfolio with an awareness on capital efficiency, and build a more efficient business structure.

My role as CFO when implementing these is to provide financial information that facilitates making management decisions, and to ensure the human resources, IT and internal controls that underpin this information throughout the Group.

Achieved steady progress during the fiscal year ended March 31, 2024 toward building up a foundation for future growth

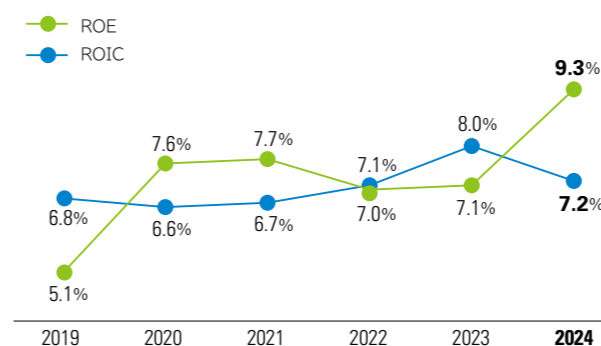
When we embarked on PSV-27 Plan, we changed the disclosed segments from the water treatment chemicals and water treatment facilities businesses to a segmented organization covering the electronics and general industries markets. For the fiscal year ended March 31, 2024, our business profit was ¥42.1 billion (9% increase year-on-year), reaching a figure that exceeded those planned.

Financial indicators for PSV-27 Plan came to an business profit ratio of 10.9% (target 16% for the fiscal year ending March 31, 2028), ROE of 9.3% (12% or more for the fiscal year ending March 31, 2028), and ROIC of 7.2% (10% or more for the fiscal year ending March 31, 2028). We recognize that currently, the cost of capital is around 9% and WACC is about 8%, and equity spreads improved due to an absence in impairment losses of goodwill posted in the earlier fiscal year, while the EVA spread went negative

due to the effect of capital expenditures for the water supply business and precision tool cleaning business.

We proceed investments for growth fields like recurring contract-based services and precision tool cleaning business, while there were some negative impacts on profitability such as the silicon cycle and large projects acquired strategically. While CSV business faces issues about its speed of development, the number of business models has increased and models with high value creation have become more concrete, which indicates that we have made steady progress in building a foundation for future growth. We will continue to invest for future growth and focus on CSV business in the fiscal year ending March 31, 2025.

Trends in ROE and ROIC (Fiscal years ended March 31)



Improving profitability and capital efficiency to suit business characteristics

Under PSV-27 Plan, we are planning to invest aggressively in growth areas. From a financial standpoint, it will be important to improve capital efficiency while maintaining a stable financial foundation.

"Evolving the Water Supply Business" is one of the key initiatives in the Electronics Industry segment. While the water supply business does contribute to greater profitability, it involves a large amount of initial investment. As the business model is to provide services over a long period of time, business assets become a heavy burden after the initial investment is made. While these initial investments may be negative at first from the perspective of improving ROIC, facilities business experiences significant revenue fluctuations with each project. In addition to securing stable revenue in the volatile semiconductor market, we also consider it a necessary investment from the perspective of acquiring and accumulating knowledge about water through daily operational management. Based on this, we will be improving capital efficiency by expanding the scope of services available under the water supply business, improving the efficiency of capital investment through production process reforms using digital technology, and optimizing management costs by utilizing operation

simulation technology.

In the General Industry segment, we are anticipating that both profitability and capital efficiency will improve as a result of expansion of the CSV business, which is the driver of growth, given the higher level of profitability of the CSV business than traditional businesses and its low capital investment burden.

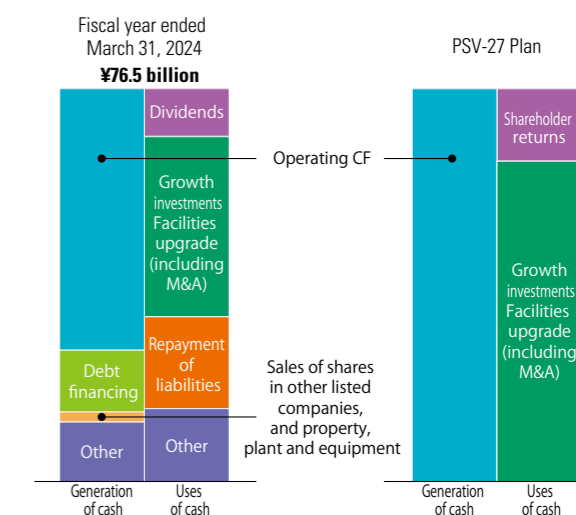
With the view toward internal dissemination of ROIC by business to resolve issues that vary with business characteristics, the Corporate Control and Administration Division and operating divisions hold discussions and look into improvement initiatives at the practical level using tree decompositions based on balance sheets by business. Looking ahead, these will be applied to the strategies of each business unit as we proceed with our full-scale initiatives.

We will also aim to limit the cost of shareholders' equity and WACC, and expand the equity spread and EVA spread by reducing business risks with the promotion of sustainability management, ensuring full disclosure, and utilizing low-interest ESG financing.

Progress of cash allocation and future outlook

Operating cash flow for the fiscal year ended March 31, 2024 was a little slower than planned over the five-year cumulative period. This was the result of an increase in inventories and working capital, and going forward, we will continue to push ahead with initiatives aimed at improving CCC (Cash Conversion Cycle) throughout our domestic and overseas business units. Accounts receivables are much shorter in Japan than overseas, but some of facility project's collection period is long, and there is ample room for improvements with CCC. In addition to shortening collection periods, we are also engaging in dialogue with customers so as to receive advance payments for projects with long construction

Cash Allocation





Message from the CFO

periods for advance orders of parts and materials. We expect a cumulative total of 300 billion yen in capital investment over the five-year period of PSV-27 Plan, which is heavily weighted toward growth investment, with about 80% corresponding to growth investments and 20% in facility upgrades. During the fiscal year ending March 31, 2024, funds were mainly used for the water supply and precision tool cleaning businesses, as well as for growth investments including in the digital realm of business models and for bringing about business process reform, and the acquisition of shares in Arcade Engineering, a water treatment facilities business for the electronics industry in Europe. We plan to continue to making capital investments through the fiscal year ending March 31, 2025 into the water supply and precision tool cleaning businesses.

We have set the hurdle rate as the WACC plus a risk premium for each project as the investment criteria. On top of this, we have also factored in the collection period and regional risks for each project to determine profitability. We are also keeping in mind returns from the perspective of ROIC when it comes to companies we

acquired through M&As. For shareholder returns, we are continuing to focus on increases in dividends.

The dividend payout ratio during the fiscal year ended March 31, 2024 is 32%, and the total over the past five years was 39%. We are planning to allocate funds primarily to growth investments during the early and middle stages of PSV-27 Plan. We anticipate operating cash flow to improve significantly toward the end of PSV-27 Plan, and are considering enhancing shareholder returns, including the purchase of treasury shares when surplus funds have accumulated, following an assessment of the results of growth investments and investment demand.

Toward globalization of financial management and risk management of M&A companies

The Kurita Group is enhancing the Company's global financial controls, with our Corporate Accounting Department and Corporate Finance Department of the head office as the controlling divisions. In addition to existing group companies, we are also ensuring awareness and compliance with our Group's financial

policies and communication with finance and accounting staff in each region for new group companies added with M&As. A Global Cash Management System will be utilized to support better fund management at each company, as part of efforts to improve funding efficiency throughout the Group.

When looking into M&As, we make sure to select potential companies by factoring in regional and business complementarities, and negotiate with potential companies after calculating appropriate acquisition prices following verification of synergies with the Kurita Group, profitability and capital efficiency to achieve PSV-27 Plan. We are also organizing PMI matters with an eye on post-acquisition, and ensuring smooth PMI execution from a business and governance perspective. We have approximately ¥71 billion of goodwill on our balance sheet for the fiscal year ended March 31, 2024, and we are checking the level of attainment of the Kurita Group business plans every quarter and conducting interviews with local management to identify any signs of impairments, as well as conducting impairment tests based on the five-year business plan at the end of the period. We are managing the progress of the business plans of M&A companies during ordinary times, and the Business Management Department plays a key role in strengthening efforts when improvements are required.

Approach to share price and dialogue with shareholders and investors

We view engaging in dialogue with shareholders, investors and other participants in capital markets as an extremely important opportunity for management with an awareness on the cost of shareholders' equity and stock prices, and other members of management and I are

actively involved in constructive dialogue, particularly with discussions of the Kurita Group's management and business from the medium- to long-term perspective. Our TSR (Total Shareholder Return) for the fiscal year ended March 31, 2024 was +5.7%, performing below the TOPIX index including dividends of +41.3%. While it is difficult to gain an insight of the background to the market evaluation, we feel that the challenge will be to make progress with efforts that enhance the Kurita Group's future profitability and capital efficiency, as well as engaging in dialogue with shareholders and investors as a means of securing their confidence in the strong growth of the Kurita Group.

Engaging in dialogue with shareholders revealed the highest level of interest were related to market trends in the electronics industry including semiconductors and the development of the Kurita Group's businesses. Other areas of interest also included progress of development with the water supply and other service businesses, expansion of the precision tool cleaning business, and strategies to expand the CSV business that is a growth driver for the General Industry segment, as well as trends in capital investment and efforts to improve ROIC. Topics covered in the dialogue is reported monthly to the Board of Directors, which verifies the content of discussions and opinions on the Kurita Group's businesses, strategies and priority measures. Going forward, we will continue holding dialogue over the medium- to long-term perspective, and harness the knowledge gained for making management decisions. The President and Representative Executive Officer, CFO, and full-time Investor and Shareholder Relations sections currently play a central role in holding dialogue, but we will be increasing opportunities for dialogue that involve the management team, including the business officers into the future.

Overview of main kurita group acquisitions since 2015

Main synergies	Acquisition target	Date of acquisition	Head office location	Businesses
Developing CSV businesses and other high-value-added products and services through acquired bases	Water treatment chemicals business of BK Giulini GmbH (now Kurita Europe)	2015	Germany	Water treatment chemicals
	Fremont Industries, LLC (now Kurita America, Inc.)	2017	U.S.	Water treatment chemicals
	Hansu Co., Ltd. (now Kurita Hansu Water Industries Ltd.)	2017	South Korea	Water treatment chemicals
	U.S. Water Services, Inc. (now Kurita America, Inc.)	2019	U.S.	Water treatment chemicals Water treatment facilities
	Keytech Water Management (now Kurita Canada, Inc.)	2021	Canada	Water treatment chemicals
	Kurita AquaChemie, Ltd.	2021	UAE	Water treatment chemicals
Creating synergies by leveraging technology, services, and customer bases in the electronics industry field	Pentagon Technologies Group, Inc.	2019	U.S.	Precision tool cleaning
	Arcade Engineering GmbH	2023	Germany	Water treatment facilities
Global expansion of RO membrane solutions	Avista Technologies, Inc.	2019	U.S.	Water treatment chemicals RO membrane services
Creating AI- and IoT-based solutions	Fracta, Inc.	2018	U.S.	AI- and machine learning-based software service predicting water main degradations; water treatment digital solutions

State of dialogue with shareholders held during the fiscal year ended March 31, 2024

Dialogue events	Financial results briefings, sustainability briefings, overseas roadshows, conferences sponsored by securities companies, small meetings, Kurita Innovation Hub facility tours, individual meetings, etc. (approximately 180 events)
Overview	<ul style="list-style-type: none"> Targets of dialogue Analysts, portfolio managers/fund managers, voting rights representatives, ESG specialists, etc. Company participants in dialogue (based on number of dialogue held) <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #0070C0; color: white; padding: 5px;">Management team*</div> <div style="background-color: #E67E22; color: white; padding: 5px;">Full-time Investor and Shareholder Relations section</div> </div> <p><small>*President and Representative Executive Officers, CFO, etc.</small></p> <ul style="list-style-type: none"> Regional composition of shareholders (based on number of dialogues held) <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #0070C0; width: 60%;"></div> <div style="background-color: #E67E22; width: 10%;"></div> <div style="background-color: #2ECC71; width: 30%;"></div> </div> <p style="text-align: center;">Asia(excluding Japan)</p>
	Main dialogue topics
Feedback to Board of Directors	<ul style="list-style-type: none"> Reports on Investor Relations activity policy and progress of initiatives (2 times/year) Reports on details of dialogue with shareholders and investors (monthly)



Promotion of Sustainability Management

Message from the Officer in Charge

Promoting initiatives for materiality related PSV-27 Plan to establish Kurita's sustainability management that creates shared value with society

Corporate Officer
Executive General Manager of Sustainability Division
Sustainability Committee Chairperson

Hisashi Tanabe



Promoting initiatives for PSV-27 Plan

The corporate philosophy of the Kurita Group, "Study the properties of water, master them, and we will create an environment in which nature and humanity are in harmony," truly embodies our approach to sustainability. We are looking to contribute to the development of industry and society as well as achieve our own sustainable growth, by providing value to customers and society that only Kurita is capable of through our all-inclusive approach to water, our on-site know-how and the "water knowledge" that we have acquired from our experiences. The Kurita Group is a collection of people who empathize with a common corporate philosophy, and with its business contributing significantly to society, the Kurita Group is highly accepting of sustainability initiatives.

As we embark on our PSV-27 Plan, the Kurita Group outlined its approach to positioning sustainability at the core of its management, toward achieving sustainable growth where corporate activities blend in with and affect the natural environment and social systems. We then reviewed our corporate vision, and also identified materiality—key issues that need to be addressed to achieve our vision. Materiality comprises three shared value themes based on global issues related to sustainability, and five basic themes supporting efforts to achieve them.

While these initiatives for materiality have been

incorporated into PSV-27 Plan in an organic manner, the remaining challenge was how to ensure that each and every employee understood their relationship with those initiatives, and apply them to their own duties with an awareness of the coordination between organizations and how they are linked to financial and non-financial aspects. Given this background, last fiscal year we visualized the correlation between our corporate vision, PSV-27 Plan and materiality as the "Value Pioneering Path," and focused on dialogue internally and externally while presenting the entire scope of PSV-27 Plan to achieve our corporate vision (see P.18-19 for details). Instead of simply promoting materiality initiatives, the mission of our division is to also boost these initiatives and support the Kurita Group's sustainability management by clarifying stories that outline the paths toward achieving our corporate vision, ensuring that the entire Group gains a firm understanding of the concept.

Expectations of the Group increasing with social changes

Among the megatrends that the Group needs to be focusing on are issues related to natural capital, such as climate change and biodiversity. An example that illustrates this is the issue of water resources is the active investments being made into semiconductors on a global scale. Semiconductor manufacturing requires vast quantities of water resources, and there are also

concerns over disruptions to the regional water balance—this is becoming an issue, not only for individual companies, but also for entire regions. The impact of water on the market as a whole needs to be examined carefully, while factoring in water resources conditions and policy trends in each country and region, to be able to resolve problems in an optimal manner. International rules governing corporate water resource conservation have not yet been clearly established, but our Group is devising an approach where we will also be involved in the development of such rules.

Water is the source of our operations, so there is a strong expectation by society on the Kurita Group not only to reduce the risk of damage to natural capital, but to also crossing the high hurdle of taking on the challenge of making a positive impact—I think that initiatives like these will contribute to increasing the Kurita Group's business opportunities. The driver behind this is the "Creating Shared Value (CSV) business" that creates shared value with customers and society, and this is also related to the common shared theme of materiality.

Creating a higher level of shared value with society by expanding our CSV business

We are aiming to achieve the shared value themes of materiality, "Solve issues related to water resources," "Contribute to the realization of a decarbonized society" and "Contribute to building a circular economy society," by expanding our CSV business, reducing the impact on the environmental arising from the Kurita Group's businesses, participating in international water-related initiatives, and engaging in initiatives with external parties. Of these, CSV business generates a positive impact on society and boosts the corporate value of the Kurita Group.

The CSV business of the high-social value water treatment business is defined as products, technologies and business models that contribute significantly to water-saving, greenhouse gas (GHG) emissions reduction, and resource recovery or reduction of resource inputs compared to conventional efforts, and there are currently more than around 80 such models. More than just quantity, we are committed to quality, and also focus on the fact that the value provided by each model benefits our customers. The value provided by each model is selected not only based on logic, but also with laboratory tests and verification of effectiveness in actual equipment, by the Sustainability Committee that is responsible for the management of materiality metrics. There are also cases where even models already selected as CSV businesses may no longer provide high value over time following changes in customers and society, so we regularly review both the social and economic value as a way of strengthening competitiveness.

Creating new value by interacting with diverse human resources who possess values we cherish

Strengthening human capital, the driving force of value creation, will be essential for advancing our competitive strategy based on the two concepts of "Achieving transformation with customer value as starting point" and "Creating innovation with social value as starting point" as set forth in PSV-27 Plan. The vision of human resources and organization that the Kurita Group's aspires to is defined in our D&I Vision, and the permeation of shared values of respecting water and the environment, as well as the expansion and mutual interaction of our diversity in knowledge, expertise and experience will lead to a virtuous cycle of value creation that only the Kurita Group can provide (see P.60-68 for details).

As a group-wide initiative, we will also be instilling our "Values" that form the foundation of the Kurita Group Philosophy System. In April 2024, we implemented the Kurita Group Behavioral Guidelines that embodies decisions and actions to be taken based on the notions of "Deepen understanding of frontline sites (Gemba)," "Elevate and connect expertise," "Exceed expectations," and "Maintain unwavering integrity," and we are planning to instill the integrity that makes the core concept of these guidelines as the foundation of actions taken by each and every employee. We are aiming to become a group in which all members including executives embody this integrity by making judgments and putting into practice "what is proper and good," so that each and every employee can stand proud knowing that they have acted properly.

Cultivating value exceeding the expectations of society by engaging in dialogue with stakeholders

To achieve our corporate philosophy, I think it is essential to be constantly asking ourselves whether we are creating value that is truly unique to Kurita and whether we are taking the proper steps toward achieving that value, as well as gaining awareness and knowledge by engaging in dialogue with our stakeholders. We will continue taking on the challenge of creating value that exceeds everyone's expectations by enhancing the information we disclose while utilizing international frameworks and standards related to sustainability and third-party verifications, and by listening carefully to the feedback we receive through dialogue.



Promotion of Sustainability Management

Promotion System and PDCA

Kurita Group's Materiality

The Kurita Group views sustainability as corporate activities within the natural environment and social systems, and the pursuit of sustainable growth taking into account the impact of corporate activities on the environment and social systems, and vice versa. PSV-27 Plan positions sustainability at the core of business management. Priority issues for realizing the corporate vision are designated in the Kurita Group's Materiality, which identifies sustainability-related global issues and sets materiality metrics and targets as indicated in the table below.

Shared Value Themes (Fiscal year ending March 31, 2028)	
Solve issues related to water resources	
Total number of basins where collective actions are implemented and total population in the basins (FY ending March 31, 2031, target: 7 basins, 700 million people)	5 basins, 600 million people
Amount of water savings through CSV business	300 million m ³
Rate of reduction in the ratio of GHG emissions to water savings through CSV business (compared to FY ended March 31, 2023)	50%
Rate of reduction of water withdrawal intensity (compared to FY ended March 31, 2023, excluding the ultrapure water supply business)	27%*1
Number of individuals, organizations and groups we engage with to raise awareness on water resources	Meet or exceed the previous fiscal year
Contribute to the realization of a decarbonized society	
Rate of reduction in Scope 1+2 emissions (compared to FY ended March 31, 2020) (FY ending March 31, 2031, target: 80%*2, FY ending March 31, 2051, target: Net-Zero)	73%
Rate of reduction in Scope 3 emissions (compared to FY ended March 31, 2020) (FY ending March 31, 2031, target: 30%, FY ending March 31, 2051, target: Net-Zero)	22%
Avoided GHG emissions through CSV business	1,600 thousand t*1
Contribute to building a circular economy society	
Rate of increase in resource recovery or reduction of resource input through CSV business (compared to FY ending March 31, 2023)	300%
In-house waste recycling rate	Meet or exceed the previous fiscal year

*1 The targets were revised upwards from the initial target based on the target for the fiscal year ending March 31, 2025, and approved by the Board of Directors.

*2 Previously, the target was set to achieve a 100% reduction, including the purchase of carbon credits. However, to align with international consensus, we have changed our target to an 80% reduction through means that meet the requirements for SBT certification as of October 29, 2024.

Basic Themes (Fiscal year ending March 31, 2028)	
Develop and disseminate innovative products, technologies, and business models	
Investment rate in innovation areas	30%
Rate of the number of themes in innovation areas	30%
Number of stakeholder engagements related to innovation areas	Meet or exceed the previous fiscal year
Strategic development and utilization of human resources	
Engagement Score (a. Rate of companies above the average of all industries, b. Score of each company surveyed)	a: 75% b: Continuous increase
Rate of women, foreigners, and experienced personnel among executives of Kurita Water Industries (KWI)	40%
Fill rate of human resources for development, digital, and intellectual property	80%
Provide highly safe and quality products and services	
Reduction rate in the recurrence rate of accidents that affect customers and society	20% reduction year on year
Conduct business activities respecting human rights	
Conducting human rights due diligence on suppliers	Continuous implementation
Accident severity rate (The Company)	0.005 or less
Rate of participation in human rights-related training	100%
Establishment of a liaison for remedies from human rights violations (grievance mechanism)	Completed
Conduct fair business activities	
Rate of participation in whistle-blowing system related training	100%
Rate of participation in training related to laws and internal rules for anti-bribery and antitrust, etc.	100%
Number of violations of anti-bribery and antitrust laws	0

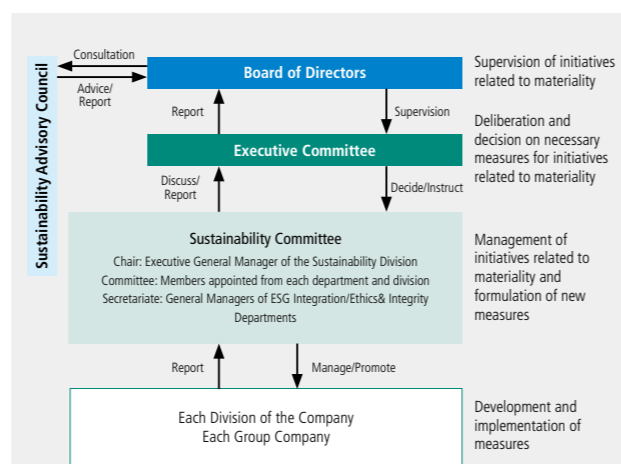
PDCA

The Kurita Group sets Groupwide medium-term targets and fiscal-year targets for each activity related to the Kurita Group's Materiality and its metrics and targets. Revisions to action plans for each fiscal year and to metrics and targets, where necessary, are prepared by the organization responsible for the activity, discussed by the Sustainability Committee, and finalized by the Executive Committee. The Sustainability Committee and the Executive Committee evaluate the outcomes of the activities.

	Plan	Do	Check	Action
Board of directors of Kurita Water Industries	<ul style="list-style-type: none"> Establish a medium-term management plan that includes materiality and initiatives to materiality to implement sustainability management. 		<ul style="list-style-type: none"> Receive reports from the Executive Committee on metrics, targets, and activity results of materiality, and review and evaluate them. Receive and review reports from the Executive Committee regarding stakeholder expectations, concerns, and evaluations. 	<ul style="list-style-type: none"> Receive reports from the Executive Committee on the review of materiality and make decisions.
Executive Committee of Kurita Water Industries	<ul style="list-style-type: none"> Deliberate on the medium-term management plan, including materiality and initiatives to materiality, and decide the business plans for each fiscal year. 		<ul style="list-style-type: none"> Receive reports from the Sustainability Committee on the metrics, targets, and activity results of materiality, in principle twice a year, and review and evaluate them. Receive reports from the Sustainability Committee on stakeholders' expectations, concerns, and evaluations, in principle twice a year, and review them. 	<ul style="list-style-type: none"> Receive reports from the Sustainability Committee on the review of materiality and deliberate on them.
Sustainability Committee	<ul style="list-style-type: none"> Formulate sustainability issues, draft materiality, and submit them to the Executive Committee for discussion. Consider the metrics and targets of materiality, as well as the activity plans for each fiscal year, and submit the results to the Executive Committee for discussion. 	<ul style="list-style-type: none"> Review the progress of the metrics and targets of materiality. 	<ul style="list-style-type: none"> Review and evaluate the metrics, targets, and activity results of materiality. Utilize stakeholders' expectations, concerns, and evaluations to validate the appropriateness of materiality and its metrics and targets, and to improve activities. 	<ul style="list-style-type: none"> Review the necessity of revising materiality and its metrics and targets, and submit the results to the Executive Committee for discussion.
Organizations in Charge Committees Each Division of Kurita Water Industries Each Group Company	<ul style="list-style-type: none"> Formulate activity plans based on the metrics and targets of materiality, as well as the medium-term management plan and business plan. 	<ul style="list-style-type: none"> Promote activities related to the metrics and targets of materiality, and report the status of activities to the Sustainability Committee. Disclose information regarding sustainability. Conduct stakeholder engagement. 	<ul style="list-style-type: none"> Review the metrics, targets, and activity results of materiality. Review stakeholders' expectations, concerns, and evaluations. 	<ul style="list-style-type: none"> Review the metrics, targets, and related activities of materiality, and report the results to the Sustainability Committee.
External Organizations we belong to or collaborate with	<ul style="list-style-type: none"> Actively participate in the planning processes of external organizations. 	<ul style="list-style-type: none"> Conduct activities in collaboration with external organizations. Disclose information about activities in a format aligned with external organizations. 	<ul style="list-style-type: none"> Ensure alignment between the activities of external organizations and the direction of Kurita Group's materiality. 	<ul style="list-style-type: none"> Reevaluate the continuation of activities with the relevant external organizations as necessary.

Promotion System

In the Kurita Group, the Sustainability Committee chaired by the Company's Executive General Manager of Sustainability Division, a Corporate Officer of the Company, oversees and promotes the Kurita Group's initiatives. The Sustainability Committee discusses or reports the status of the initiatives to the Executive Committee twice a year in principle, and the Executive Committee discusses the reports and determines necessary measures. Additionally, the Executive Committee also reports on the status of initiatives to the Board of Directors, which oversees initiatives related to materialities. The Sustainability Advisory Council examines and deliberates on the Company's approach to sustainability management from a multi-stakeholder, medium-to long-term perspective, taking into account domestic and international circumstances surrounding sustainability, and provides advice and reports to the Board of Directors.



For more information, please visit our sustainability site.

<https://www.en.kurita-water.com/sustainability/2024/management/index.html>



Promotion of Sustainability Management

Solve Issues Related to Water Resources

Basic Concept

The Kurita Group addresses issues such as water scarcity due to the uneven distribution of water, water pollution caused by industrial development, and public health concerns and is working to solve issues related to water resources from the perspectives of water quantity, water quality, and access to water by leveraging water knowledge and collaborating with various organizations, and will maintain the appropriate

water circulation as an ecosystem service. The Kurita Group has established the Kurita Group Environmental Policy as a groupwide policy on environmental issues, which are common challenges for society. Based on this policy, we will continuously promote environmental improvement activities*.

* The Kurita Group defines environmental improvement activities as follows
 (a) activities to comply with environmental laws and regulations of each country and region applicable to business activities
 (b) efforts to resolve international issues related to water and environmental sustainability through business activities
 (c) public disclosure of information related to (a) and (b), and dialogue with customers, business partners, employees, shareholders, investors, and local communities regarding these activities

Targets and Results of Initiatives Related to Materiality

Metrics	Targets for FY ended March 31, 2024	Results for FY ended March 31, 2024	Targets for FY ending March 31, 2025* ¹	Targets for FY ending March 31, 2028
Solve Issues Related to Water Resources				
Total number of basins where collective actions are implemented and total population in the basins	3 basins, 130 million people	Not Achieved 3 basins, 93 million people	3 basins, 93 million people	5 basins, 600 million people
Rate of reduction of water withdraw intensity (compared to the fiscal year ended March 31, 2023, excluding the ultrapure water supply business)	7%	Achieved 18.2%	21%	27%* ²
Number of individuals, organizations and groups we engage with to raise awareness on water resources	Meet or exceed the previous fiscal year	Achieved	Meet or exceed the previous fiscal year	Meet or exceed the previous fiscal year

*¹ Targets for FY ending March 31, 2025, were reviewed by the Sustainability Committee and decided by the Executive Committee.
 *² The target for FY ending March 31, 2028, was revised upwards from the initial target based on the target for FY ending March 31, 2025, and approved by the Board of Directors.

Promoting Collective Action to Alleviate Water Stress

The Kurita Group promotes collective action to alleviate water stress in collaboration with multiple companies and organizations. This initiative is carried out through partnerships with international initiatives such as the Water Resilience Coalition(WRC)*¹, which we have been a member of since 2020, and the Alliance for Water Stewardship*², which we joined in July 2024, to address water resource issues in stressed basins.

In the fiscal year ended March 31, 2024, we continued our campaign "Impact Together," which was

launched in the fiscal year ended March 31, 2023, to address water resource issues in the Colorado River Basin in the United States and the PCJ Basin in Brazil. Additionally, we initiated collective action in the Citarum River Basin in Indonesia to address water quality issues of the basin. However, due to the change of the activity basin from the initially planned basin to the Citarum River Basin, the cumulative population of the activity area for the fiscal year ended March 31, 2024, fell short of the target.

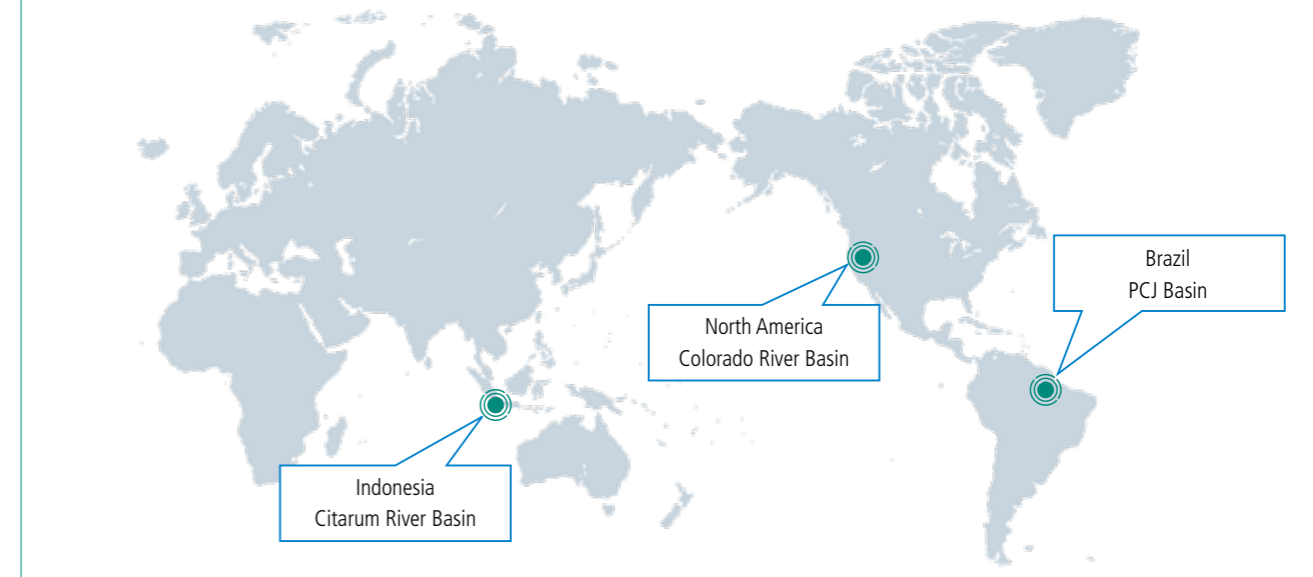
*¹ An organization led by the industrial sector that works on the preservation of water resources in water-stressed basins all over the world, established by The CEO Water Mandate, an initiative of the United Nations Global Compact. (<https://ceowatermandate.org/resilience/>)

*² An international initiative to achieve a sustainable water environment by promoting appropriate water use and management by companies within basins. (<https://a4ws.org/>)

For more information, please visit our sustainability site.
<https://www.en.kurita-water.com/sustainability/2024/materiality/water.html>

Areas of Collective Action Activities

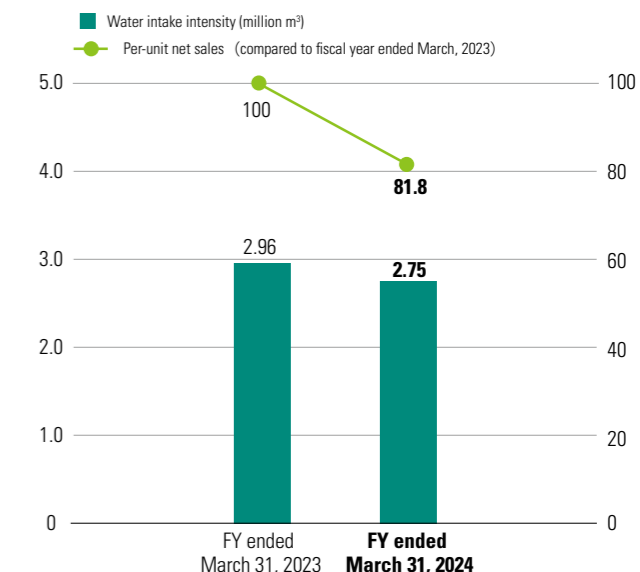
We are working to solve water resource issues by promoting collective actions in basins facing water scarcity and water pollution.



Reduction of Water Withdrawal Intensity

The Kurita Group evaluates water risks at each of its sites using the World Resources Institute's 'AQUEDUCT,' and metrics such as the proportion of water withdrawal at each site relative to the Kurita Group's total water withdrawal, and business characteristics. Based on these evaluations, we select priority sites for water risk reduction initiatives. At the selected sites, considering the characteristics of each site, we select items that are closely related to water usage, such as production volume, net sales, or total floor space, as the denominators for a per-unit measurement and set annual goals, and work to reduce water usage per unit. In the fiscal year ended March 31, 2024, actual result exceeded the target at 18.2%, largely due to a substantial reduction intake at Kurita Europe.

Changes in water withdrawal intensity and per-unit net sales



Promoting Engagement to Raise Awareness about Water Resources

In fiscal year ended March 31, 2024, we introduced WRC's initiatives to a wide range of stakeholders, conducted tours of our research and development facilities for shareholders

and investors, held sustainability briefings, and organized educational tours for the local community.



Promotion of Sustainability Management

Contribute to the Realization of a Decarbonized Society

Basic Concept

The Kurita Group views, climate change issues, including extreme weather events and natural disasters caused by global warming, as a major global social challenge, and will contribute to the realization of a decarbonized society throughout the entire supply chain by developing and providing solutions that contribute to the reduction of GHG emissions in industry and society, and by implementing low-carbon business activities.

Environmental Policy as a groupwide policy on environmental issues, which are a common challenge for society. Based on this policy, we will continuously promote environmental improvement activities.

Regarding our efforts to address climate change issues, we disclose information on our response to climate change based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*.

The Kurita Group has established the Kurita Group

* Task force on climate-related financial disclosures established to examine how climate-related information should be disclosed, and how financial institutions should respond. The task force recommends companies to disclose items related to climate change-related risks and opportunities. The task force dissolved in October 2023, and its supervisory function for the disclosure of corporate climate change-related disclosure was taken over by the International Sustainability Standards Board (ISSB).

Targets and Results of Initiatives Related to Materiality

Metrics	Targets for FY ended March 31, 2024	Results for FY ended March 31, 2024	Targets for FY ending March 31, 2025* ¹	Targets for FY ending March 31, 2028	Targets for FY ending March 31, 2031	Targets for FY ending March 31, 2051
---------	-------------------------------------	-------------------------------------	----------------------------------------------------	--------------------------------------	--------------------------------------	--------------------------------------

Contribute to the realization of a decarbonized society

Rate of reduction in Scope 1+2 emissions	17%	Achieved 21.2%	50%	73%	80%* ²	Net-Zero
Rate of reduction in Scope 3 emissions	11%	Not Achieved -56.7%	14%	22%	30%	Net-Zero

*¹ Targets for FY ending March 31, 2025, were reviewed by the Sustainability Committee and decided by the Executive Committee.

*² Previously, the target was set to achieve a 100% reduction, including the purchase of carbon credits. However, to align with international consensus, we have changed our target to an 80% reduction through means that meet the requirements for SBT certification as of October 29, 2024.

The Kurita Group has defined addressing climate change as a material issue and set targets for “Near Term” and “Net-Zero” in line with the methods indicated by SBTi*. We have worked to reduce Scope 1, 2 and 3. In the base year of the fiscal year ended March 31, 2020, the Group's GHG emissions consisted of approximately 2% for Scope 1 and 2, and about 98% for Scope 3. In April 2024, we submitted a commitment letter to acquire SBT certification and are preparing for its acquisition.

Previously, the target was set to achieve a 100% reduction, including the purchase of carbon credits. However, to align with international consensus, we have changed our target to an 80% reduction through means that meet the requirements for SBT certification as of October 29, 2024.

The past data of Scope 3 was revised due to the change in the calculation method of Scope 3 following the segment change in the fiscal year ended March 31, 2024.

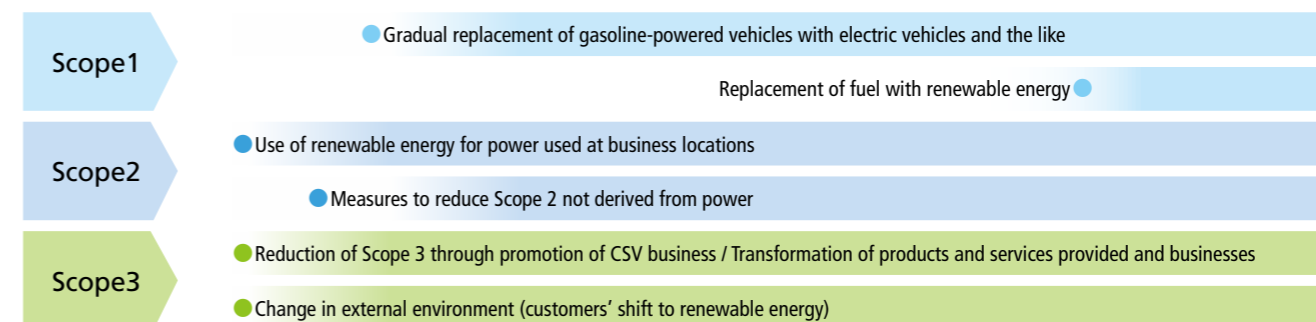
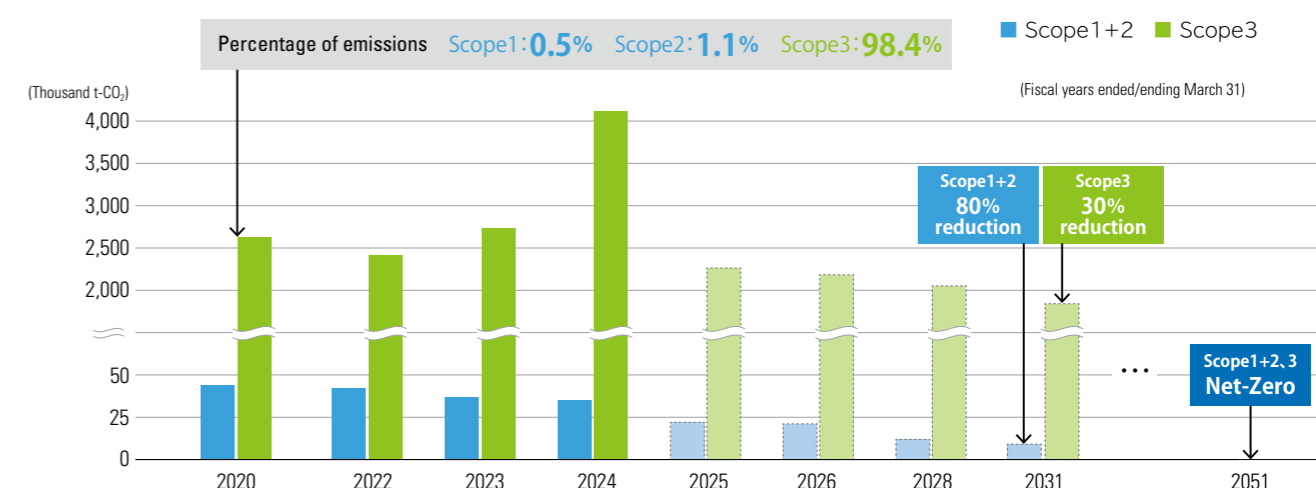
* An initiative that encourages companies to set greenhouse gas emission reduction targets in line with scientific knowledge, with the goal of limiting global average temperature rises due to climate change to 1.5°C compared to pre-industrial levels.

Type	Scope of calculation areas
Scope1	<ul style="list-style-type: none"> Fossil fuel combustion for energy use Fuels used by company-owned vehicles Activities included: Fuels used in company-owned vehicles on public roads and company-owned vehicles used exclusively on premises Activities not included: Fuels used for personal cars, rental cars used temporarily, and loaner cars used for car inspections, etc.
Scope2	Use of externally purchased electricity, heat, etc.
Scope3	<ul style="list-style-type: none"> Applicable categories: 1, 2, 3, 4, 5, 6, 7, 9, 11, 12, and 13* Non-applicable categories: 8 (Not calculated as it has been included in Scope 1 and 2) 10 (Not applicable as there is no processing of sold products) 14 (Not applicable as there are no franchises) 15 (Not applicable as there are no applicable investments.)

* It should be noted that 1, 4, and 9 are calculated collectively, not individually.

Since the majority of the Scope 1+2 emissions are Scope 2 emissions from electricity-related GHG, we are promoting the adoption of renewable energy at our offices, and switching from gasoline cars to electric and hybrid vehicles. In the fiscal year ended March 31, 2024, we achieved our target with a 21.2% reduction compared to the base year of the fiscal year ended March 31, 2020, primarily due to the adoption of renewable energy at domestic sites with high electricity-related GHG emissions.

Since the emissions from Category 11, “Use of sold products (mainly rotating machinery such as pumps),” account for 70% of Scope 3, the Kurita Group will promote the decarbonization of solutions provided to customers. This will be achieved primarily through the development and deployment of CSV businesses, enhancing the Kurita Group's competitive advantage. In the fiscal year ended March 31, 2024, Scope 3 emissions increased by 56.7% compared to the fiscal year 2020 due to the increased procurement of pumps.



For more information, please visit our sustainability site.

<https://www.en.kurita-water.com/sustainability/2024/materiality/decarbonized-society.html>

Promotion of Sustainability Management

Contribute to the Realization of a Decarbonized Society

Initiatives Based on Opportunities and Risks

Based on the two scenarios (1.5°C and 4°C)*¹ described in IPCC RCP1.9 and IPCC RCP8.5, etc., the Kurita Group has evaluated the risks and opportunities by two axes of "probability" and "impact" for short-term, medium-

term and long-term*² and has formulated the measures of the Kurita Group as well as evaluating the financial impacts on our business for some of them.

Type	Risks and Opportunities	Time horizon	Financial Impact/Measures
Policy and Legal	Risk Introduction or increase of carbon tax.	Med to long term	<Financial Impact (As FY ending March 31,2051)> • 1.5°C : 2.2 billion yen* ³ . • 4°C : None. <Measures> • Scope1+2 : By FY2031, an estimated cost of approximately 0.9 billion yen will be invested, and reduce emissions by 80% compared to the base year through the adoption of renewable energy, purchase of renewable energy certificates, introduction of electric and hybrid vehicles, etc. • Scope3 : Reduce emissions by 30% compared to the base year by FY2031 through the development and deployment of CSV businesses* ⁴ that contribute to decarbonization by utilizing digital technology, reviewing specifications and designs of water treatment facilities, reviewing raw materials, etc.
	Risk Regulations for products and services with high GHG emissions.	Med to long term	<Measures> • Reduction of Scope 1 and 2 emissions through the adoption of renewable energy, purchase of renewable energy certificates, introduction of electric and hybrid vehicles, etc. • Development and deployment of CSV businesses through decarbonizing products and services by means of the utilization of digital technology, review of specifications and design of water treatment facilities, and review of raw materials, as well as the development of energy recovery technology, resource recovery technology, exhaust gas treatment technology, CO ₂ capture and utilization technology, battery-related technology, etc.
	Opportunity Dissemination of supportive policy incentives to the conversion to energy with low GHG emissions.	Med to long term	
Technology	Risk / Opportunity Substitution of existing products and services with lower emissions options.	Short to long term	
Market	Risk Decreased demand from fossil fuel-related sector.	Med to long term	<Measures> • Shift in business by the development and deployment of CSV businesses through decarbonizing products and services by means of the utilization of digital technology, review of specifications and design of water treatment facilities, and review of raw materials, as well as the development of energy recovery technology, resource recovery technology, exhaust gas treatment technology, CO ₂ capture and utilization technology, battery-related technology, etc. <Measures> • Reduction of Scope 1 and 2 emissions through the adoption of renewable energy, purchase of renewable energy certificates, introduction of electric and hybrid vehicles, etc. • Development and deployment of CSV businesses through decarbonizing products and services by means of the utilization of digital technology, review of specifications and design of water treatment facilities, and review of raw materials, as well as the development of energy recovery technology, resource recovery technology, exhaust gas treatment technology, CO ₂ capture and utilization technology, battery-related technology, etc.
	Risk Soaring costs of material and energy.	Med to long term	
	Opportunity Increased demand in the electronic industry due to the acceleration of DX.	Med to long term	
Physical Risks	Risk Increased factory shutdowns and construction delays due to extreme weather events such as cyclones and floods.	Short to long term	<Financial Impact (After FY ended March 31,2021)> • 1.5°C and 4°C : About 15.7 billion yen/year at domestic production bases where risks are identified. <Measures> • About 14 million yen has been invested to install waterstops at one site. • Continuous strengthening of business continuity in preparation for natural disasters such as flood control.
	Opportunity Increased operating rate of cooling equipment.	Short to long term	<Measures> • Development and deployment of CSV businesses through decarbonizing products and services by means of the utilization of digital technology, review of specifications and design of water treatment facilities, and review of raw materials, as well as the development of energy recovery technology, resource recovery technology, exhaust gas treatment technology, CO ₂ capture and utilization technology, battery-related technology, etc. • Adoption of renewable energy and purchase of renewable energy certificates at each site.
Resource Efficiency	Opportunity Dissemination of efficient production and distribution processes.	Short to long term	
	Opportunity Reduction of water usage.	Short to long term	
Energy Source	Opportunity Dissemination of energy with low GHG emissions.	Short to long term	
	Opportunity Conversion to distributed energy resources.	Short to long term	
Products and Services	Opportunity Increased demand for products and services with low GHG emissions.	Short to long term	<Financial Impact After FY ending March 31,2028)> • 1.5°C : About 350 billion yen/year* ⁵ . • 4°C : None. <Measures> • Low carbonization of products and services by utilizing digital technology and reviewing design, etc. • Reduction of Scope 1 and 2 through the adoption of renewable energy and the introduction of electric vehicles, etc. • Development and expansion of CSV businesses that contribute to GHG reduction, such as biomass power generation, energy recovery, resource recovery, exhaust gas treatment, CO ₂ recovery, and battery-related businesses.
	Opportunity Increasing diverse technical needs for reducing GHG emissions.	Short to long term	
Resilience	Risk/ Opportunity Substitution and diversification of fuel and water resources.	Short to long term	<Measures> • Reduction of Scope 1 and 2 emissions through the adoption of renewable energy, purchase of renewable energy certificates, introduction of electric and hybrid vehicles, etc. • Development and deployment of CSV businesses through decarbonizing products and services by means of the utilization of digital technology, review of specifications and design of water treatment facilities, and review of raw materials, as well as the development of energy recovery technology, resource recovery technology, exhaust gas treatment technology, CO ₂ capture and utilization technology, battery-related technology, etc.

*1 The scenario in which the temperature rise from the pre-industrial level is 1.5°C and the scenario with the highest temperature rise predicted by the Intergovernmental Panel on Climate Change.
 *2 Short-term (1-3 years), medium-term (3-5 years) and long-term (5-25 years).
 *3 (Scope 1 and 2 + Scope 3 category 1 in the business operation area) x (Carbon price in the business operation area) estimated based on the FY ending March 31,2051 forecast.
 *4 Products, technologies, and business models that contribute to saving water, reducing GHG emissions, recycling waste into resources and reducing resource inputs more greatly than conventional ones.
 *5 Trial calculation of SAM (Serviceable Available Market) for new CSV business that contributes to GHG reduction.

Promotion of Sustainability Management

Contribute to Building a Circular Economy Society

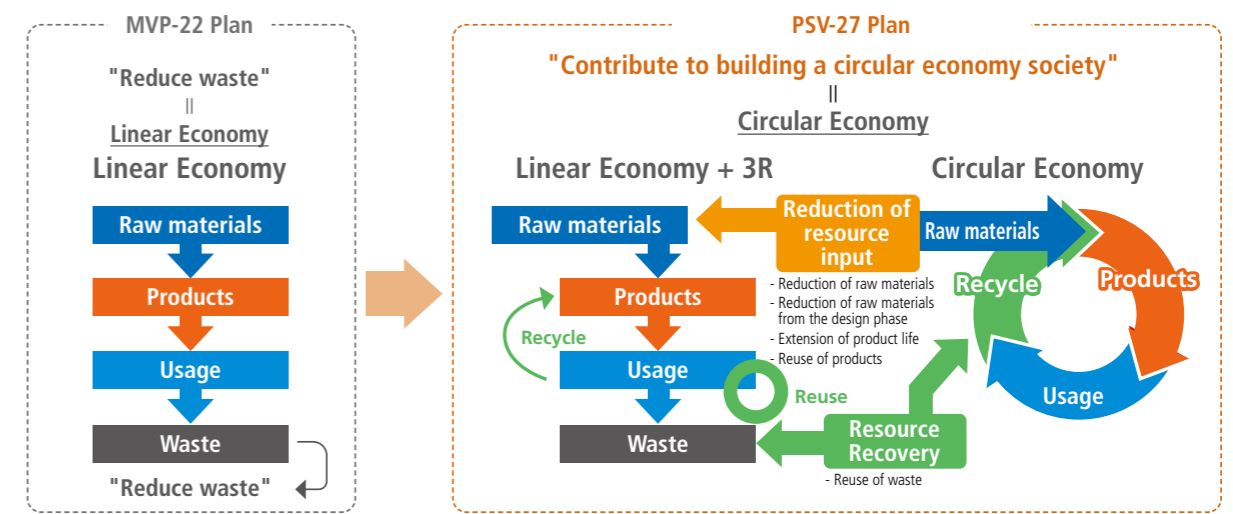
Basic Concept

In response to global environmental issues such as resource depletion and environmental pollution caused by waste, the Kurita Group will develop and provide products and services that effectively utilize and reuse limited and recyclable resources in an optimal manner, thereby contributing to the establishment of sustainable industries and society and the prevention and restoration of loss of nature.

The Kurita Group has established the Kurita Group Environmental Policy as a groupwide policy on

environmental issues, which are common challenges for society. Based on this policy, we will continuously promote environmental improvement activities.

In the previous Medium-Term Management Plan MVP-22, waste reduction based on a linear economy was identified as a materiality. However, in the current Medium-term Management Plan PSV-27, we aim for a circular economy, focusing on reducing resource input and recycling waste.



*"Linear Economy + 3R" and "Circular Economy" in the chart above show the scope of "Contribute to building a circular economy society"

Targets and Achievements of Initiatives Related to Materiality

Metric	FY ended March 31, 2024 Target	FY ended March 31,2024 Result	FY ending March 31, 2025 Target*	FY ending March 31, 2028 Target
Contribute to building a circular economy society				
In-house waste recycling rate	Meet or exceed the previous year	Achieved		Meet or exceed the previous year

* The target for FY ending March 31, 2025, was reviewed by the Sustainability Committee and decided by the Executive Committee.

Promotion of In-house Waste Recycling

In order to improve in-house waste recycling rate, the Kurita Group has selected sites that are considered to have particularly large impact on the environment as priority sites. In evaluating and selecting sites, we use indicators such as the ratio of waste volume to the total industrial waste volume of the Kurita Group, the waste recycling rate, and the amount of hazardous waste for each site.

For the selected sites, we are continuously working to reduce the amount of waste per unit and improve the

recycling rate, using items closely related to the amount of waste, such as production volume, net sales, and total floor space, as the unit denominator taking into account the characteristics of each site.

In the fiscal year ended March 31, 2024, the initiatives at each site progressed as planned, resulting in a higher performance than the previous year and achieving the result. We will continue to follow up on the status of the plans and initiatives at each site and promote the horizontal deployment of best practices.

For more information, please visit our sustainability site.

<https://www.en.kurita-water.com/sustainability/2024/materiality/circular-economy.html>



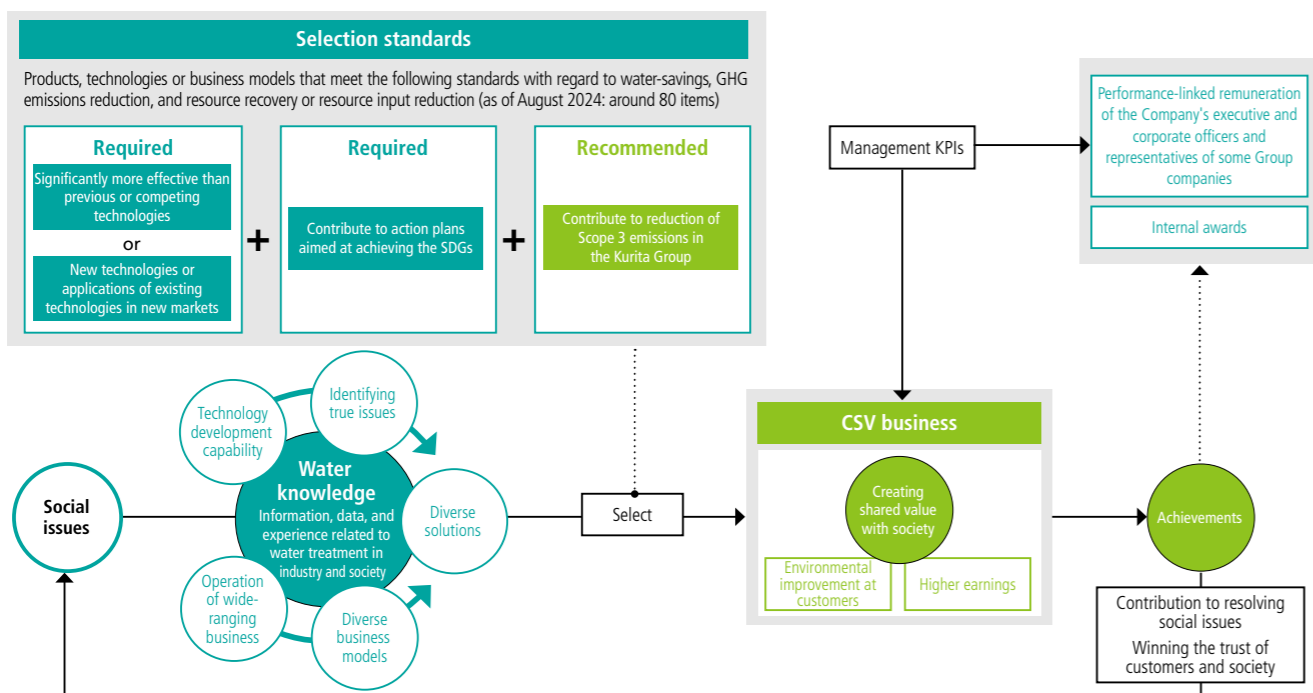
Promotion of Sustainability Management

CSV Business

Creating Shared Value (CSV) Business

The Kurita Group has defined products, technologies, or business models that contribute significantly to water-saving, GHG emissions reduction and resource recovery or reduction of resource inputs compared to previous levels as the "CSV business," and has expressed these advantages as respective coefficients. The reduction of environmental impact from customers' operations is calculated based on these CSV business coefficients and application results. The CSV business is also constantly reviewed in light of the development status of more competitive products, technologies, and business models.

The CSV business is an initiative that links the indicators for Shared Value Themes of the Kurita Group's materiality—solve issues related to water resources, contribute to the realization of a decarbonized society, and contribute to building a circular economy society—with the financial targets for PSV-27 Plan. The metrics for water savings, GHG emission reductions, and increase in resource recovery or reduction of resource input through CSV business are used as part of the performance-linked short-term incentive remuneration for the Company's executive and corporate officers and representatives of some Group companies.



Targets and Achievements of Initiatives Related to Materiality

Metrics	FY ended March 31, 2024 Target	FY ended March 31, 2024 Achievement	FY ending March 31, 2025 Target*2	FY ending March 31, 2028 Target
Solve issues related to water resources				
Amount of water savings through CSV business	125 million m ³	Not Achieved 111 million m ³	135 million m ³	300 million m ³
Rate of reduction in the ratio of GHG emissions to water savings through CSV business*1 (compared to FY ended March 31, 2023)	5%	Not Achieved -18.0%	20%	50%
Contribute to the realization of a decarbonized society				
Avoided GHG emissions through CSV business	630 thousand t	Achieved 733 thousand t	900 thousand t	1,600 thousand t*3
Contribute to building a circular economy society				
Rate of increase in resource recovery or reduction of resource input through CSV business (compared to FY ended March 31, 2023)	30%	Not Achieved -2%	65%	300%

*1 Kurita Group's Scope 3 categories 11 and 13 divided by water saving contribution in the Water Treatment Facilities CSV business (generating Scope 3 categories 11 and 13).
 *2 The targets for FY ending March 31, 2025, were reviewed by the Sustainability Committee and decided by the Executive Committee.
 *3 The target for FY ending March 31, 2028, was revised upwards from the initial target based on the target for FY ending March 31, 2025, and approved by the Board of Directors.

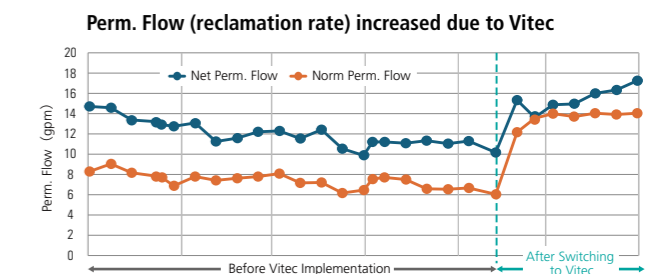
For more information, please visit our sustainability site.
<https://www.en.kurita-water.com/sustainability/2024/management/index.html>

Representative Examples

Water Saving Vitec series

In removing impurities contained in water, RO membranes (reverse osmosis membranes) are essential functional materials and are used in a wide range of applications in water treatment, such as the production of ultrapure water and wastewater reclamation. When treated with RO membranes, the dissolved components in the water are concentrated and precipitated, adhering to the membrane surface, which increases the pressure required to permeate the raw water through the membrane. The Vitec series exhibits superior performance in preventing the precipitation of various dissolved components compared to conventional RO membrane treatment chemicals by optimally used based on analysis results from simulation software. This contributes to water conservation by improving the amount of treated water per unit of raw water (recovery rate) and also helps reduce GHG emissions

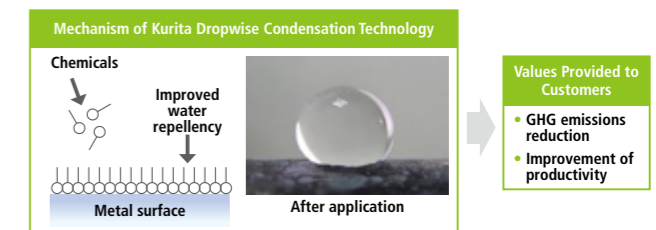
by lowering the increase in working pressure, thereby reducing electricity consumption.



GHG Emissions Reduction Kurita Dropwise Condensation Technology

The production process at many manufacturing plants uses heat exchangers to heat substances with steam. The steam transfers its heat to the treated substance via the metal surface of a heat transfer plate and then condenses, forming a film of water on the metal surface, which is known to be a factor in blocking heat transfer. Kurita Dropwise Condensation Technology induces water-repellent properties in the heat transfer surface of the heat exchanger, thus preventing the formation of a water film and boosting heat transfer efficiency. This in turn improves productivity and reduces the volume of steam required, which contributes to energy-saving. As the technology works by simply adding water treatment chemicals to the steam, it allows

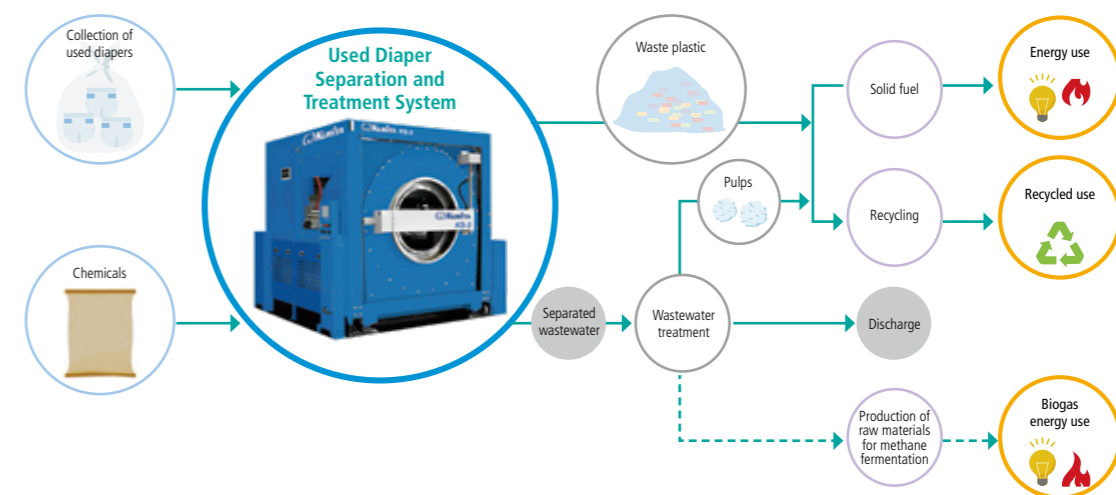
manufacturers to reduce GHG emissions without needing to stop production equipment or make a large-scale investment.



Resource Recovery or Reduction of Resource Inputs Used Diaper Separation and Treatment System

Used paper diapers in Japan are mainly disposed of as general waste by incineration facilities operated by waste disposal companies and local municipalities. As Japan becomes a super-aged society, the volume of waste is expected to increase. The company developed a system that washes and separates used diapers for recycling. By adding a bag-tearing function to the

system, it is able to process used paper diapers that are sealed inside plastic bags, improving hygiene and operating efficiency. Used paper diapers are washed and disintegrated by the device, then plastics are separated out from the treatment water, which contains pulp. The separated components can be used for application such as solid fuel or recycling plastic.



Business Overview

The Kurita Group employs a wide range of business models related to water and environment to help its customers solve issues across all areas of their factory operations involving water use.

◎ Main Businesses

Facilities

We provide water treatment facilities that remove impurities to supply water needed for production activities, as well as wastewater treatment facilities for cleaning various types of water discharges from factories. Our wastewater reclamation systems also help customers reduce costs and environmental impact by recovering and recycling wastewater.



Chemicals

Use of appropriate water treatment chemicals in the customer's facilities helps improve productivity and prevent potential equipment-related issues. The chemicals are used in a wide range of applications, including utility equipment such as boilers and cooling towers, water treatment facilities, and production processes in factories, as well as in air conditioning systems for office buildings and commercial facilities.



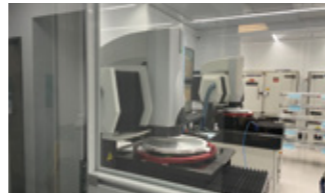
Maintenance

We provide aftersales follow-up services and operation management for water treatment facilities to maintain and improve facility performance and prevent problems from occurring, contributing to stable operations at customer plants. We also provide engineering-grade cleaning services on boilers, heat exchangers and pipes to remove accumulated contaminants.



Precision tool cleaning

Tools and jigs used by customers to manufacture semiconductors and FPDs are sent to Kurita cleaning sites, where they are analyzed and cleaned to remove deposits from the fabrication process. This tool cleaning service can also include tool upgrades, helping customers to maintain and improve productivity.



Recurring contract-based services

Services that ensure a certain level of revenue on an ongoing basis corresponding to the value of services provided, with business models leveraging our water treatment facilities, maintenance and water treatment chemicals business models. Kurita's water supply business, which is the company's core service category popular with customers in electronics industry, includes constructing, operating and maintaining water treatment facilities for the customer to ensure a stable long-term water supply and circulation, thereby reducing the customer's burdens for investment funds system operation.



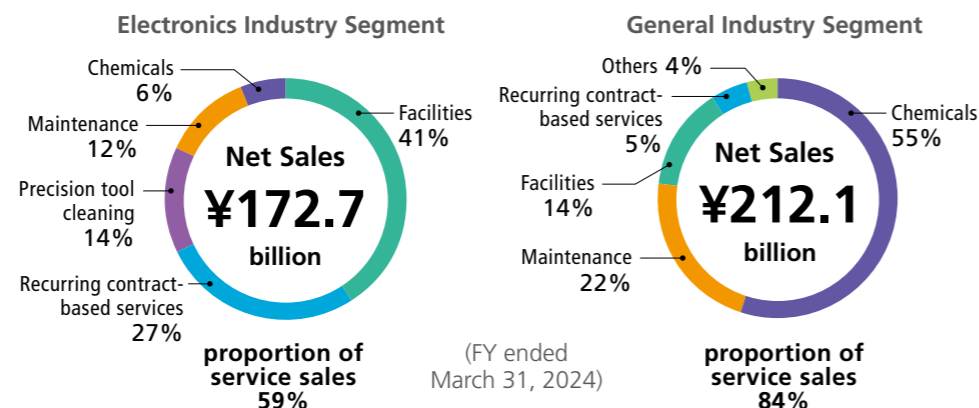
Others

In addition to soil remediation services to assess and restore soil polluted by harmful substances, we offer household water filtration equipment and commercial water treatment equipment, as well as environmental analysis services. We are active in an extensive range of businesses, including services to predict the deterioration of water pipes utilizing AI.



◎ Market Segment

The Kurita Group's business segments are comprised the Electronics Industry and the General Industry. We develop and implement a diverse array of business models that are best for the characteristics and expected values of our respective target markets so as to offer the optimum solution for each customer.



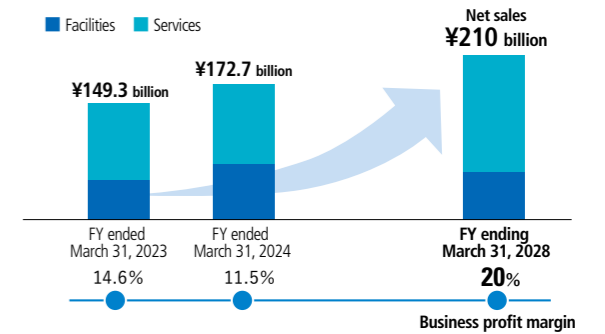
Electronics Industry Segment

◎ Business Strategy for the Electronics Industry Segment

As semiconductors and related industries become a core aspect of social infrastructure in regions worldwide, the electronics industry market not only holds a high level of growth potential but is also a hotbed for rapid technological innovation. To be an indispensable partner for our customers in this fast-growing key market, we build and maintain capabilities to be able to intensively serve the global electronic industry, diversifying and expanding our service portfolio to broaden the range of contact with the customer base in this market category.

We are aiming to achieve a net sales of ¥210.0 billion and a business profit margin of 20% in the fiscal year ending March 31, 2028 by driving our priority measures including "Evolving the water supply business" "Building new business foundations in Europe and North America," "Reforming production process and strengthening the supply chain" and "Strengthening the foundations of the precision tool cleaning business."

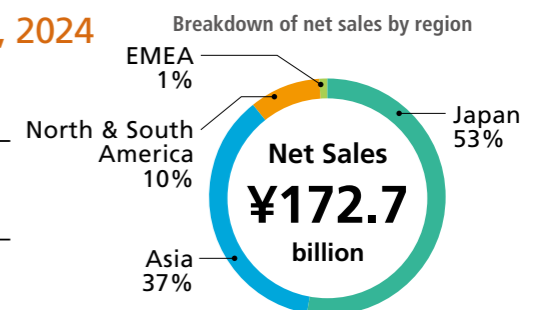
Business trends and targets for the Electronics Industry segment



Priority Measures	Progress in FY ended March 31, 2024	Future Direction
Evolving the Water Supply Business	Secured 2 new projects	Expand to new customer base and local communities Expand recurring contract-based services in segments other than water supply
Building New Business Foundations in Europe and North America	Completed M&As in Europe Progressed with new facility project in North America	Develop global strategy
Reforming Production Process and Strengthening Supply Chain	Released digital tools Began demand forecasting	Improve productivity with automated design
Strengthening the Foundation of Precision Tool Cleaning Business	Made growth investments	Achieve stable growth by developing new businesses

◎ Performance in the Fiscal Year ended March 31, 2024

Orders	¥165.8 billion	year-on-year -2.4%	Business profit	¥19.9 billion	year-on-year -8.3%
Net sales	¥172.7 billion	year-on-year +15.7%	Operating profit	¥20.2 billion	year-on-year -3.3%



Orders / Net sales

The order amount has decreased. This was partly due to a backlash effect following the awarding of a number of large-scale facilities projects in East Asia during the previous fiscal year, in addition to a decrease in precision tool cleaning orders due to lower equipment utilization rates at customer factories, caused as a result of the semiconductor market slowdown. While revenues of precision tool cleaning decreased, overall net sales increased due to the progress in construction for booked facilities projects in East Asia including Japan, and an increase in revenue from recurring contract-based services in Japan.

Business profit / Operating profit

Business and operating profits declined as the impact of a worsening mix due to a lower proportion of service sales and increased SG&A expenses due to higher personnel and other costs exceeded the effect of greater revenues.

Electronics Industry Segment

Message from the Officer in Charge

As an indispensable partner for the global electronics industry, we are creating a virtuous cycle between the environment and the economy, and helping to build a sustainable future for the planet.

Executive Officer
General Manager of Electronics Industry Division
Chief Business Officer for Electronics Industry

Katsuya Amano



Responding to the expectations of society in a timely manner with an organizational structure specialized for the electronics industry

In the first year of PSV-27 Plan, the fiscal year ended March 2024, operation of semiconductor plants remained weak due to the silicon cycle, but the increasing uptake of generative AI and demand for power semiconductors that are essential for automated driving of vehicles, continued to spur on active capital investments. Growth in the electronics industry, particularly semiconductors, is expected to continue at a high rate. By becoming an indispensable partner to our customers in the electronics industry, my division has the role of contributing to the sustainable growth of the electronics industry with its water treatment and is building ongoing relationships with customers based on its service business, thus spearheading the growth in our group revenue. My mission is to close the gap between our vision and current circumstances, by gleaning a broad view of the Kurita Group's management resources, assigning a priority to measures and managing them extensively to achieve our goals.

With countries around the world pushing ahead with capital investments geared toward local production and local consumption of semiconductors, customers are focusing on the speed from examining capital investments through to implementing them. The key to earning trust as a partner is being able to respond to such requests in a timely manner. Given that the electronics industry requires vast quantities of natural capital like water and energy for manufacturing products, customers are keenly aware of the need to lower their environmental impact by conserving water, reducing GHG emissions and problems caused by PFAS (per- and polyfluoroalkyl substances), and as such they have a high level of expectation of the Kurita Group. To provide our customers with high-value proposals that address these needs and cover changes occurring throughout the industry in a speedy manner, my division has established a comprehensive system integrating sales, production and development functions for the electronics industry both in Japan and overseas. We have also integrated the functions of the precision tool cleaning business from April 2024, leveraging

our strengths in handling diverse products and services to enhance the range of comprehensive services we can offer to our customers in the electronics industry.

Expanding the water supply business in response to diverse customer challenges

Customers face a broad range of challenges, such as reducing environmental impact, declining workforce and rising factory operating costs due to inflation, in addition to requiring factories to be started up quickly. It has been more than 20 years since the Group has been operating its water supply business, including the ultrapure water supply business, and during that time, we have expanded the scope of our services and rolled out AI and IoT technologies to build up know-how and data on safe operation, reduce environmental impact, and reduce costs. We have been expanding our service lineup in recent years to meet the diverse challenges of our customers by leveraging this "water knowledge," and as a result, we are now rolling out our services to customers who were previously not reached by our traditional services that focused on reducing initial costs and promoting labor-saving measures. We are also looking into new businesses for resolving the issues faced by local communities from the aspect of area where multiple customers are operating. And in addition to the water supply business, we are also concentrating our efforts on developing other recurring contract-based services such as resin and membrane recycling services.

The water supply business contributes significantly to company-wide profitability due to the high value delivered to customers and the robust business model, and will be a key driver for attaining the profitability targets in the Electronics Industry segment under the PSV-27 Plan. Yet as they require a large amount of capital investment, there is an issue where asset efficiency can become worse, particularly during the investment phase. We will also focus on management and improvements from a ROIC perspective by increasing the efficiency of capital investments in design and construction through production process reforms using digital technology, and by optimizing operation and management costs through the use of operation simulation technology.

Expanding service infrastructure and enhancing production and technology development systems in anticipation of semiconductor market growth

While the Kurita group is already highly competitive with water treatment in the electronics industry in Japan and East Asia, we are working to establish a business foundation in Europe and the U.S., where significant future growth is expected in the semiconductor field, as we seek to become a partner for the electronics industry on a global scale. In North America, we are in the midst of negotiations to secure large equipment projects, and in Europe, we are looking at future expansion as the Kurita Group based on the newly consolidated Arcade Engineering. Group companies in Europe and the U.S. are spearheading initiatives, and our division will also be supporting local business expansion by providing a wealth of experience with backup from Japan. Due to our track record of business in Japan, we are gaining increased recognition as an important partner amongst global semiconductor manufacturers that we had no contact points with in the past due to high barriers to entry, and we also expect to expand business to include other areas and increase connections to our service businesses, including precision tool cleaning.

Given that customers are placing a greater priority on speed, we will need to change the very nature of the production system. We will be leveraging digital technology with the "Meta-Aqua Project" (see P.54-69 for details) to drastically improve production efficiency, including design, and delivery of value in a timely manner, while also reducing the workload of employees to give them more time to come up with proposals that create high value and improve quality. With regards to procurement, we will be enhancing our procurement efficiency by improving coordination with planned inventories and partner companies as well as securing suppliers at the same time, while also searching for alternative materials that comply with environmental regulations.

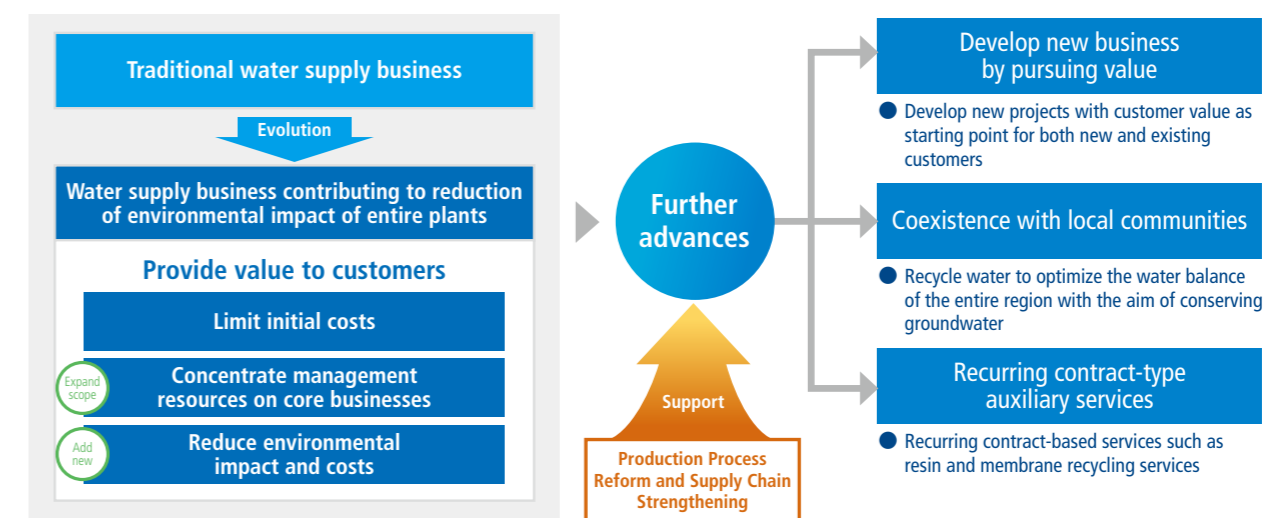
Earnings for the precision tool cleaning business are expected to grow as our customers increase utilization of

factory capacity and expand semiconductor factories, but we are viewing next semiconductor market down cycle as a risk, and are working to diversify risk by securing new customers and developing new cleaning methods and services as a means of shifting to a business less prone to being impacted by the silicon cycle.

In the development aspect, we are viewing the semiconductor manufacturing process 10 years into the future, and the Kurita Group is exploring the potential of water and participating in new cleaning processes that will directly reduce environmental impact, through joint research with the Interuniversity Microelectronics Centre (IMEC), a leading-edge semiconductor development organization, and semiconductor manufacturing equipment makers.

Evolving into a group with the mindset of continuing to take on challenges, to become a partner for customers

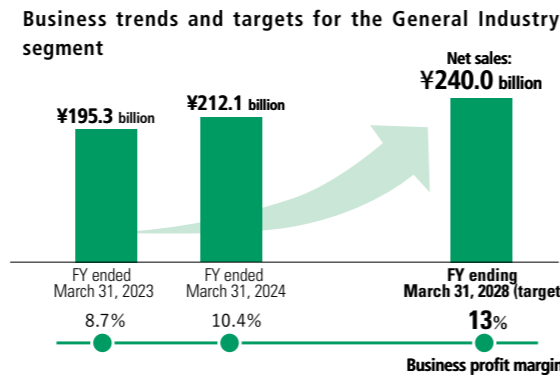
The electronics industry is slated to continue undergoing rapid change going forward, given the backdrop of increased digitization and use of semiconductors as strategic commodities. To be a partner for our customers under such an environment, it is not enough simply to respond after receiving requests from customers—instead, we need to view things from the same perspective as our customers, that is, be on the same page as them, and work together to address issues when requested by the IT platform operators and society that exist beyond our customers. Each and every employee providing value to customers must take a high standpoint, not only for their immediate tasks but also into the future, in order to identify potential issues that our customers are unaware of and provide them with solutions. To achieve this, I hope to advance my division into a group driven by a strong will and long-term mindset to take on lofty goals, get rid of factors that reduce employee engagement, demonstrate how the actions of employees will lead to the development of the electronics industry globally and a sustainable future for the planet, and provide an environment where employees are able to continually push themselves to new heights.



General Industry Segment

Business Strategy for the General Industry Segment

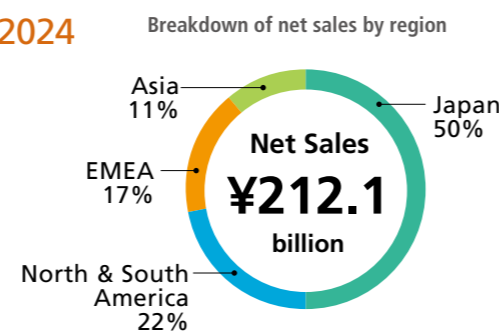
To serve this market, which has a broader customer industry base with a potential for further growth achievable through business model conversions, we establish a system to meet the diverse needs and characteristics of each different region and market. Our priority measures for achieving this include: "Expanding the CSV business," "Utilizing digital infrastructure to accelerate business expansion" "Improved profitability in the U.S. business," and "Challenging new businesses that contribute to a circular economy society." By driving these measures, we aim at achieving a net sales of ¥240.0 billion and a business profit margin of 13% in the fiscal year ending March 31, 2028.



Priority Measures	Progress in FY ended March 31, 2024	Future Direction
Expanding the CSV Business	Gain confidence in business expansion such as creating good examples	Enhance products and services with customer value as starting point Generate new businesses with social value as starting point
Utilizing Digital Infrastructure to Accelerate Business Expansion	Built group common data integrated platform	Utilize data across the Group Enhance customer communication
Improved Profitability in the U.S. Business	Improved business profit margin Achieved stable business foundation	Further increase profitability and reduce costs
Challenging New Businesses that Contribute to a Circular Economy Society	Promoted commercialization of recycling used paper diapers	Expand paper diaper recycling business Develop new businesses by creating innovation with social value as starting point

Performance in the Fiscal Year ended March 31, 2024

Orders	¥224.3 billion	year-on-year +9.8%	Business profit	¥22.1 billion	year-on-year +30.8%
Net sales	¥212.1 billion	year-on-year +8.6%	Operating profit	¥21.0 billion	year-on-year +155.1%



Orders / Net sales

Orders increased compared to the previous fiscal year. Chemicals decreased due to revising the product mix and lower utilization at customer factories in China, but maintenance increased due to the newly consolidated Arcade Engineering in the second quarter, as well as securing equipment projects in North America including public sector demand, and engineering cleaning projects. Net sales increased due to the progress in construction for booked facilities projects in Japan and North America and growth in maintenance sales, despite a decline in net sales of chemicals.

Business profit / Operating profit

Business profit increased due to the impact of higher net sales, price increases in response to increased raw materials and logistics costs for chemicals, and an improvement in the cost of sales ratio following reviews of the product mix based on profitability, despite the impact of increased SG&A expenses due to higher personnel costs.

Operating profit increased significantly due to the lack of the ¥7.6 billion in impairment loss of goodwill for Kurita America, which was recorded in the previous fiscal year.

General Industry Segment

Message from the Officer in Charge

Asian Region

Corporate Officer
Executive General Manager of Asian Regional Management Division
Chief Business Officer for General Industries

Takehiro Nozue



Ever since expanding into Singapore in 1978, our Group has grown based on its roots across a broad area of Asia, and has continued providing value contributing to resolving industrial and social issues, while also maintaining a wide range of customer contacts in each country.

This division oversees our operations in Japan, China and the ASEAN region, and is tasked with creating and expanding CSV businesses for resolving materiality and other social issues, and achieving growth of our group by delivering a high level of social value. The industrial structure differs greatly with each country, despite being located within the same Asia region, and the values deemed important also vary widely with each customer. Furthermore, the government policies and regulations of each country have a significant impact on the business activities of our customers, and the value they seek continues to change. Countless companies have been affected by the increase in energy problems and disruptions to global supply chains caused by geopolitical risks, and there is a common priority amongst countries on social values like cutting GHG emissions as well as reducing and recycling resource inputs in line with Business Continuity Plans (BCPs). Meanwhile, China, for example, is focusing in particular on addressing water resource problems and has very high requirements for water conservation that includes wastewater reclamation—the priority in the level of value sought by each country differs. And just like Singapore has transitioned investments from petrochemical industries to the health and biomedical sciences and electronics industry, customers we had not previously been engaged in business within a particular region are becoming the new destination for providing value. Following such market characteristics and changes in a flexible manner, identifying areas to focus on, and providing suitable value that customers seek is crucial. Our group has thus far had significant sales in Japan and sought to roll out the solutions it developed in Japan to other regions, but this does not necessarily mean that those solutions will suit the needs of other countries. To respond swiftly and appropriately to market changes, I think that each company including those in Japan need to take the initiative in accelerating the expansion of high-value-added businesses by

identifying the characteristics of their own countries and the issues that local customers are facing, and speed up coordination on a global scale. CSV business is the growth driver underpinning this. CSV business can improve profitability by providing both economic value to customers and higher social value, and is also anticipated to become a game changer—a clear distinction from price competition in the past.

To expand our CSV business, we will focus on enhancing human resources at our customer contact points that are the driving force behind our initiatives. Increasing engagement will be the greatest focus for achieving this. We have a diverse workforce in Asia encompassing different nationalities, cultures and customs, and we focus on holding dialogue with employees using town hall meetings as a means of boosting awareness of their connection with the company and their growth at work, to generate empathy with the direction that Kurita is heading. Another key driver underscoring growth is demonstrating the initiative of local employees. We are looking at introducing a personnel system where employees come up with and implement their own medium- to long-term strategies, and have their accomplishments assessed, as a way of setting out their career paths. We are also organizing personnel exchange programs spanning various regions as a means of further enhancing the skills of local employees—becoming an autonomous organization capable of thinking and acting with its own initiative will boost the potential of our group and contribute to our sustainable growth by providing higher value to industry and society.

General Industry Segment

Message from the Officer in Charge

EMEA & Americas Region

Executive Officer
Executive General Manager of EMEA & Americas Regional Management Division

Jordi Verdés Prieto



EMEA & Americas management division was formed by the amalgamation of several companies located in North America, Europe, and emerging countries such as the Middle East, Africa, Latin America, and India where we recently opened our first legal entity. Therefore, our teams are made up of members with various experiences and diverse backgrounds. My priority during last fiscal year was to bring the teams together and work as one team, while keeping sales growth and increased profitability.

In a world of high uncertainty, we are required to be very flexible and react quickly to the ambiguities of the market. By the integration and simplification of our internal processes, our division today is much better prepared to respond to any unexpected challenge.

The Kurita Group has globally launched the CSV business models. Although we are aware about the benefits of these technologies, we need to prove this value to our customers. It is for this reason that by using digitalization, we have started to provide tools to our customers so they can continuously visualize and track this value.

Last fiscal year, we also made a radical turnaround of our North American business by delivering the best results since the integration. This was achieved thanks to actions like divestment in low profit businesses, simplification of the supply chain, and focusing on the CSV business.

Both in North America and Europe the governmental policies for becoming resilient in the semiconductor value chain have already generated huge amounts of new investments and therefore many opportunities for the Kurita Group. By the integration of Arcade Engineering in Europe and the set-up business structure for the semiconductor market in North America, we are now prepared to grow in the market together with our customers, while helping them comply with regulatory measures and minimize their environmental impact.

Moreover, our division is significantly contributing to the global innovation of Kurita. Our R&D teams in Europe and America are leading several worldwide projects focused on the creation of new businesses that deliver high social values, including negative carbon cooling water solutions or the unique boiler technologies that reduce energy consumption.

In the coming years, we believe EMEA & Americas division

will become the biggest contributor to the growth of the Kurita Group. The new generation in western countries really care about the social and environmental impact of the companies, and they are becoming extremely aware about the huge value of water. Industries are forced to respond to these social demands by reducing their environmental impact.

However, all of this cannot be done without the right people. We need to attract the best talent. We have the elements to do so, and our corporate philosophy fits the demands of the new generations that want to make a better world. By making Kurita in EMEA & America an attractive company, I wish in the near future that more and more members of our division will become key members in the growth and success of global Kurita to achieve the PSV-27 Plan and realize the corporate vision.

Industrial & Social Infrastructure Sector

Corporate Officer
Executive General Manager of Industrial & Social Infrastructure Division

Hiroyoshi Tamai



Our division's mission is to deliver both financial and non-financial value to industry and society, by adopting an approach that focuses on the characteristics of customers in the industrial infrastructure sector like oil refining and petrochemicals, steel, and pulp and paper, as well as the social infrastructure sector like public sector and energy-related sectors.

The first area to focus on is the development of our CSV business. Customers in the industrial and social infrastructure sectors are ramping up initiatives for resolving social issues like achieving carbon neutrality and creating a circular economy society, due to the fact of the relatively large scale of their plants and large quantities of energy and resources they use. We are promoting the Industry-Specific Global Expansion Project as a way of responding quickly and accurately to common issues faced by customers like these. To enhance coordination with the Asian Regional Management Division, we are developing global strategies for each industry based on the characteristics of the production process of each industry, expanding businesses that can be operated in common across industries, and rolling out good examples to other industries. An example that illustrates this is Kurita Dropwise Condensation Technology that helps customers to reduce their energy use and improve productivity by increasing the heat exchange efficiency of boiler steam. Cases of this technology being adopted in markets that have a high potential for reducing energy use, such as pulp and paper, oil refining and petrochemicals, is being used to expand to customers in other regions.

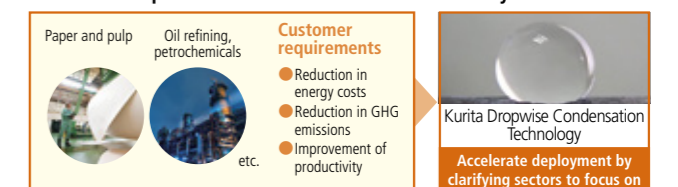
We are also focusing on creating new businesses with social value as starting point, based primarily on the creation of a circular economy society. Building a circular economy society is not something that can be achieved by one company alone—this feat requires coordination between various companies, and between companies and society. We will be cultivating businesses that will become the mainstay of future growth, by leveraging the unique strengths of our division, which includes contacts with customers in the industrial and social infrastructure sectors that have strong ties with local communities, and the knowledge we have of our customers' production processes. An example that highlights these achievements is the paper diaper recycling business, which arose from issues related to the aging population. We have already completed modeling for the business, and are now in the expansion phase of the project. In addition to advancing the development of a circular economy society,

customers are also looking closely at the economic rationale when compared to the conventional approach of incineration. We will be building up a steady and proven track record of providing appropriate value, with efforts including enhancing coordination with local governments and waste disposal companies, and diversifying contracts by moving to leased equipment. The project is currently operating in Japan, but we are also examining the feasibility of expanding to other regions by factoring in the various legal regulations and commercial practices.

There is growing social concern over issues related to PFAS (organic fluorine compounds) in Europe, the U.S., and other regions, and our Group is launching projects to address this with the view to reducing social anxiety and business risks of our customers. We will be taking a two-pronged approach of initiatives for resolving problems our customers are facing and reducing our own risks, by removing and treating PFAS in an appropriate manner, and developing alternatives for materials that contain PFAS.

We remain committed to seeking types of businesses that allow us to coexist with our stakeholders, from the stance of our relationship with both our customers and also the society that exists beyond.

Global development of CSV business suited to industry characteristics



Generate new businesses with social value as starting point





Message from the CTO

Demonstrating the direction of technology and vision that engineers should be aiming to achieve, and creating technologies that will become the source of value delivered to customers and society

Executive officers
Executive General Manager of Engineering Division
Chief Technology Officer (CTO)

Kunihiro Kuse



Developing group-wide technological superiority that makes up the value chain

I was appointed to CTO in April 2024. The role of the Kurita Group's CTO is overseeing research and development, design, production and construction, maintenance, and intellectual property, all of which may seem even broader than what is generally associated with the term "technology." The notion of "Mastering water" that is included in the corporate philosophy of the Kurita Group represents our pride in being a technology-driven company that is wholly committed to the pursuit of water knowledge. And more than simply creating technology, we are committed to fine-tuning our technology by applying our knowledge and expertise to address the challenges that our customers are facing, and also delivering value by leveraging that technology. This value can only be provided through the combination of a broad range of technologies—not only the intangible knowledge related to treating water, but also the physical aspects of implementing them at sites, and the operation management and monitoring required to maintain reliable treatment. This is also a reason why the fields of "technology" that the CTO is responsible for needs to cover the entire value chain, from research and development to implementation at sites. My role is to spearhead group-wide initiatives for establishing technological superiority throughout this value chain—another my key responsibility is to take an overview of the state of overall technology where development tends to become short-sighted in the quest for expertise, and to enhance group-wide functionality and external coordination.

Setting the future direction of technology and creating the image of what engineers should aspire to be

The history of the Kurita Group's technology start from water treatment chemicals for boilers, then expanding into the field of water treatment facilities. We have grown in concert with our commitment to the development of technologies

through trial and error aimed at resolving the problems our customers faced as industry and society developed—these efforts include wastewater treatment technology for addressing pollution issues arising from economic growth, ultrapure water production essential for manufacturing products during the rise of the electronics industry, and technologies for reducing environmental impact and energy creation in light of increasing social awareness of the environment. While earning the trust of customers may be possible by merely helping to resolve the problems they face, we are focusing on both logical aspects like the properties, phenomena and physico-chemical elements of water, and the reproducibility of implementing them at sites, as a means of further cementing the reliability of our technology. It is our engineers who are able to clearly showcase the theories underpinning our technologies, and so training engineers is one of the key issues of the Kurita Group. We are mapping the human resources involved in technology to visualize our level of sufficiency, and also running the systematized educational program "Kurita-Technical Education Program" under the "subcommittee of specialized engineers," a committee that meets for promoting the transfer of technology and training of successors. In addition to this, we have started developing a roadmap for each technical field, and are discussing the direction of future technologies. Looking ahead, we will clearly set out the direction of each technology and the image that engineers should aspire to be, and incorporate them into specific training measures, while also integrating them with the business strategy of the sales division to ensure that technology is used effectively.

Creating new technologies with social value as the starting point toward a new stage for technology

More recently, customers have been seeking optimal solutions for both economic value, such as increased productivity, and social value, such a reduction in environmental impact. An example with social value is where the prevention of water

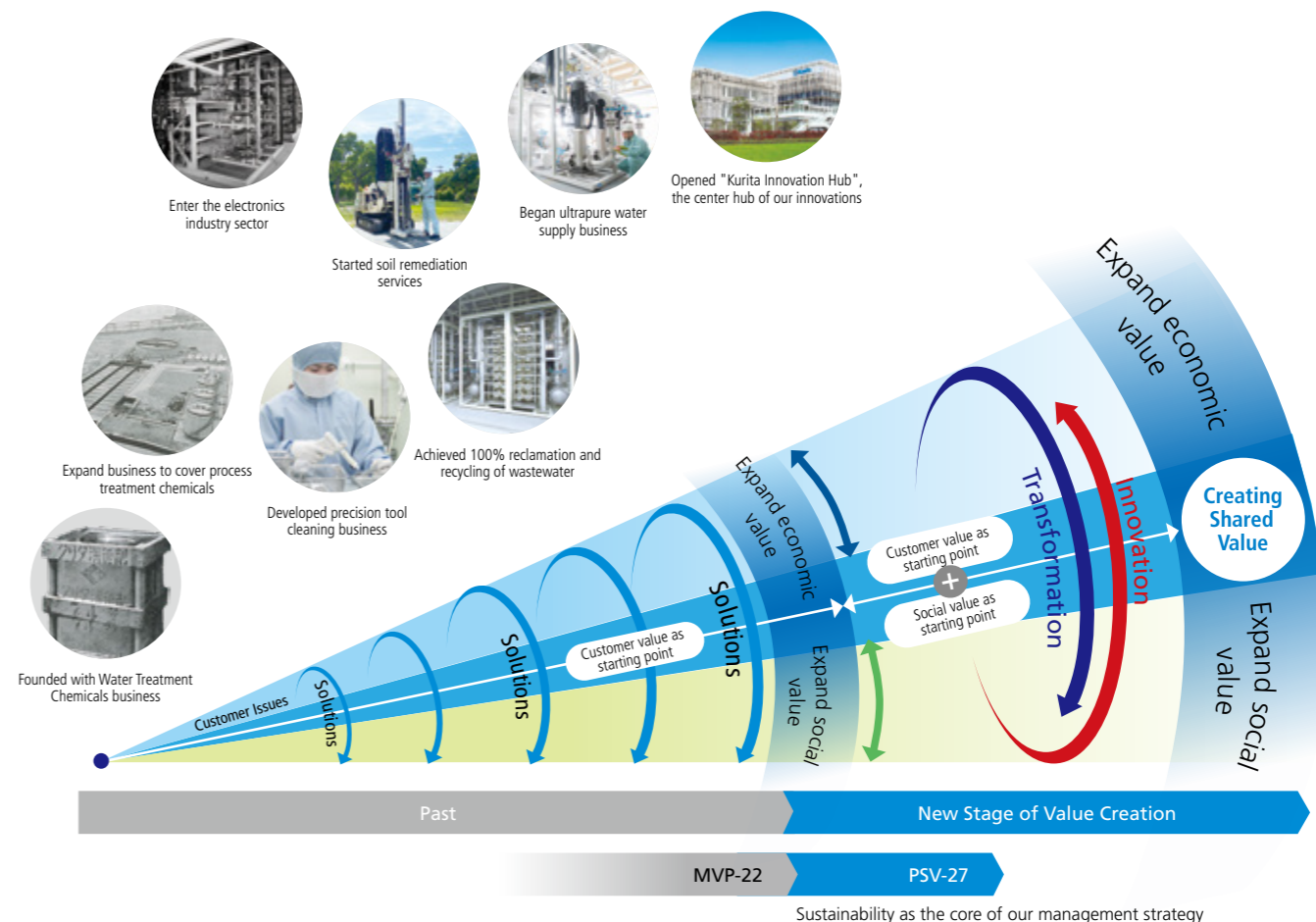
pollution had been sufficient in the past, but now encompasses a broad range of areas like reducing GHG emissions and recycling resources—the Kurita Group needs to work on enhancing our technologies in each one of these areas. We also believe there is an expectation on the Kurita Group by society to create technologies that will resolve potential issues by predicting social trends, while fine-tuning technological capabilities with customer value as the starting point.

Until now, the Kurita Group has been addressing customer issues as the growth engine of our technologies, and has been demonstrating its capabilities for responding to individual customer issues, but the Kurita Group still tends to be struggling with its approach to innovation with social value as the starting point when viewing society as a whole. There are always potential needs that exist throughout society, but identifying them can be like an elusive phenomenon. In addition to expanding our points of contact with customers at production sites to the sustainability promotion division and other areas, we are taking on the challenge of coming up with innovation by identifying social issues from diverse points of contact with sites, including dispatching human resources to regions where cutting-edge

technologies come together, like Silicon Valley (see P.48-49 for details).

Another way to approach social issues is with by utilizing intellectual property. While the Kurita Group owns a large amount of intellectual property, there is room for improvement when it comes to utilizing them efficiently. We have also started utilizing the IP landscape that is based on intellectual property to identify the areas that our customers and competitors are focusing on and social trends from external IP information, and leveraging this information for our management strategy and innovation creation.

The Kurita Group's individual technologies have an extremely competitive edge, and our employees including engineers have a very strong passion when it comes to water. As the CTO, I will be pushing for collaboration between different technologies and different organizations, as well as linking up the thoughts of engineers and management in both directions, as a way of supporting advances in the Group's overall technical capabilities.



Production Strategy

Basic Concept

Values sought by customers are increasingly diversifying and are not limited to cost and quality. For example, active investment is made in the semiconductor manufacturing industry, requiring our prompt responsiveness than ever. In order to respond to these needs adequately, PSV-27 Plan focuses on the transformation of the manufacturing

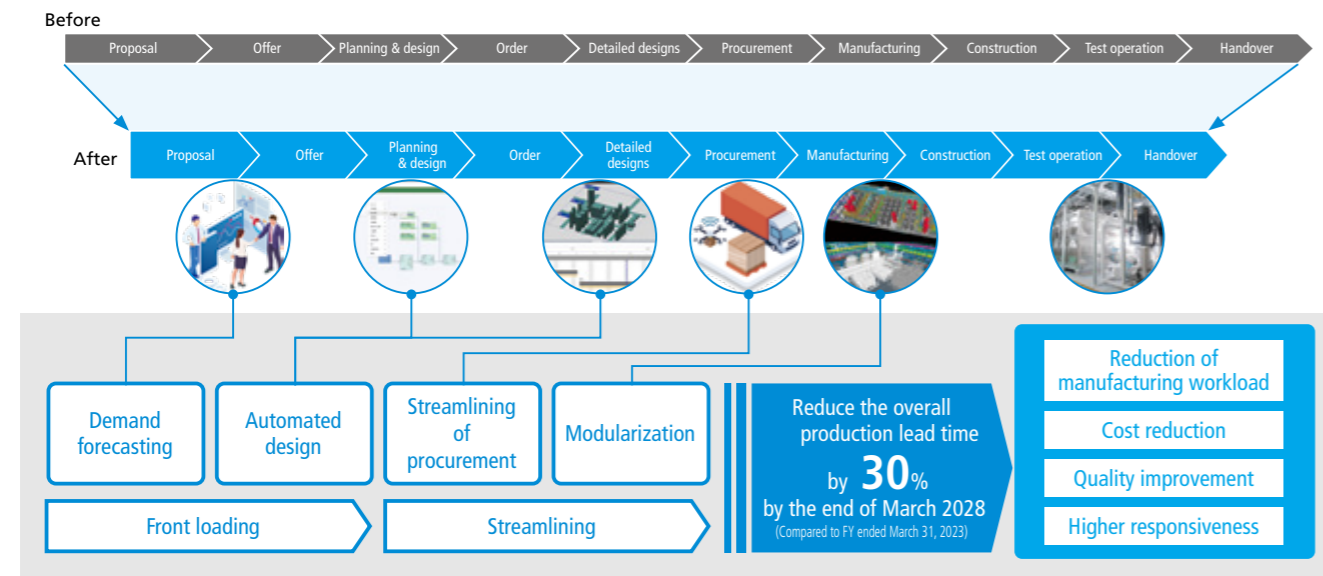
processes and the strengthening of the supply chain. At the same time, we are making a group-wide effort to improve the production quality and secure safety in production and construction sites, which enable us to earn trust from customers and society.

Initiatives for Production Process Reform and Supply Chain Strengthening

We strengthen our ability to make proposals through strengthened coordination in the value chain from sales to production so that we as a partner can provide a wide range of options from the planning stage of customers, rather than just waiting for specifications provided by customers. We will employ the idea of front loading in production processes to improve the accuracy of production plans and demand forecasts by strengthening engagement from the sales stage. This effort will mitigate risks in delivery date management and procurement, and reduce the workload in downstream processes and the amount of rework. Also, through the Meta-Aqua Project (see P.56-59 for details)—a

joint project with Fracta Leap, a company that engages in the DX of water treatment, we will elevate our competitiveness by expanding the application scope of digital technologies from design automation to the optimization of construction plans and cost estimation to realize earlier delivery, lower costs, and higher quality. These efforts enable us to put more human resources and time in areas that require human abilities of proposing values, through streamlining and acceleration of tasks that can be handled by digital technologies. The Meta-Aqua Project is already implemented in operations in Japan, and we will reduce workload gradually through the project.

Improvement of Production Processes through Initiatives



Quality and Safety

The Kurita Group has defined quality and safety materiality items. In order to achieve them, the Group has set goals of "reduction rate in the recurrence rate of accidents that affect customers and society" and "Accident Severity Rate." The goals and results of the initiatives are shown in the figure. The result of the Accident Severity Rate in the fiscal

year ended March 31, 2024 fell short of the goal due to a fall accident caused mainly by unsafe behaviors. We will strengthen our effort of preventing accidents including safety patrol of high-place work and training of unskilled personnel for raising their sensitivity to danger, as well as enlightenment activities for each and every employee to foster their sensitivity for safety.

Targets and Results of Initiatives Related to Materiality

Metrics	Targets for FY ended March 31, 2024	Results for FY ended March 31, 2024	Targets for FY ending March 31, 2025*1	Targets for FY ending March 31, 2028
Provide highly safe and quality products and services				
Reduction rate in the recurrence rate of accidents that affect customers and society*2	30% reduction from previous period	Achieved (33% reduction from previous period)	30% reduction from previous period	20% reduction from previous period
Conduct business activities respecting human right				
Accident severity rate*3	0.005 or below	Not achieved (0.035)	0.005 or below	0.005 or below

*1 Targets for FY ending March 31, 2025, were reviewed by the Sustainability Committee and decided by the Executive Committee.
 *2 Kurita Water Industries is the target in FY ended March 31, 2024, and FY ending March 31, 2025. The targets will be expanded to Group Companies in Japan in FY ending March 31, 2026, and to overseas group companies in FY ending March 31, 2028.
 *3 Metrics and targets in countries other than Japan will be set separately by FY ending March 31, 2026, based on local laws and regulations and other criteria.

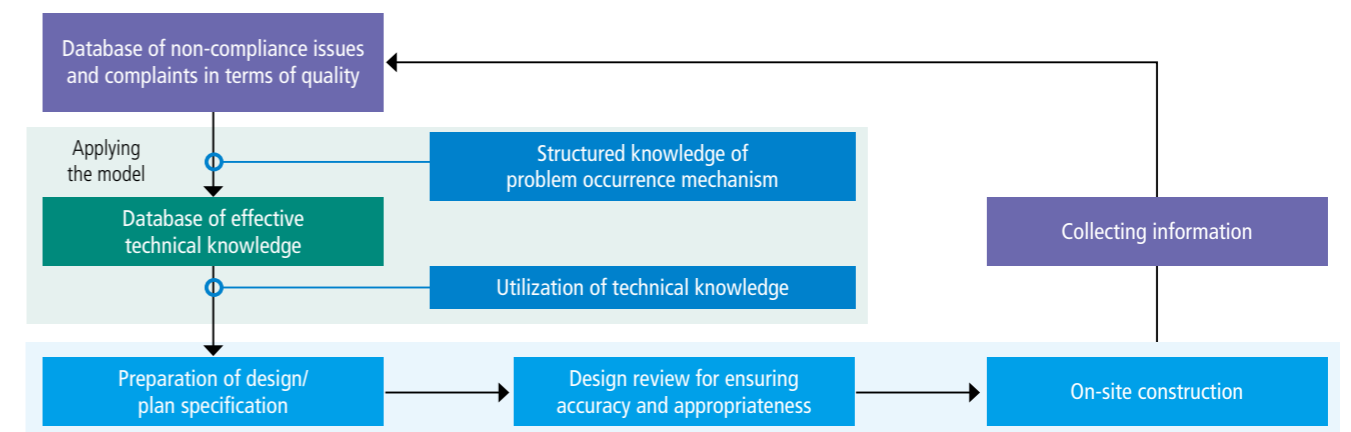
Main Initiatives

The Kurita Group has defined "Kurita Group Product Quality Policy" for the purpose of growing to be a corporate group that is widely accepted not only by customers but also by society, through highly-reliable products and services ensured by proper quality improvement activities. With the basic policy of "earning unshakable trust by continuously providing safe and secure products and services that contribute to the solution of social and customer issues," the Kurita Group promotes quality improvement initiatives, incorporating them into the quality management system, which is the system of ensuring quality by Group-wide efforts. The Kurita Group promotes activities based on the model of preventing recurrence and occurrence of quality non-compliance for the improvement of the quality of products and services. We are improving the quality of our products and services by deriving

effective technical knowledge from the structural understanding of the mechanism of non-conformance cases that happened in the process of providing products and services to customers.

As for safety, we put the greatest emphasis on health and safety in business activities. The Kurita Group has defined "Kurita Group Occupational Health and Safety Policy" and is continuously promoting health and safety initiatives for employees and directors/officers and the creation and improvement of comfortable work environments. We will prevent recurrence and occurrence of work-related accidents by applying the model of preventing recurrence and occurrence to safety initiatives and by leveraging "Kurita Safety Approach Tool"—a database of effective knowledge derived from past cases including work-related accidents and near-misses.

Cycle of Preventing Recurrence of Costs of Loss, based on the Model of Preventing Recurrence and Occurrence of non-compliance in Quality



For more information, please visit our sustainability site.
<https://www.en.kurita-water.com/sustainability/2024/materiality/safety.html>



Innovation Strategy

Message from the Officer in Charge

Creating unprecedented new value through an approach with customer value and social value as starting points

Corporate Officer
Executive General Manager of
Innovation Division

Hiroyuki Suzuki



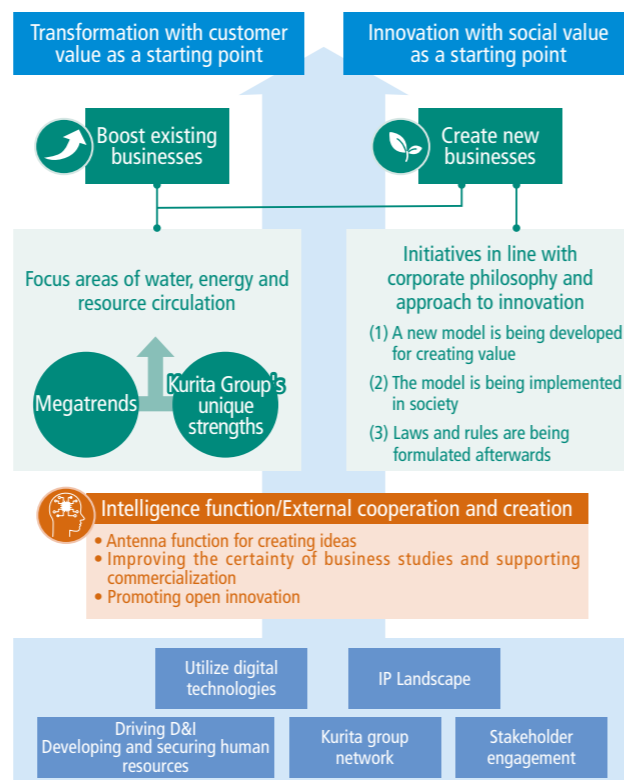
Two approaches to promote initiatives for advancing customer value and social value as starting points

By enhancing Kurita Group's existing businesses and also creating new businesses, the Innovation Division has a mission of building a business portfolio that will be core to our future revenue. To achieve this goal, it is essential to embrace an approach that is centered around customers' and social values rather than one based on the Group's technical perspective. In line with such approach, we define a set of focus areas that, by tapping into Kurita's unique strengths, will impact our business as well as people's lives and the society as a whole. While enhancement of our existing businesses in the focus areas of "water, energy and resource circulation" remains one of our key commitments, our new business development effort is not limited to these defined areas* as long as they are consistent with the Kurita Group's corporate vision and mission and our idea of what an innovative business should be.

To accelerate these efforts, we also revised our organizational structure from April 2024. In addition to organizations specializing in the two goals of boosting existing businesses and creating new businesses, the organization has been structured for supporting the creation of new value, such as gathering and analyzing information for generating ideas, promoting commercialization, and open innovation, and we are allocating personnel according to how suited they are for each of these initiatives. While we have only just embarked on efforts under this new structure, new ideas are starting to emerge from diverse and long-term perspectives, and I feel there is a positive response that will generate high expectations in the future.

*Refers to innovation areas in Deloitte 7cellsSM(Deloitte's approach to growth strategy formulation).

New value creation process



Transforming business development processes by leveraging intellectual property and digital technology

Utilizing intellectual property and digital technology forms an essential aspect of value creation initiatives.

As part of such initiatives, collecting intellectual property information is critical to understand global trends in business and innovation. That is why IP landscaping, which involves analyzing our own and others' intellectual property and markets in comprehensive manner and strategically utilizing the obtained insights, is one of our key commitments. Through IP landscaping, we identify gaps in our business portfolio in

light of future market forecasts and required technological capability, and leverage the learning to improve our innovation strategy toward the future. We are also focused on acquiring resources to support our innovation drive, including people with the kinds of expertise we need, pursuing M&As and collaborating with start-ups and cross-industry partners.

Digital technology is also useful in the field of solutions development. Through our collaboration with Fracta Leap, a company with an experience and expertise in DX of water treatment, we have embarked on development of corrosion inhibitors with low environment impact leveraging materials informatics. We used to rely on manual work for new material discovery but we have started to employ machine learning in this field. With machine learning, we are now capable of searching through an expanse of data that is 10,000 times as broad as we used to, and at much higher speed. With breakthroughs like these, we are starting to see changes in our employees' awareness, and will continue expanding and advancing the scope of application.

required mindset, skills and behaviors while making use of external training. We are dispatching personnel to Silicon Valley with the aim of exploring potential technologies, and using this as a way of identifying methods of creating new businesses. When securing human resources, including new graduates and mid-career hires, we are also focusing on acquiring development human resources who have the expertise required to create innovation for the Kurita Group.

Utilizing our group networking in an effective manner is also crucial. Just like how North America is spearheading efforts to achieve a decarbonized society, the priorities and required speed for addressing social issues differ significantly between countries and regions. We are promoting group-wide initiatives toward technological development focused on regional characteristics by utilizing the expertise of our development sites and personnel in Japan, Germany, Singapore, North America, and other regions—the results we acquire are being expanded on a global scale.

Blending knowledge with a diverse range of stakeholders by leveraging the Kurita Innovation Hub

Communication with customers, research institutions and other stakeholders in Japan and overseas forms a vital opportunity for gaining an insight into innovative creation. The Kurita Innovation Hub in Akishima, Japan, serves as the central hub for this communication. "Water" is used throughout a wide range of industries, it presents an important issue for customers to consider when exploring new initiatives. Kurita Innovation Hub is utilized in a place not only helping stakeholders better understand but also integrating knowledge and exploring new possibility. We believe that the value of water in our society will continue to grow in the future. Using the Kurita Innovation Hub as an activity base, we aim to create value that meets and exceeds the strong expectations of our stakeholders.

Driving D&I and utilizing our global network to create new value

To create new business, we believe it is essential to consider completely novel approaches that the Group has never tried. For that, we need a team of diverse members who can present fresh, inspiring ideas. That is why it will be even more important for us than before to embrace the principle of Diversity and Inclusion (D&I).

To facilitate D&I, we are working to develop human resources capable of taking on the challenge of creating innovation and those who support those efforts, and fostering an organizational culture where taking on challenges is welcomed without fear of failure. To this end, we are enhancing the

Targets and Results of Initiatives Related to Materiality

Materiality	Targets for FY ended March 31, 2024	Results in FY ended March 31, 2024	Targets for FY ending March 31, 2025*	Targets for FY ending March 31, 2028
Develop and disseminate innovative products, technologies, and business models				
Investment rate in innovation areas	15%	Achieved (18%)	20%	30%
Rate of the number of themes in innovation areas	20%	Achieved (22%)	23%	30%
Number of stakeholder engagements related to innovation areas	Meet or exceed the previous fiscal year	Achieved	Meet or exceed the previous fiscal year	Meet or exceed the previous fiscal year

* Targets for the fiscal year ending March 31, 2025, were reviewed by the Sustainability Committee and decided by the Executive Committee.

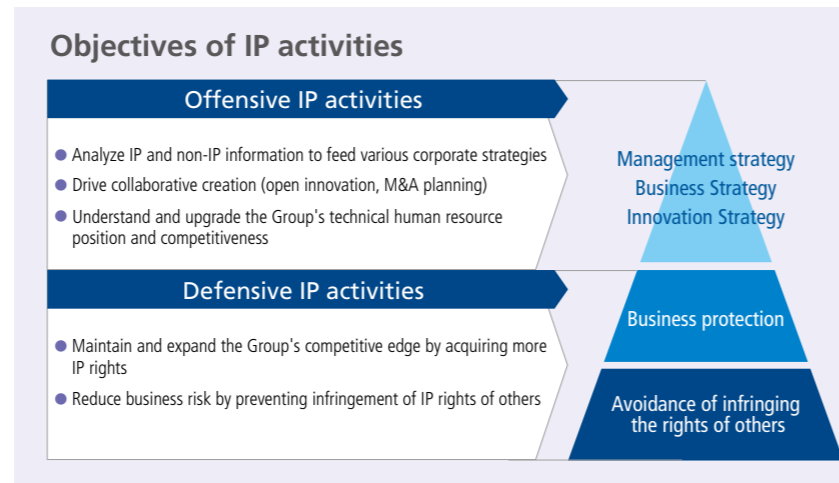
Development Results for the Fiscal Year ended March 31, 2024

Relevant Segment	Development Results
Electronics Industries	<ul style="list-style-type: none"> Development of an ultrapure water production system capable of varying the amount of ultrapure water produced in response to fluctuations in water consumption of semiconductor manufacturing processes, and also producing water in a stable manner without variations in water quality Collaborating with IMEC for the development of a cleaning technology that prevents copper used as wiring material in semiconductor manufacturing processes from dissolving, and a functional water supply unit that achieves this technology
General Industry	<ul style="list-style-type: none"> Development of pretreatment technology for improving the purity of plastic separated and recovered from used paper diaper processing equipment Development of additives for modifying fine sludge derived from raw material generated in the pulp and paper making process at paperboard mills, and turning it into raw material for paperboard

Intellectual Property Strategy

Basic Concept

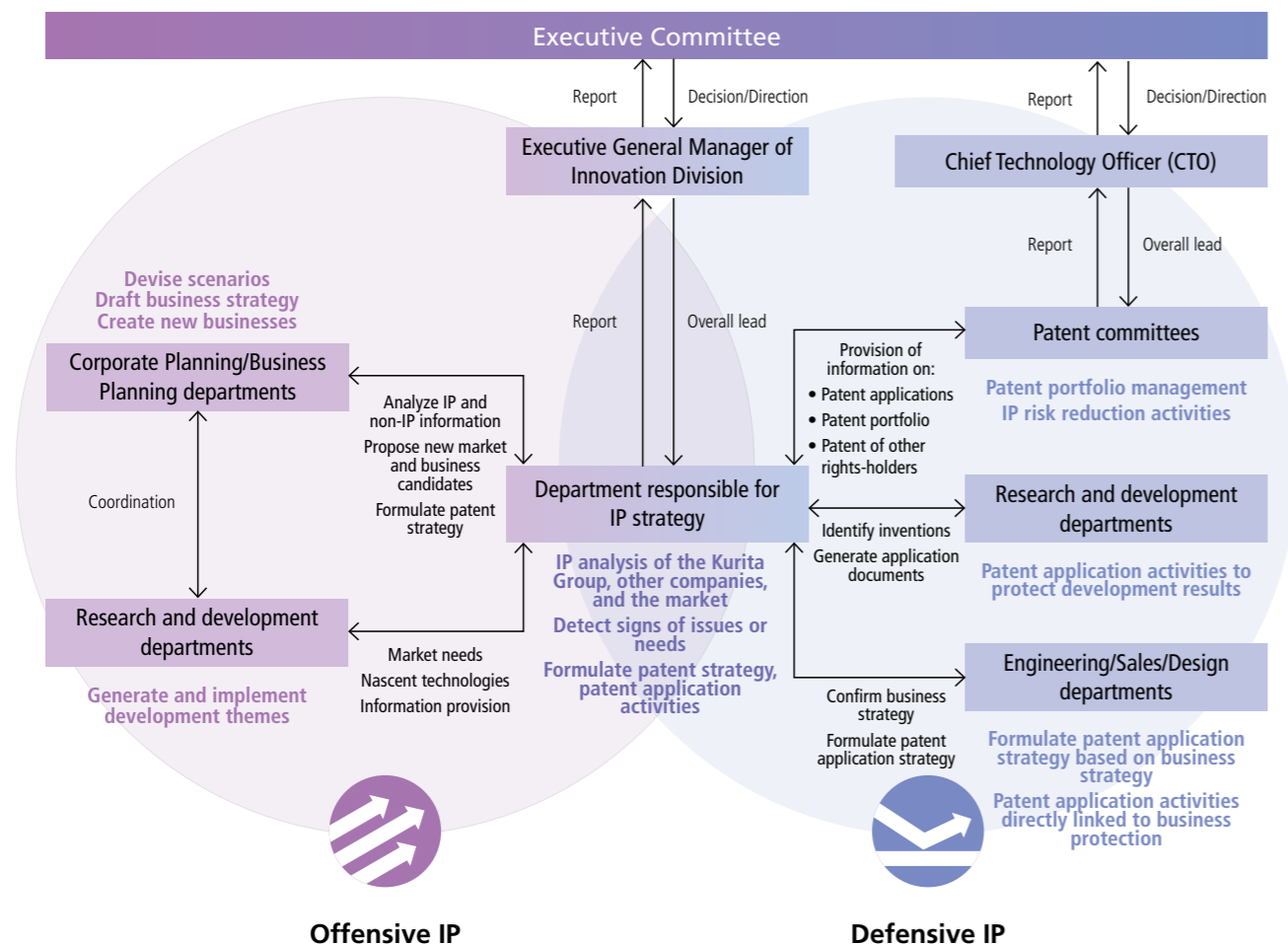
When driving the creation of innovation, the Kurita Group deems it important to build a competitive edge by anticipating social and industrial trends by leveraging the use of intellectual property information, as well as initiatives with the customer and society as the starting point. To successfully fulfill the PSV-27 Plan, the Kurita Group's IP activities include both defensive initiatives to maintain and strengthen the Group's competitive edge and offensive initiatives to actively employ the Group's intellectual property assets to drive its business strategies.



Promotion System

The Kurita Group's IP activities, led by the IP strategy team who collaborates with other departments within the company, combine both offensive and defensive initiatives to protect and actively employ the Group's intellectual

properties. The Executive General Manager of the Innovation Division oversees the direction and status of initiatives related to the IP activities. He reports regularly to the executive team.



Main Initiatives

Offensive and Defensive IP Activities

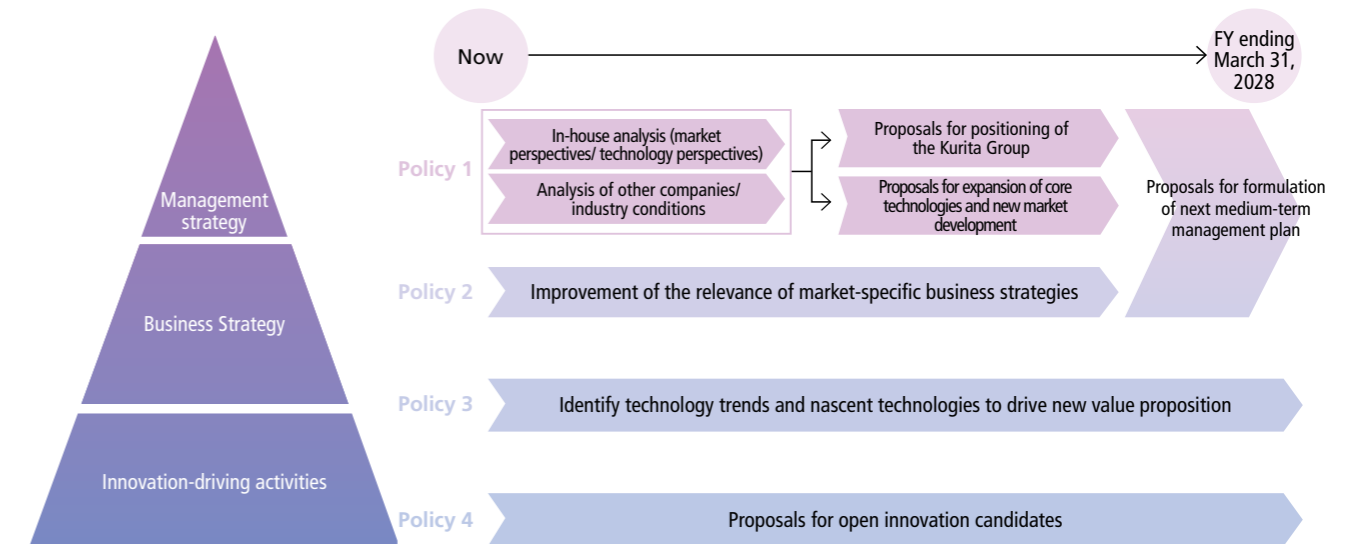


- Analyze information on IP and non-IP to feed into various corporate strategies
- Identify M&A candidates and make proposals for collaboration candidates and methods
- Survey and upgrade technological human resources and technological competitiveness

The Kurita Group is active in IP landscaping, which refers to carrying out a comprehensive analysis of its own and other companies' intellectual property inventories and related market conditions in order to use the acquired insights to feed the Group's management and business strategies and to drive further innovations. Teams in charge of research and development, business development, and IP strategy work together to combine and analyze IP and non-IP information about our customers, competitors, and industry segments. Findings from this analysis help us understand

where the Kurita Group is in relation to other actors and feed our various activities including business strategy planning and new business development. In this way, we improve the relevance of scenarios and messages on which to base our medium- to long-term strategies. By leveraging our learnings from IP landscaping, we have formulated a five-year roadmap through to the fiscal year ending March 31, 2028 to define our management and business strategies and innovation creation as well as specific commitments to feed these strategies and activities.

Roadmap of IP Landscape Activities



Initiatives and Results of IP Landscape Activity

Policy	Initiative	Results for FY ended March 31, 2024
Policy 1	Analyze competitor trends in focus markets	1 case
Policy 2	Make proposals for new business creation and enter into new markets in peripheral regions	2 cases
Policy 3	Identify market trends and make contact with promising technology holders	1 case
Policy 4	Identify and evaluate potential business partners	2 cases

Intellectual Property Strategy

Defensive

- Maintain and expand the Group's competitive edge by acquiring more IP rights
- Reduce business risk by preventing infringement of IP rights of other

To raise profitability by making maximum use of the Kurita Group's intellectual properties, we continue to apply for more patents to protect new development outcomes and also to protect our current or future businesses by erecting entry barriers to impede potential competitors. We also comprehensively and systematically identify existing technologies and businesses in our group value chain that are worth protecting, with a vision to patent these technologies and businesses in the future. Patent-related technology and business decisions are made by our Patent Committees — one for each market or technology field — which are cross-departmental bodies led by operating divisions, with committee members drawn from the departments responsible for engineering, development, design, sales, and IP strategy. The committees adopt a global perspective in reviewing the patent portfolio and conducting IP risk reduction activities. To protect trademarks, meanwhile we take action to prevent disadvantage to customers or society from inappropriate handling, unauthorized use, or other trademark violations. This means acquiring global rights, exercising existing rights, and taking other measures to prevent or reduce business risk.

We have been ranked the highest in "Patent Result's 2023 Patent Asset Index Ranking in Engineering Category", released in November 2023. This ranking is based on the qualitative and quantitative assessments of the patent assets owned by each of the companies that are registered in Japan during the survey period and are classified as an engineering business. In another survey released by Patent Result in July 2024, "2023 Competitor Limiting Power Ranking," we were ranked in the second place. In a modern world where competing companies actively claim intellectual rights on other companies' technologies and skills, this is an evidence that the Kurita Group is viewed as a cutting-edge company who has successfully acquired numerous patents to protect its sophisticated technologies against potential rivals. Apart of these third-party surveys, we conduct our own survey of the global water treatment industry to compare us against competitors. The survey result shows that our Patent Asset Index (a metric developed by PatentSight+) is among the highest in the industry and that the company owns many high-value assets (among the upper 50% with highest Competitive Impact (another metric developed by PatentSight+) values).

2023 Patent asset index ranking in engineering category top five companies (according to Patent Result survey)

Rank	Company name	Patent Asset Index (pt)	Number of patents
1	Kurita Water Industries	3,687.7	111
2	Nippon Steel Engineering	3,531.9	85
3	Organo	3,100.9	115
4	JFE Engineering	1,809.2	54
5	Swing	1,655.9	45

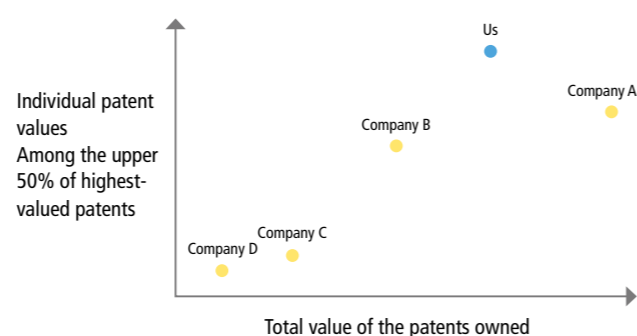
Patent Result Co., Ltd.
(Engineering Industry) Ranking of Patent Asset Size 2023
<https://www.patentresult.co.jp/ranking/scale/2023/engineer.html>

2023 Competitor limiting power ranking in engineering category top five companies (according to Patent Result)

Rank	Company name	Number of patents
1	JFE Engineering	245
2	Kurita Water Industries	234
3	Organo	118
4	Hitachi Power Solutions	94
5	Toshiba Plant Systems and Services	87
5	Toray Engineering	87

Patent Result Co., Ltd.
(Engineering Industry) Ranking of Competitor Limiting Power 2023
<https://www.patentresult.co.jp/ranking/fcit/2023/fcitengi.html>

Global comparison of owned patent values against competitors (based on our own survey)



Digital Strategy

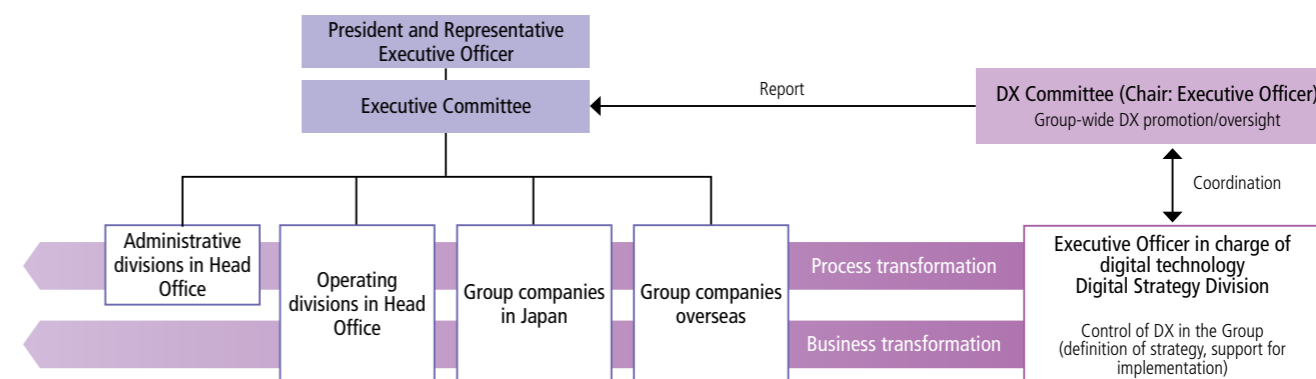
DX Initiatives

Basic Concept

The use of AI and IoT has spread in line with the rapid pace of digitalization in recent years, and these are expected to continue presenting a significant impact on society and industry in the future. It is considered that the rate of this change will also increase further. In these circumstances, the Kurita Group is driving DX to enhance the agility to respond to business environment changes through the creation of business models that leverages the power of digital technology to simultaneously create economical and social value and also through the transformation of business models to elevate customer intimacy. The Kurita Group promotes DX initiatives mainly in two aspects: Operational Transformation (OX) conducted internally and Business

Transformation (BX) oriented toward customers. OX initiatives are aimed at revealing latent issues in management, administration, and the implementation of measures by analyzing and visualizing various data including business performance and customer contact points, as well as at implementing diverse work styles while maintaining high motivation of employees. The purpose of BX is to provide new values that exceed customer expectations. It contributes to the enhancement of values that we provide, by identifying latent issues from the data of equipment operation conditions, water quality, etc. BX is aimed at not only adding digital technology to the existing businesses but also creating new businesses from digital technology.

Organization for Promoting Initiatives



Examples of Initiatives

OX CRM that contributes to process transformation in value chain

The Kurita Group established CRM (Customer Relationship Management) as a system for recording and accumulating information on activities of the Kurita Group at customer contact points and feedback from customers, as well as for sharing the information among relevant parties in the company. The recorded information is provided not only to sales departments, which contact directly with customers, but also to back offices that support business operations and sales

activities. With CRM, procurement and design departments can grasp trends of customer needs and sales activities, enabling them to prepare materials and resources earlier and make solution proposals from design aspects. We will collect and share information on successful cases of CSV and other business models as well as their issues for the creation of highly competitive business models and the optimization of business processes from customers' viewpoints.

Digital Strategy

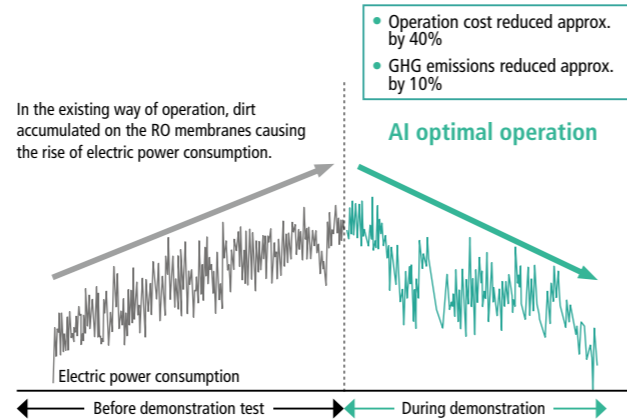
Meta-Aqua Project

This section presents digital solutions developed in the Meta-Aqua Project—a joint project of the Company and Fracta Leap, a company that engages in DX of water treatment.

BX Optimization of plant operation management

In the area of operation management in the water supply business and other businesses, we are developing an AI-enabled solution for optimizing the operation of facility, leveraging technologies and data that we have accumulated for many years concerning facility and operation management. We will reduce the operation cost and GHG emissions by using AI for the optimization of the operation of RO membrane system, which accounts for a large portion of cost and electric power consumption in water treatment. We have completed the verification test of this solution in a project promoted by the Ministry of the Environment—"demonstration project for the acceleration of practical implementation of innovative infection control technology with reduced CO₂ emissions." The solution is now being implemented in facility projects not only in Japan but also in China, Singapore, and other regions.

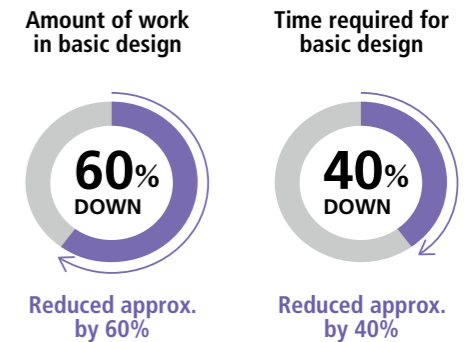
Result Overview of the RO Membrane System in Real Plants



BX Automated plant design

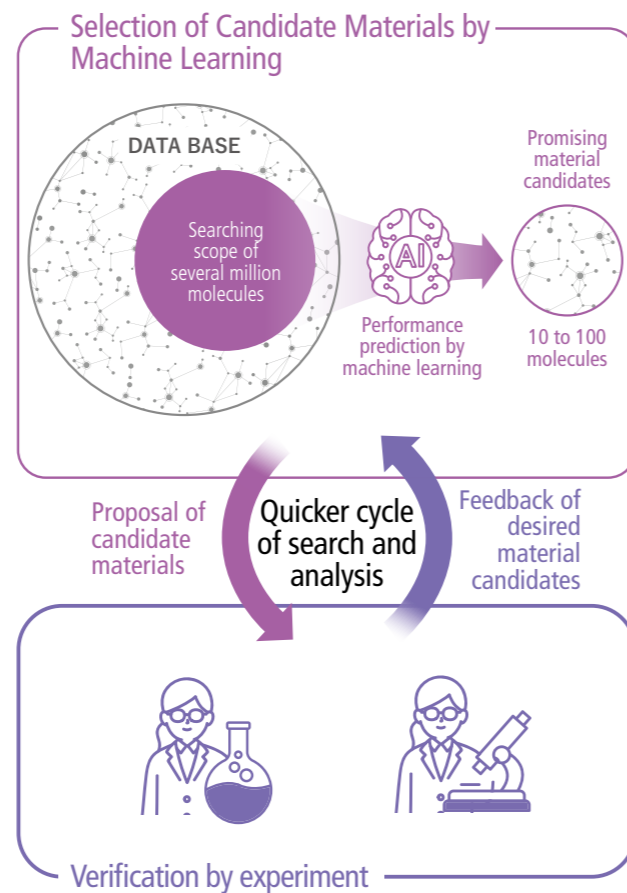
In the field of plant design, we have traditionally faced challenges in the transfer of the technical skills and know-how of experienced designers and in recruiting designers as the business expands. Other challenges include the costs arising due to human error and the customer needs to start up the operation of plant with short lead times in industries such as electronics. To help address such issues, we have developed applications using an AI-driven algorithm to suggest and draw engineering drawings for water treatment facilities quickly and automatically. We enhanced the lineup of applications by developing those for facility configuration and construction planning as well as for layout drawings. We have also made these applications more convenient by enabling them to interact with each other. With these efforts, we are enhancing the scope of the practical use of the applications mainly in the electronics industry.

Expected Benefits of Implementing an Automated Plant Design Application



OX Development of materials by materials informatics

In the field of material development, we started the development of low-environmental impact corrosion inhibitors using materials informatics, which facilitates the development of various materials using information science such as machine learning. The use of materials informatics in this development of corrosion inhibitors enabled high-speed search in the scope of several million molecules, which is 10 thousand times wider than that of the existing method based human efforts. By applying this solution to other fields including the semiconductor industry in the development of materials, we will strengthen the core technologies of the Kurita Group to accelerate the creation and proposal of solutions that generate high social values.



Information Security Control

Basic Concept

Information security control is a basic practice for the Kurita Group, which uses digital technologies for the transformation of its business models and business processes. Recent years, information security accidents including cyber-attacks are increasing and their methods are getting more sophisticated. In these circumstances, risks of attacks on the Kurita Group should also be getting high, posing an increased need for conducting proper information

security control. In addition to the development, maintenance, and operation of risk systems, the Kurita Group has defined "Kurita Group Digital Management Policy"—the policy of information security control necessary for driving DX initiatives. The Kurita Group also engages in the global implementation of security measures to prevent security accidents and minimize the opportunity loss caused by security accidents.

Efforts in Ordinary Times

The Kurita Group works in normal times to strengthen information security control for the prevention of information security accidents. The Kurita Group evaluates its IT risks periodically, implements measures with the security assurance organization established and a budget secured, and has established the reporting system used in the event of a security accident. Also, the Kurita Group provides information security

training for its employees to raise the information security awareness and reduce security risks. In addition to these efforts, the Kurita Group has established a global, multi-language, round-the-clock security monitoring system. The Kurita Group also works to improve the security of the OT (Operational Technology) environment, which is used for monitoring and control of water treatment facility, etc. of the Kurita Group.

Organizing and Operating CSIRT (Computer Security Incident Response Team)

Although the Kurita Group endeavors to prevent security accidents, it considers that it is impossible to implement perfect measures. Thus, the Kurita Group has organized CSIRT, an organization for taking prompt and appropriate actions in the event of a security accident as well as making prior arrangement. CSIRT is considered to pertain to business continuity, so it is positioned as a part of BCM (Business Continuity Management, see P.74-75 for details) system. CSIRT consists of a wide range of members including those from departments in charge of information security, as well as public relations, sales, management

planning, accounting, and legal affairs. This organization prepares an operation manual that describes ramifications of security accidents and actions to be taken for them, provides training based on the manual, and works to enhance such activities through information sharing with CRIRTs of other companies. In the event of a security accident, we will take necessary actions across the Group, which will not be limited to finding the cause and implementing measures, but depending on the condition, will include reporting to customers and announcing facts to stakeholders.

Digital Strategy

Meta-Aqua Project



Kurita Water Industries
Corporate Officer
Executive General Manager of
Digital Strategy Division
Makoto Mizuno

Fracta Leap Inc.
Chief Executive Officer
Yasuhiro Kitabayashi

"Transformation" is the mission, with digital merely the means Dual-company alliance for water treatment DX achieved with strong management commitment and the drive to change business

Kurita Water Industries and Fracta Leap launched the joint "Meta-Aqua Project" in 2020 with the aim of transforming the business model and business processes of water treatment. Both companies overcame a number of complications for the development of digital solutions including "optimizing plant operation management," "automating plant design" and "materials development with materials informatics." The two key people leading this project look back on the progress made so far and discuss their future aspirations.

Embarking on a dual-company partnership for bringing about transformation

Mizuno: The "Meta-Aqua Project" was started as a joint project between Kurita (Kurita Water Industries) and Fracta Leap, and leverages digital capabilities while "transforming business models and business processes." Determining how to channel our efforts by identifying essential issues and how to bring about specific transformation is the key—yet the perspectives of those beyond Kurita were deemed essential because there were concerns that we would fall into complacency and fail to attain what society and our customers really needed if we only leveraged the resources available at Kurita. So we began searching for a

partner that could help guide us along the appropriate path and work together on projects—we decided to team up with Fracta, a U.S. startup that became a Group Company in 2018 and that provides software services for predicting degradation in water mains.

Kitabayashi: I had the role of CFO in 2018 when Fracta was seeking opportunities for procuring funds. We wanted to ensure we retained our "unique culture" even after securing funding, and so we sought a partner that would not only be able to provide funding, but also respect our desires. We did find a number of potential partners other than Kurita, but we ultimately decided to partner with Kurita as the management team seemed most sympathetic

to our approach. A fact that both our companies had in common was "water infrastructure," and we both had an understanding of the challenges that arise when setting out to create new businesses in this sector—this gave us peace of mind when working together as a partner. The corporate culture and scale of Kurita and a startup like Fracta were on completely different levels, and naturally this was a cause for concern at the time. Yet when actually discussing with Kurita's management team, they were much more open-minded and enthusiastic than I had thought, and while I was genuinely amazed at this, I felt that this was to be the start of some interesting prospects.

The chemistry between organizations with different characteristics

Kitabayashi: Fracta subsequently set up a Japan team with the view of gaining a better understanding of Kurita's businesses and its corporate identity, by visiting water treatment sites and conducting interviews. We then put forth the proposal of launching the "Meta-Aqua Project" for jointly bringing about digital transformation (DX) in the water treatment industry, and establishing Fracta Leap as the core entity driving the project.

Mizuno: Our work has always included some members from the Kurita Group, so teaming up with people who have different corporate cultures caused all sorts of friction. Kurita was enjoying strong business performance at the time, and we tended to be thinking: "There'll be no problem keeping things the way they are now" and "We just keep doing the same thing as before and change up a few things." While we were working together, the challenge we faced was how we could best be open to suggestions raised from an outsider's perspective by Fracta Leap, and how those suggestions could be used to consistently resolve issues after we had accepted them. There are times when we decide that we should stop, but I



am personally curious about what would happen if we continued. It is for this reason that I let people continue raising any voices of opposition. The chemistry generated between two organizations with different characteristics goes on to create a new organization—this is something that is so interesting.

Kitabayashi: This was exactly what Kurita's management team told us when we first started working together. While Kurita has been steadily posting positive business results, the water treatment industry has become a true battleground, and overseas, new players have come to the fore and former competitors have joined forces. When viewed from the standpoint of Kurita's management team, I think that one of the goals of the Meta-Aqua Project was to bring about a chemistry within Kurita by partnering with Fracta Leap, based on the inherent fear that Kurita could be left in the wake if it merely continued with its existing approach.

Commitment of the management team is the key to transformation

Kitabayashi: Kurita's businesses play a crucial role throughout society and industry, which makes it imperative that we "never cease our operations." In this sense, there was significant opposition to "changing what was considered as stable" from those working in the field, especially at the outset.

Mizuno: We thought that there were no problems maintaining our current approach. In this light, I think that more people were afraid of making unnecessary moves that could result in making circumstances worse.

Kitabayashi: To separate ourselves from the stance of maintaining the status quo, we launched Fracta Leap that would become the core of the project as an independent organization from Kurita. Boosting this was a strong level of commitment from Kurita's management team. Ever since being founded through to today, we have been



Digital Strategy

Meta-Aqua Project

reporting our progress monthly to the president and management team, and are receiving the full support of the company. I have not seen many publicly traded companies of this size that are pushing ahead with DX projects with such a level of unity between the management team and frontline sites. I think it would have been difficult to achieve such an extensive partnership that goes far beyond the traditional lines between startups and large companies without this level of commitment from the management team.

Mizuno: Our initial approach was that we would receive technical guidance from Fracta Leap for rolling out digital solutions, so we may have tried to create a contractor-vendor relationship without really meaning to. This approach might have been possible if we had possessed the proper knowledge and experience, but Kurita is a novice when it comes to the digital realm, and details would be incorrect if we were the ones to be giving out instructions. I think the importance of bringing Fracta Leap on board for the Meta-Aqua Project is to drive such discussions forward with people saying "No, I don't think so" instead of simply repeating "Yes." Such discussions came about due to the management team repeatedly highlighting the importance of the project and partnership, and showcasing their commitment to it. As a result, I think this has led to a sense of security amongst our employees and trust for Fracta Leap.

Conflicts stemming from differences in corporate culture and work

Mizuno: As we moved ahead with the project, there were some disagreements and conflicts in opinions that arose. An example that highlights this was the uproar created by simply handing over data to Fracta Leap in the early stages of our partnership. Fracta Leap was more involved in R&D at the time, and it was not possible to do anything positive without a proper understanding of Kurita. The members in charge at Fracta Leap did their best to explain the circumstances to Kurita, but Kurita employees were naturally apprehensive about handing over such crucial company data. Yet friction like this can be considered as part of growing pains for functioning as a team. The fact that there was such a reaction meant both sides could bring about change, and in turn, positive results. A proper understanding of the other side is crucial for achieving this.

Kitabayashi: Conflicting opinions are what naturally happens in life. This stems from the fundamentally different approach we had regarding data. An example of this is the traditional work of a data scientist—creating and optimizing algorithms for managed data. In contrast, Kurita records data solely for operating plants, and such data was not



traditionally collected for analysis purposes. This resulted in conflicting views from a range of perspectives.

There was also friction arising from differences in culture. For instance, many young engineers work at Fracta Leap—this sometimes made it difficult for them to fully comprehend the approach and passion of Kurita employees have been working for countless years to earn our customer's trust. The opposite also held true, where Kurita employees found it hard to take on board new technologies and concepts. Therefore, the key approach for both company's management was how to remain patient and reach a position based on mutual understanding. And this is why I always mention to new members taking part at Fracta Leap: "Bringing about transformation of infrastructure is no easy task, but please stick with us."

The positive circle achieved with positive results

Mizuno: The moment that clearly brought about a change in our mindset was when the prototype for "Optimizing plant operation management" was developed. This was around a year after we first began working together. The application for "automated plant design" was then developed—something that we have yearned for some time—and as results began to take shape, I noticed a shift in our mindset as we realized that we could make what we had thought of as distant dreams become a reality. There is no denying things anymore when it comes to this stage. Over time, the voices of pessimism faded, and I felt that this was how changes can occur throughout a company.

Kitabayashi: I feel the same thing. Breakthroughs in technical development were also naturally important, but I think Kurita's attitude changed significantly after we all came to share a common understanding of the purpose underpinning DX, especially from the business perspective.

Since then, Kurita employees began visiting the Fracta Leap office on a weekly basis, and we quickly developed a mutual understanding and enriched our sense of trust. When it comes to DX, digital is merely the means—transformation (of businesses) is the objective. With this in mind, I think that setting objectives and taking the initiative for achieving transformation from a business perspective is the real driver.

Mizuno: With this project progressing in this way, work has expanded into the field of R&D such as the application of materials informatics, materials exploration method that leverages AI. The Meta-Aqua Project is setting an example for the development of digital solutions like data quality and the ideal approach to system development, and I feel that it has fostered a culture of questioning the current state of things.

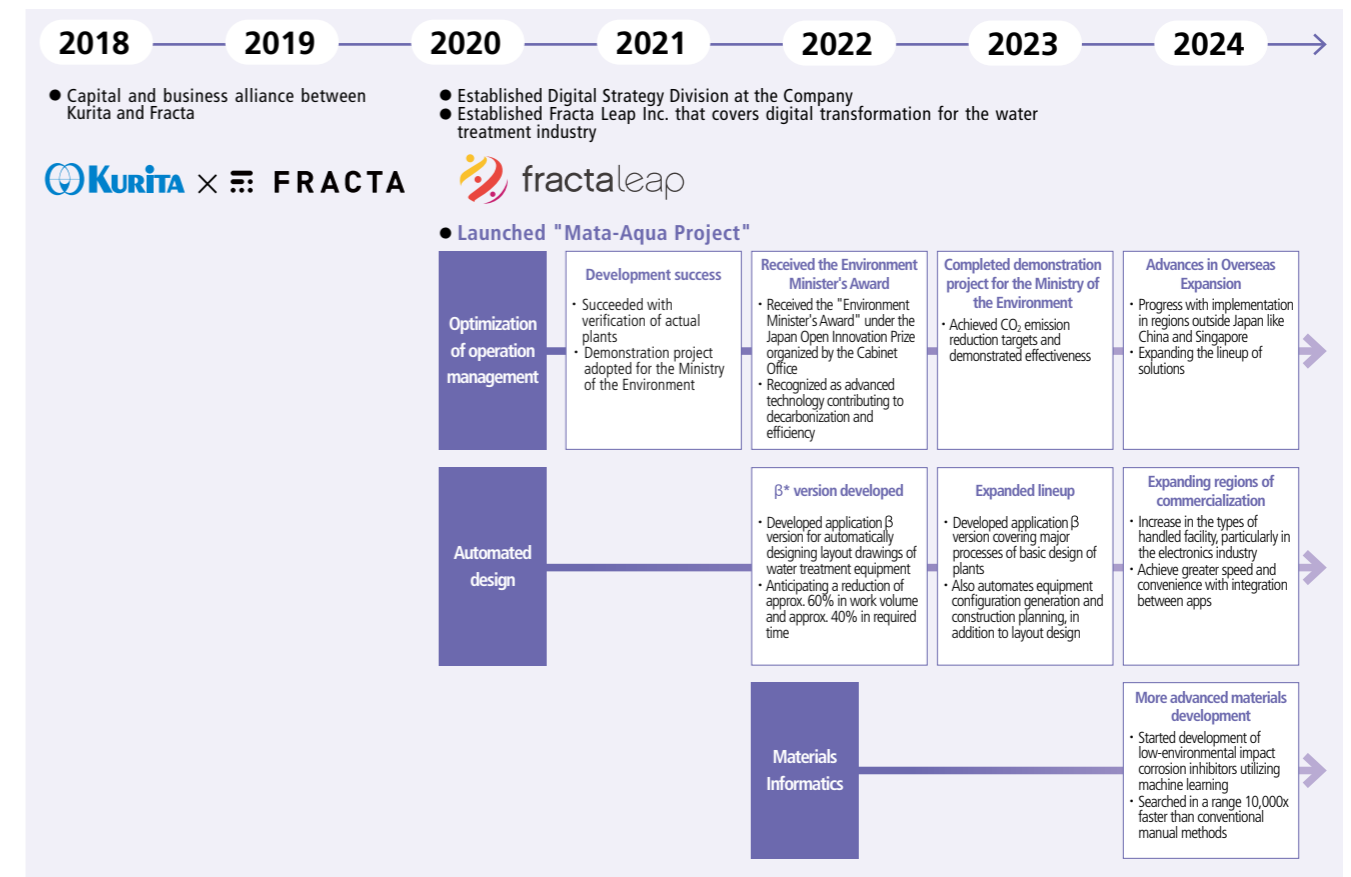
Kitabayashi: The next key milestone for existing solutions ("Optimizing plant operation management" and "Automated plant design") will be to create a clear financial impact during PSV-27 Plan. Separately, we have also taken on the challenge of creating new businesses. I hope to leverage the results, knowledge and networks that

we have developed with this project to create new areas of value that not present with DX for existing businesses.

Looking ahead, the value of "water" is sure to grow further as issues related to water shortages become increasingly severe around the world. In light of this, I see that Kurita—given its contacts with a broad range of industries on a global scale—will be called upon to ensure comprehensive social value on an industry, supply chain and regional level that extends far beyond the bounds of individual customers. In light of this, I am excited about the future developments with our projects as I see digital technology playing an increasing greater role into the future!

Mizuno: With rapidly changes throughout society, there is the risk that sensor manufacturers and companies in other industries specializing in data science will mark their entry into the industry and alter the playing field, leading to competition that we had never envisioned before. To ensure sustainable growth for the Kurita Group, we need to keep pushing ourselves toward pursuing transformation. To achieve this, we will be concentrating on bringing about change for ourselves first.

History of Digital Transformation



*A trial version of software provided before the official version becomes available

Human Resources Strategy

Message from the Officer in Charge

Growing into a corporate group capable of continuing to pioneer "new value for water" by enhancing and applying "uniformity" and "diversity" of human resources

Corporate Officer
Deputy Executive General Manager of Sustainability Division
Human Resources Development Committee Chairperson

Yasuko Tanaka



I believe that the Kurita Group is a group of people who have a strong empathy with creating a rich environment through water and believe in the value of water. Since it was established, the Kurita Group has maintained a close position to its customers over the years and keeps contributing to resolving various issues with customer value as the starting point. The issues faced by our customers have changed in line with the growing importance of resolving social sustainability issues has increased in recent years, and the Kurita Group is being expected to contribute to resolving those actual social issues.

In PSV-27 Plan, the Kurita Group has identified the strengthening of human capital, which is the driving force behind shared value creation, as a priority measure. We established our D&I Vision (Diversity & Inclusion) as an image that represents the human resources and organization for achieving our corporate vision, and developed the human resources strategy toward making that a reality. Our forte of "uniformity" for caring about water and the environment is insufficient for becoming a corporate group that continues pioneering "new value for water," and we think the key will be to blend this "uniformity" with the expertise, work styles, experience, and other forms of "diversity" of people from various backgrounds.

Over the past decade, the Kurita Group has expanded rapidly on a global scale, and today half of its employees are working at group companies in countries and regions outside of Japan. While this demonstrates that diversity of our human resources is on the rise, this alone is insufficient to lead to value creation. It is important to foster an organizational culture where diverse human resources are welcomed and are able to play an active role, and to increase the engagement* of each and every employee.

To enhance "uniformity," we are working to instill our "values" that serves the core of our philosophy system. We developed the Kurita Group Behavioral Guidelines that embodies decisions and actions to be taken based on the four values of "Deepen understanding of frontline sites (Gemba)," "Elevate and connect expertise," "Exceed expectations," and "Maintain unwavering integrity," and incorporate these as evaluation criteria for employees. The

"Kurita Global Award," which recognizes the achievements and results of taking on challenges as part of initiatives that embody our corporate philosophy and corporate vision, will encourage actions that help achieve our corporate philosophy and further strengthen the sense of unity throughout the Group.

When it comes to enhancing and demonstrating diversity, we are working toward securing diverse human resources capable of creating innovation such as human resources for development, intellectual property and digital technology, as well as creating an environment in which a diverse workforce, including women, mid-career recruitment and global human resources, are able to play an active role and advance D&I. At the same time, we are working on creating opportunities for human resources to take on active roles. Information on each employee's career aspirations, expertise and experiences is collected and utilized to develop cross-group projects and other initiatives for ensuring the right person is assigned to the right place at the right time. We will also be promoting the development of management that assists their subordinates to take on challenges, and works proactively toward creating opportunities for diverse human resources to play an active role.

We conduct regular employee engagement studies in order to increase employee engagement. We believe that it is important to verify these results as the KGIs and KPIs for human resource strategies, as well as to identify the areas of change by rank and by age group. Based on the analysis of the results, we are developing measures corresponding to the issues and circumstances of each company and organization, such as the increasing understanding of management policies, supporting career development and reviewing of personnel systems. My mission is to boost our employees' motivation to continue working for the Kurita Group and to encourage them to take an active role in contributing to the organization—with this we are aiming to become a corporate group that is widely recognized around the world as a group of professionals specializing in water.

* Connection between "employee and company/organization" and "employee and work." When there is a strong connection, it is thought that it is easier to create a virtuous cycle wherein employees are enthusiastic and motivated to work voluntarily and contribute to the company or organization.

Basic Concept

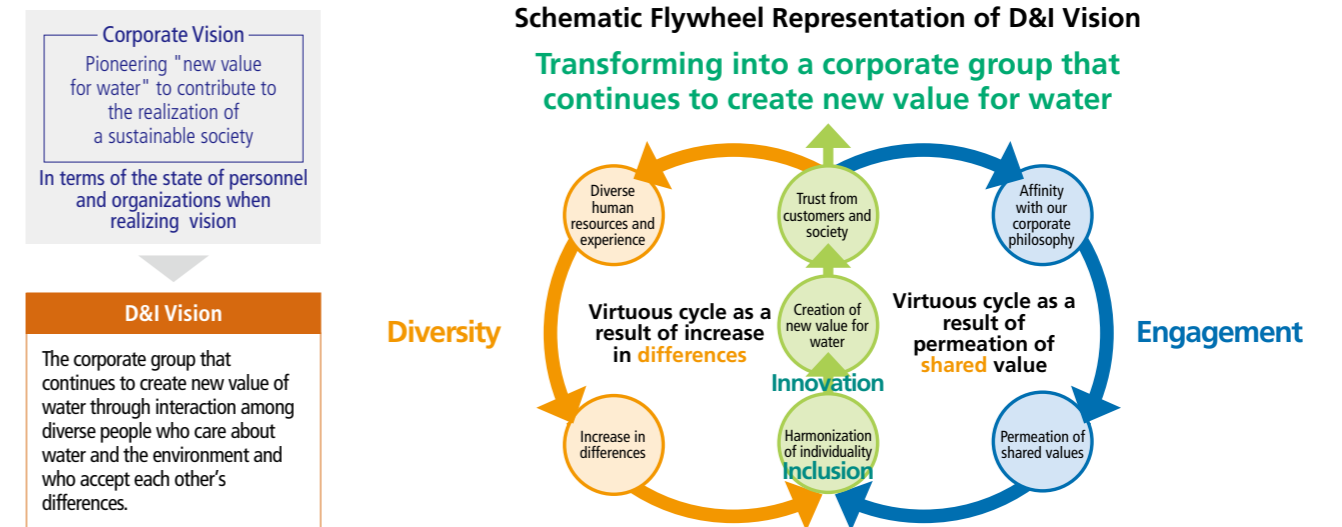
The Kurita Group aims to continuously provide a diverse range of solutions for societies and industries. To achieve this, it is important for us to be ready to boldly transform our business models and business processes beyond conventional boundaries and to actively pursue innovations. To strengthen

our human capital, which is the driving force for pushing ahead with the various strategies for achieving transformation and innovation, our group lists "Strategic development and utilization of human resources" as one of its materialities to be pursued as part of our human resource strategy.

Target of Our human Resources Strategy (D&I Vision)

Our Group has defined the situation of the human resources and the organization under the corporate vision as a "corporate group that continues to create new value of

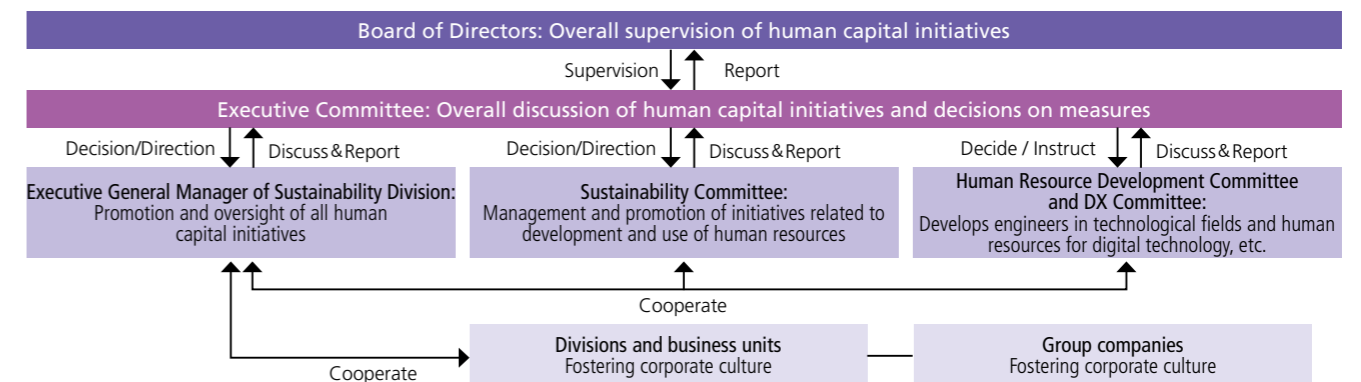
water through interaction among diverse people who care about water and the environment and who accept each other's differences" for our D&I Vision.



Promotion Framework

All initiatives related to the Kurita Group's human capital are carried out under the supervision of the Executive General Manager of the Sustainability Division, who is also a corporate officer. Measures aimed at fostering corporate culture are implemented in cooperation with each division, business unit and Group Company. In addition, measures to develop and utilize human resources are overseen and deployed by the Sustainability Committee, chaired by the Executive General Manager of the Sustainability Division, in

collaboration with the Human Resources Development Committee and the DX Committee. The Executive General Manager of the Sustainability Division and Sustainability Committee, Human Resources Development Committee and the DX Committee report on the status of human capital initiatives submitted to the Executive Committee, which discusses their content and makes decisions on necessary measures. The Executive Committee also reports the status of human capital initiatives to the Board of Directors.

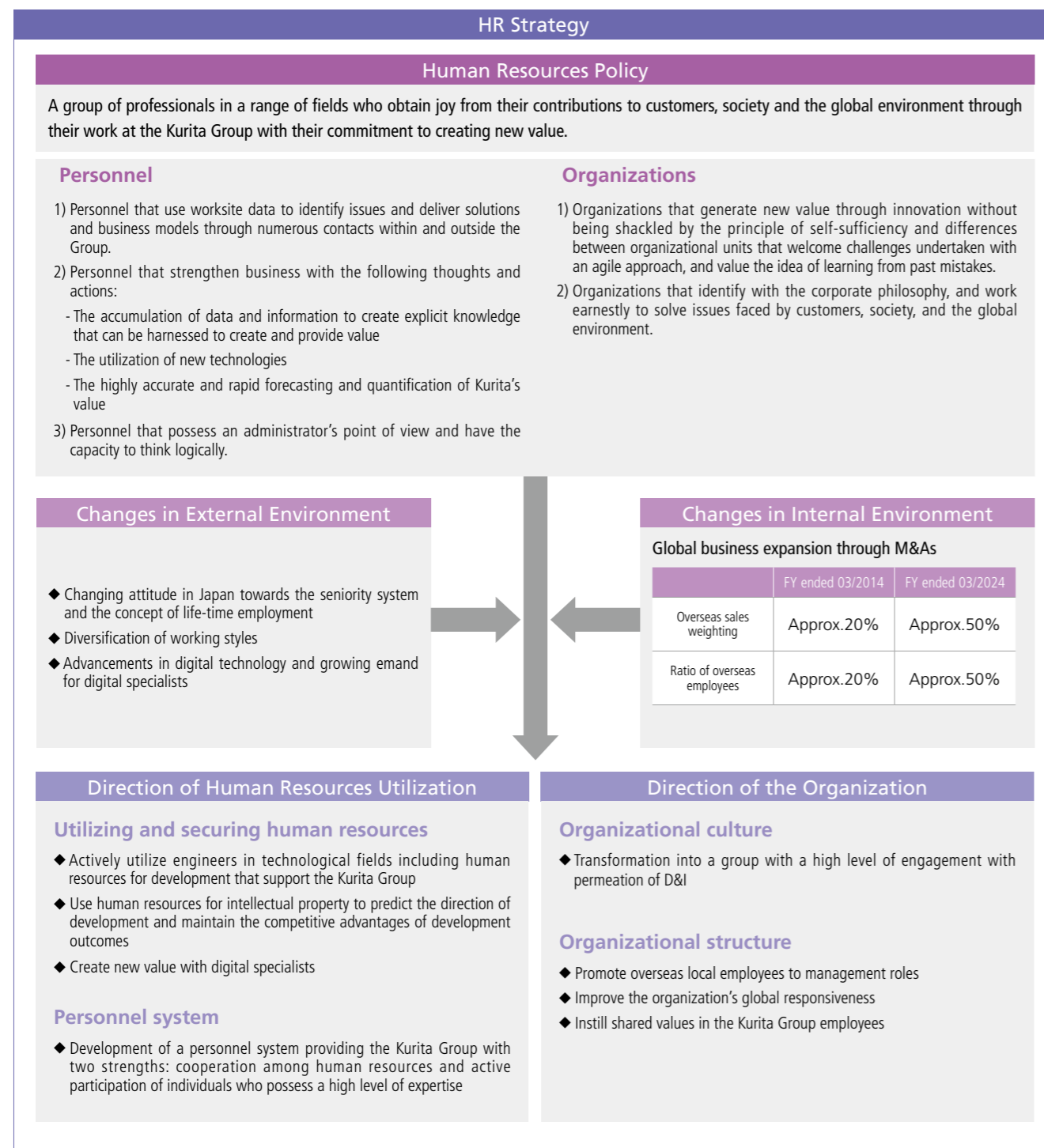


Human Resources Strategy

Human Resources Strategy (HR Strategy)

We are formulating an HR strategy with which our organizations and personnel can give shape to our value creation story by realizing our D&I Vision. The HR strategy comprises a human resources policy and an underlying course of action. The former is arranged around the kinds of organizations and personnel described in "our strategic story"— which is the basis of our value creation story—and

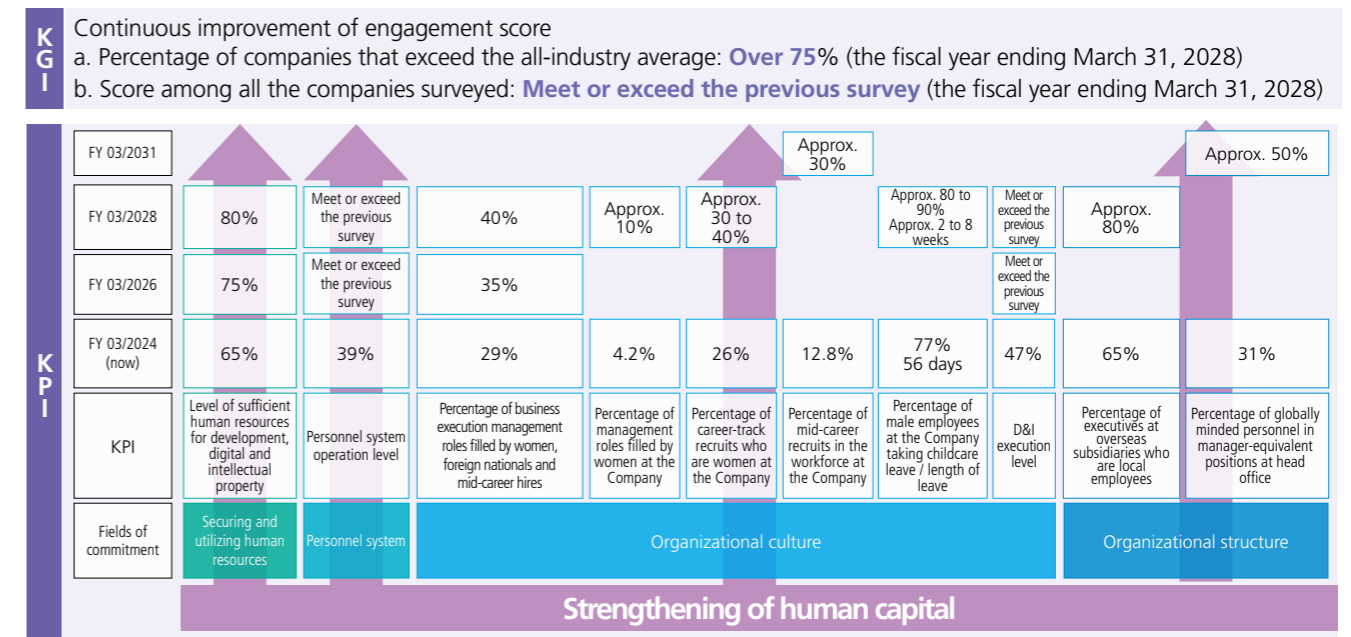
represents "our basic policy on the values, thoughts and actions required of the Kurita Group employees." To this we add the changes in the Group's internal and external environments, while our approach to initiatives is organized into a course of action for both "human resources" and "organizations" utilization.



HR Strategy KGIs and KPIs

In order to implement measures while quantitatively monitoring progress with HR strategy, the Kurita Group has established the following HR strategy KGIs and KPIs. The KGIs and KPIs consist of "Kurita Group's materiality," "quantitative targets," and "indicators for monitoring medium-term trends," and by measuring these areas, we are improving the effectiveness of HR strategy. The indicators include "D&I

execution level" that "measures the extent to which recommended D&I actions are being taken to realize the D&I Vision," and "Personnel system operation level" that "measures the effectiveness of the Personnel system," which are unique Kurita indicators derived from the employee engagement survey (conducted every two years).



Employee Engagement

In order to improve employee engagement, we conduct an engagement survey every two years to understand current situation and set and implement issues and measures to be addressed. Our second survey was conducted in the fiscal year ended March 31, 2024, and expanded to cover 44 companies (4 companies in the previous survey). Rate of companies above the average of all industries was 51%, and score of each company surveyed was 41%, both of which exceeded the target for the fiscal year ended March 31,

2024. Since trends vary by country and region, we are promoting efforts to improve engagement across the entire group by identifying issues such as background confirmation and cause analysis for each company and planning countermeasures. In the fiscal year ending March 31, 2028, the fiscal year of PSV-27 Plan, we aim for more than 75% of the Group companies to exceed the average for all industries in each country.

Engagement score situation

Engagement score	Survey result for FY ended March 31, 2022	Target for FY ended March 31, 2024	Survey result for FY ended March 31, 2024	Target for FY ending March 31, 2028
a. Percentage of companies that exceed the all-industry average	50%	50% or more	51%	75% or more
b. Score among all the companies surveyed	38%	38% or more	41%	Meet or exceed the previous survey

* The survey for FY ended March 31, 2024, designed with an expanded scope including 44 Group companies (the previous survey included only four) was conducted in July-August 2023.
* Of the 6,785 people contacted, 5,799 people responded (a response rate of 85%)

Human Resources Strategy

Initiatives to Improve Engagement

Region	Examples of effort to work on corporate and organizational issues
Japan	<ul style="list-style-type: none"> Provide channels and opportunities, such as messages from the executive team members and "town hall" meetings, that help our employees understand and embrace the corporate policy and see its direct connection to his or her role in the company Provide channels and opportunities for greater cross-departmental and cross-organizational collaborations to encourage new value creation
Asia	<ul style="list-style-type: none"> Examine revisions to the personnel system, including the salary structure. Enhance educational and training opportunities, including reviewing training programs based on skills and abilities Organize employee community fun events to strengthen cross-departmental and cross-organizational ties and to nurture a sense of belonging
EMEA	<ul style="list-style-type: none"> Enhance training programs and establish visibility into human resource situation and training status so as to optimally train and utilize available human resources Conduct training to build an organizational culture where diversity is embraced, audacious action-taking is encouraged and eagerness to learn from mistakes is valued and respected
North & South America	<ul style="list-style-type: none"> Promote mentorship support and other forms of employee assistance, in the form of leadership training programs or through personal interactions with more experienced employees, to improve employee retention and performance Provide workshops to support team building Provide tools to promote better health and to support work-life balance

Utilizing and Securing Human Resources

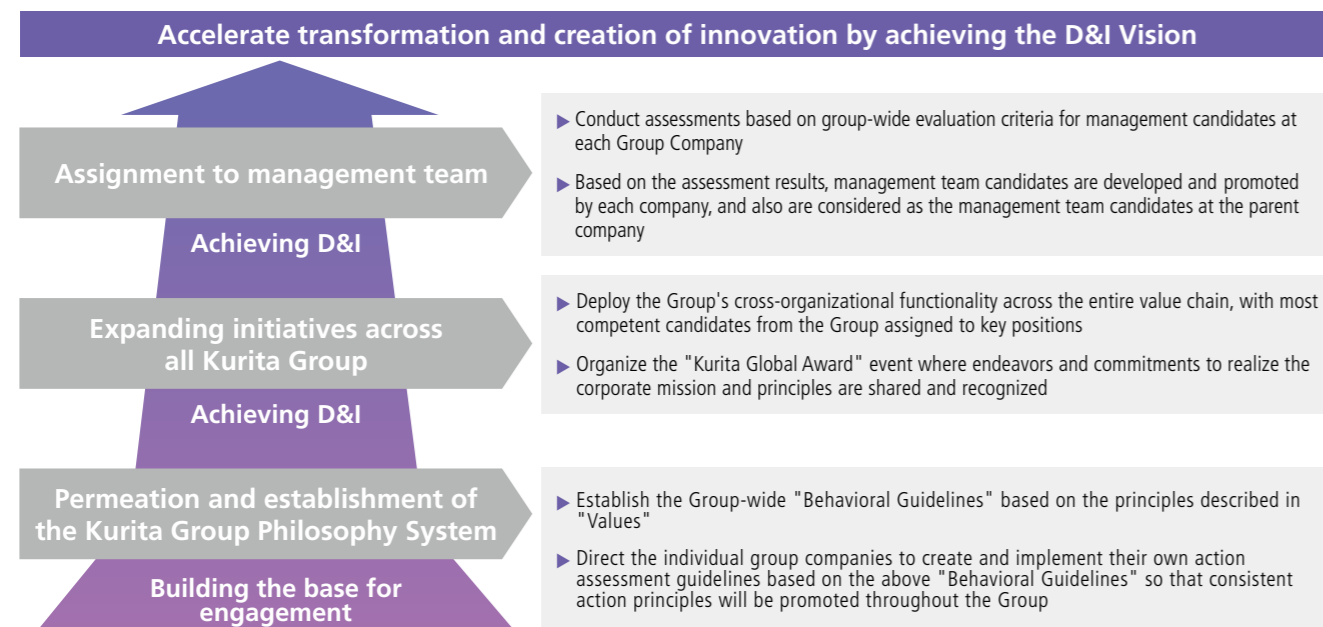
Initiatives for utilizing human resources

We are working to promote group common actions and leverage the extensive knowledge and experience available within the Group.

To promote group common actions, we established the "Kurita Group Behavioral Guidelines" in April 2024, which embodies the actions to be implemented under "Values" of the Kurita Group Philosophy System. We promote the "Values" and "Kurita Group Behavioral Guidelines" documents among employees with the aim of encouraging positive behavioral changes such as audacious action-taking attitude. Whether or not an employee is acting in line with the Behavioral Guidelines is one of the employee assessment criteria we use, and such Guideline-based assessment scheme is being promoted across the entire the Kurita Group.

To better utilize the extensive knowledge and experience

available within the Group, we drive group-wide initiatives to encourage personal interactions with employees with diverse experiences and backgrounds, for example by providing cross-organizational project opportunities across the Group, as a means of bringing about transformation throughout the Group. We are also progressing with initiatives related to the appointment of management teams at each Group Company, including our company. Candidates for the management team at each company are assessed based on the Group common evaluation criteria—the CEO of each company then identifies potential successors based on these results, and proceeds with training and appointment. Information on candidates for the management team at each Group Company is also used for the selection process for potential successors of our executive officers and corporate officers.



Human resource development effort

Based on findings from employee engagement surveys that systematic career development assistance is hoped for, we review and redefine our human resource development efforts from a focus on greater experience, advice and training, and implement career development programs accordingly.

The Kurita Group, with a focus on providing broader experience as part of the employee development path, conducts personalized career preference surveys and actively utilizes insights from the human resource information management system to support wider experience opportunities for the employees and to implement promotions and relocations to best assist the individual employees' career development. In addition, we will provide

advice (cultivate managers who help subordinates take on new challenges) and training (offer practical learning opportunities and an environment for self-learning) to deepen their experience.

The Kurita Innovation Hub, located in Akishima City in Tokyo, is the Kurita Group's center for enhancing core knowledge and skills among the Kurita Group employees. Equipped with a wide range of water treatment facilities, the center hosts training programs that improve the specialist skills of our employees. The center also has its studio that has produced more than 900 human resource training videos and other content, which is available to employees across the Group via a portal site.

Human Resource Training System (Kurita Water Industries)

	New hires	Core employees	Team leaders	Managers	Senior managers		
Gradebased programs	New hires training	Foundational training (first 2-3 years)	Core employee training	Management training	New manager training	Leadership training	Corporate officer candidate program
Role-based programs	Specialist skills training (Sales & marketing, technology & development, engineering & supply chains, digital skills, business support)						
Themebased programs	Mind Career Program / cultivating the Group's shared values					<p>Career mindfulness programs are provided as part of our level-based training to ensure the sharing of corporate missions and visions among employees and also to encourage each employee to attain a deeper self-understanding and to define their personal aspirations in order enable them to plan the most effective personal career path for themselves.</p>	
	D&I, employee engagement						
	Career development support for female employee						
	Support for mid-career hires						
	International skills improvement						
	Training for future overseas Group company executives					<p>To identify and train next executive candidates and to develop managerial resources for overseas entities, we will organize overseas-focused group-wide programs to provide personal networking opportunities and to promote greater adoption of our corporate missions from the fiscal year ended March 31, 2024 onward, including inviting overseas members to training programs at our Japan headquarters and providing opportunities to work in other companies within the Kurita Group.</p>	
	Other (information security, compliance, human rights, etc.)						
Self-development	Support for self-development and obtaining national qualifications, etc.						

For grade-based training, we use an external learning platform with more than 2,000 courses and 10,000 e-learning modules, providing an environment where each employee can access content relevant to their grade. The platform helps our employees develop their own career paths and initiate their own learning.

Utilizing and Retraining Development, Human Resources for Digital and Intellectual Property

The Kurita Group is working to attract and utilize engineers in technological fields with extensive water treatment expertise including human resources for development, digital specialists who can drive the Group's digital transformation (DX), and intellectual property specialists who can support the Group's focus on technology, as these personnel will be key to acquiring and leveraging "water knowledge" to develop innovative solutions.

Development

The technologies that underpin the Group can be broadly divided into four categories: chemical technology, facility technology, basic technology, and design & engineering technology. These groups can be further divided into around 30

subcategories. By mapping the human resources engaged in these fields, we can visualize where there are gaps in personnel in each technology category. Then, according to the systematic "Kurita-Technical Education Program", we drive mid- and long-term human resource enhancement and also train younger successor candidates in a planned manner. The Group-wide promotion of technical development by sharing individual employees' skills and knowledge across the Group will help refine and broaden our water treatment technologies. As of the fiscal year ended March 31, 2024, our development team comprises approximately 110 members, which we aim at expanding to 130 members by the end of the fiscal year ending March 31, 2028.

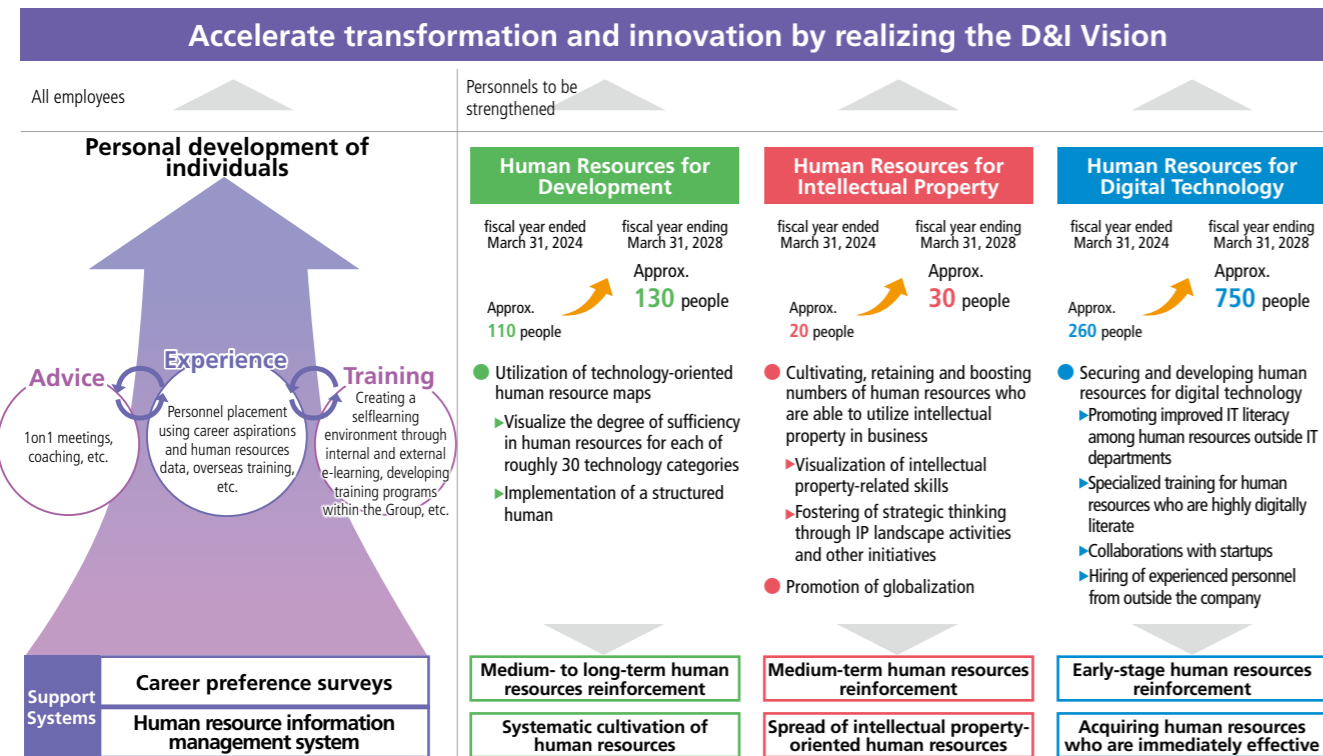
Human Resources Strategy

Human Resources for Digital Technology

Digital specialists with the skills to devise and deploy DX-driven strategies, develop business models, build infrastructure, and provide IT services are indispensable to the Group's DX. We are working to attract and develop digital specialists who can create new businesses that integrate digital technology with diverse contact points, while also improving the digital literacy of other personnel. We select highly digital-literate candidates based on assessment results then provide additional training. After that, a further narrowed down group of candidates based on the training result will be assigned to plan and work on digital-intensive projects. These activities also extend beyond the Group—we are partnering with start-ups and hiring people with experience from outside the Company. As of the fiscal year ended March 31, 2024, our digital specialist team comprises approximately 260 members, which we aim at expanding to 750 members by the end of the fiscal year ending March 31, 2028.

Human Resources for Intellectual Property

In addition to our existing intellectual property (IP) protection and risk reduction activities (defensive IP), we launched IP information analysis (offensive IP), including IP landscape analysis. The aim is to use IP information to support management, business, and innovation strategies. We also plan to strengthen global IP activities and look at ways of improving IP quality. To achieve these goals, we are working to identify and train highly specialized IP personnel who can collaborate with other divisions in order to raise the level of IP expertise in the workforce and step up IP activities across the Group. In the fiscal year ended March 31, 2024, the Group had approximately 20 intellectual property specialists on its books and we aim to expand this number to about 30 by the year ending March 31, 2028.



Personnel Systems

A company's competitive edge comes from the uniformity of its human resources when economic growth remains stable, but with the unpredictable and drastic changes occurring throughout the global business environment today, the source of that homogeneity of human resources who cared about water and the environment is now shifting from just uniformity to leveraging expertise and diversity. Our personnel system has not undergone any significant changes for a long time, and the results of the engagement survey reveal growing feedback seeking revisions to the personnel system. In light of this, we determined revising the personnel system to be an urgent matter, and our first step was revising the

personnel system for managers under the annual salary scheme in April 2024. Before revising the personnel system, we held interviews with officers and around 50 employees of various positions and at various grades to gain a better insight. We will boost our competitive edge through the creation of a workplace environment where a diverse workforce is able to play an active role and leverage their expertise and abilities, all while maintaining the uniformity that had been our traditional core strength, with a personnel system that functions efforts toward achieving our corporate philosophy and corporate vision.

Fostering Organizational Culture

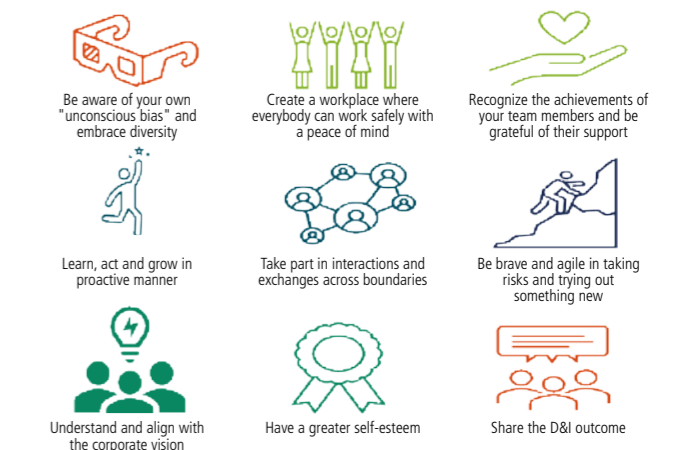
Initiatives for Instilling the D&I Vision

We are implementing initiatives suited to the circumstances of each division and Group Company as a way of becoming a "group with a high level of engagement and instilled with D&I." Action principles to enable the Kurita Group to

- Recognition:** Understand the D&I Vision
 - Awareness:** Organize workplace chat sessions and other activities to encourage the employees to embrace D&I as their personal theme.
 - Action:** Practice the nine recommended action principles to realize the D&I Vision
 - Positive changes in business practice:** Create value through practicing the recommended action principles
- Example: Promote cross-organizational projects throughout the Group involving various functions such as development, sales and procurement across the value chain

transform itself to a group of highly engaged people with a deeply ingrained sense of D&I are represented by nine icons. These icons are utilized in D&I promotion activities by individual Kurita Group companies.

Nine recommended action principles



Organizational Structure

Ensuring Diversity

The Kurita Group aims to achieve its corporate philosophy and vision by leveraging the diversity of experiences, knowledge, and skills of people from various backgrounds to drive innovation. The management and executive levels are also actively working to ensure diversity. In addition to commitments at general employee levels, we also actively

embrace diversity at managerial and executive levels.

We focus our D&I promotion efforts on areas of Group business where diversity is more difficult to achieve than in other areas. Our dedicated D&I promotion team collaborates with the Company and group companies to implement D&I promotion measures.

Empowering Female Employees

We have set targets to increase the proportion of women in management roles related to business execution and in other key roles and we are implementing measures to achieve the targets. As of December 2023, the percentage of female managers at parent company was 4.2%, and we are continuing to work towards our goal of lifting the percentage to 10% by the fiscal year ending March 31, 2028. During the fiscal year ended March 31, 2024, we held round table discussions for women in career-track positions with executive general managers with the aim of gaining insights on how to provide motivation for and alleviate doubts or concerns related to career development. Career development support workshops were also held to assist team leader or specialist team leader candidates to clarify their "image of becoming such managers" and "What to accomplish at your own department," thereby helping them come up with a more specific vision for their future.

We have also been awarded a three-star "Eruboshi" certification by the Japanese Minister of Health, Labour and Welfare as a recognition of being an outstanding company for implementing initiatives for empowering women.



Roundtable Discussion with General Managers

Human Resources Strategy

Encouraging Male Employees to Take Childcare Leave

We encourage our male employees to take childcare leave as part of efforts for ensuring a safe and comfortable workplace environment for each and every employee. During the fiscal year ended March 31, 2024, we held "networking meetings" in line with the theme of "encouraging male employees to take childcare leave" and invited male employees who have taken childcare leave as guest speakers to share their experiences, including factors that made them decide to take childcare leave, positive aspects about taking leave, and conducted a Q&A session. These meetings provided

opportunities for male employees to gain insights on how to resolve issues related to life events and future career development. In the fiscal year ended March 31, 2024, 77% of male employees took childcare leave, with an average length of 56 days leave.

Our initiatives for ensuring a balance between work and childcare were recognized in February 2024 by receiving the "Platinum Kurumin" certification from the Japanese Minister of Health, Labor and Welfare. This certification is awarded to companies with outstanding support for work-life balance.

Supporting Mid-Career Hires

With the aim of acquiring human resources who are ready to actively contribute to our business from day one with the ability to flexibly adapt to the changing business environment, we actively employ people with previous work experience instead of hiring new graduates only. The number of new employed people in the fiscal year ended March 31, 2024 with previous work experience increased approximately four times compared to the previous fiscal year. As of December 2023, the percentage of people with previous work experience in our managerial workforce is 13.2%. We aim at increasing the percentage of people with previous work

experience in the workforce to approximately 30% by April 2031, focusing on acquiring technical and intellectual property specialists who are expected to play greater roles in future CSV businesses. We actively train and grow these mid-career resources to help them develop into core parts of our workforce, by educating them on our unique knowledge and technologies, monitoring their progress through periodic follow-up interviews by our human resource team and providing opportunities to assist their networking efforts in the company to provide the best possible environment to develop their career path at the Kurita Group.

Supporting Globally Minded Personnel

The Kurita Group aims to provide global value tailored to the characteristics of each region. To maximize this value, we have to not only encourage local employees to play an active role in our business, but also improve operational levels across the Group by ensuring the company and its Group companies interact under common principles. To achieve this, we are training executives from overseas group companies and promoting them to management positions at each company and at Kurita Water Industries, while also improving their international skills. As a result of these efforts, the proportion of locally hired employees either in the CEO or the next highest officer position at overseas group companies is now 65%, illustrating how personnel hailing from different countries and regions hold management positions throughout the Group. With demand for coordination within the Group on the rise, an overseas trainee program was launched in the fiscal year ended March 31, 2024 for cultivating human resources with the mindset and skills to bring about results in a global business environment. Approximately 10 trainees took part in the program as the first batch of participants.

Participant voice in overseas trainee program

When I was involved in negotiating contracts for the acquisition of Arcade Engineering as part of the headquarters legal team, I strongly felt that I needed to improve my language skills and to build up my knowledge to be able to interact with more confidence in global business situations, so that I can be as useful and effective as when working in Japan. This is the reason that I decided to participate in the trainee program. Looking forward, I hope to leverage my English skills to broaden my scope of work and also help create a system for enhancing global collaboration.



Yurina Mashima (dispatched to U.S.)

Creating a Comfortable Working Environment for a Diverse Workforce

We provide various programs and benefits to support our employees to balance their work with life events such as child care and nursing care for the elderly and to promote diverse work styles including at-home and remote work. We also actively assist SOGIE* minorities in the workforce, for example by applying benefits designed for married employees

to legally unmarried couples and same-sex partners. We make effort to make these programs and benefits better known to our officers and employees to promote greater utilization. We also provide online training and periodic education sessions to provide an environment where a diverse group of people can work together without friction.

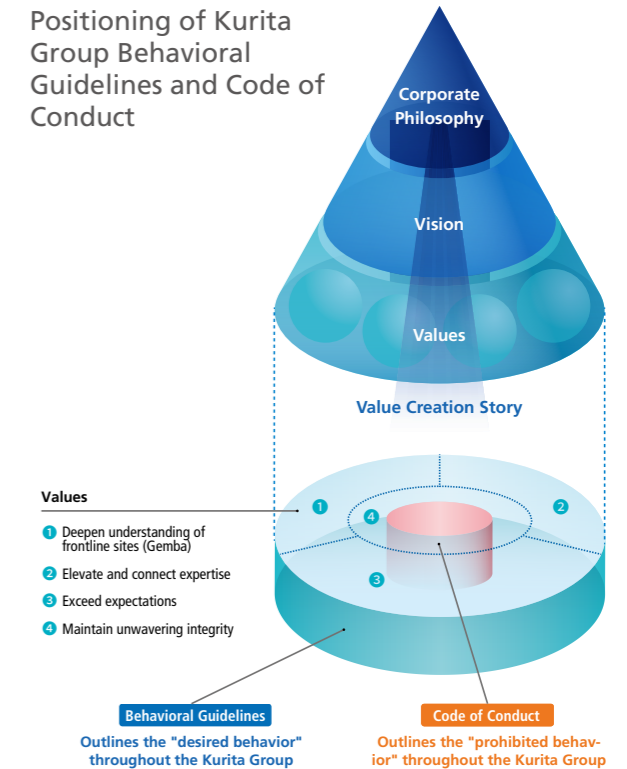
* Sexual orientation, gender identity, and gender expression

Values

The Kurita Group has forged a history as a global company that has won the trust of its stakeholders, by long creating and delivering value for resolving social and industrial issues with water toward achieving its corporate philosophy. The achievements that we achieved subconsciously along the way, and that we will do so into the future—the very DNA of Kurita—is exemplified in our "Values." The Kurita Group Behavioral Guidelines and the Kurita Group Code of Conduct embody the actions set forth in our Values, and sharing these values by promoting integrity activities* throughout the Kurita Group manifests these values with each and every Kurita Group employee, thereby facilitating the attainment of our corporate vision and corporate philosophy.

*Activities fostering an autonomous approach to work based on "idea of yearning for honor and to do what is right and good in our conscience."

Positioning of Kurita Group Behavioral Guidelines and Code of Conduct



Kurita Group Behavioral Guidelines

The Kurita Group Behavioral Guidelines outline the direction of behavior that is common across the Kurita Group to embody our Values. These guidelines were developed through workplace discussions based on aspects of common behaviors identified from positive experiences like gratitude, enjoyment and sense of pride, as well as from interviews with employees about their vision of the work they seek in the future.

We are also focusing efforts on disseminating these guidelines throughout the Group. More specifically, disseminating the stories, actions, ideas, and visions that

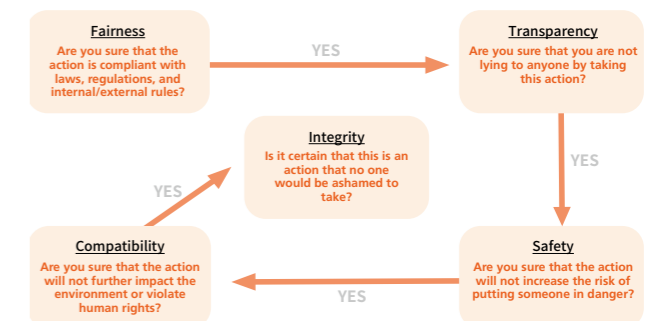
Kurita Group employees have at their work through workplace communications reminds readers of their specific actions and increases their level of empathy—this fosters each employee to take proactive steps toward achieving the corporate vision and philosophy. In the fiscal year ending March, 2025, we will be holding events to commemorate our 75th anniversary that will serve as opportunities for employees to recognize the achievements and challenges faced through the initiatives that embody our corporate vision and philosophy, which encourage employees of the Kurita Group to bring about further behavioral change.

Kurita Group Code of Conduct

This Code of Conduct primarily lists actions that should NOT be taken as part of the commitments to the Group stakeholders. This Code defines fundamental action principles from the five perspectives of "fairness, transparency, safety, compatibility and integrity." Whenever there is uncertainty about what decision to make or what action to take as part of performing duties, ask yourself the following five questions should be asked to determine if the action or decision being considered is appropriate. These questions should be practiced at all times to ensure actions are in line with this Code of Conduct.

Five questions to ask

Ask yourself the following five questions about the action you are considering to take,



Kurita Group Behavioral Guidelines and Code of Conduct

Behavioral Guidelines <https://www.en.kurita-water.com/about/philosophy.html>

Code of Conduct <https://www.en.kurita-water.com/policy/basic.html>

Values

Conduct Business Activities Respecting Human Right

Basic Concept

As a globally active enterprise, the Kurita Group's business is closely related to our relationship with its many stakeholders. Respect of human rights in conducting business is defined as one of our corporate materialities. The Kurita Group Human Right Policy is defined as the Group's fundamental principle for respect of human rights. Based on the globally accepted

norms and standards concerning human rights, we respect and protect the rights of all the people by being committed to humanity-supporting activities to create and maintain an environment where "the nature and humanity are in harmony," a vision included in our corporate philosophy statement.

Materiality initiative targets and achievement

Materiality	Target for FY ended March 31, 2024	Achievement in FY ended March 31, 2024	Target for the fiscal year ending March 31, 2025 *1	Target for FY ending March 31, 2028
Conduct business activities respecting human right				
Conducting human rights due diligence on suppliers	Implementation	Achieved (Implementation)	Implementation	Implementation
Rate of participation in human rights-related training	100%	Achieved (100%)	100%	100%
Establishment of a contact point to access remedy for human rights violations (grievance mechanism)	—*2	—*2	—*2	Completion

*1 The target for ending March 31, 2025, was reviewed by the Sustainability Committee and decided by the Executive Committee.
 *2 Conduct surveys, etc. from FY ended March 31, 2024 to FY ending March 31, 2026 would be prepared for establishment by FY ending March 31, 2028. After establishment, set targets related to raising awareness.

Conducting Human Rights Due Diligence on Suppliers

During the fiscal year ended March 31, 2024, to understand and remedy any potential human right violation risks throughout our supply chain, we conducted a survey on the history of electronic materials that are procured and used by the suppliers with the highest transaction amounts to see if any conflict mineral is potentially included in the materials. We also hired a team of external experts to conduct audits on suppliers where foreign workers are hired. We created "guidelines concerning the employment of foreign workers" that lists requirements to be complied by a supplier when employing foreign workers or considering such employment. As part of our effort to clearly represent the Kurita Group's position related to human right protection, we distributed the guideline booklets to our suppliers and requested their strict compliance to the rules given in them. We will continue to

clearly represent our group's position and remain actively committed to human right protection.

Steps of human rights due diligence

- 1 Incorporate the principle of responsible business action into the corporate policy and the executive framework of the company
- 2 Identify any critical or potential human right violation risks in the supplier's business activities as well as its relationship with supply chain actors and business partners
- 3 Understand and assess the identified critical and/or potential human right violation risks
- 4 Stop, prevent and/or reduce any negative effect of the risk
- 5 Track the remediation status and result
- 6 Discuss and confirm what action has been taken to cope with the effect
- 7 Implement an appropriate set of remedial measures as required or cooperate in the remedial effort (establish and operate the grievance mechanism)

Establishment of a Contact Point to Access Remedy for Human Rights Violations (Grievance Mechanism)

To help anybody who has experienced or observed an actual or potential violation of human rights in the course of business activities, a framework to safely access an appropriate remedy must be provided. For this goal, the Kurita Group is in the process of establishing such grievance mechanism as a remedial contact point against human right violation by the end of the fiscal year ending March 31, 2028. Meanwhile, we will conduct preparatory researches to see how other companies provide similar contact mechanisms during the fiscal year ended March 31, 2024, and will move on to more researches in the fiscal year ending March 31, 2025 to establish the mechanism.

Human Rights-related Training Sessions

The Kurita Group continually provides education and training programs for its employees designed to improve their human right awareness. In the fiscal year ended March 31, 2024, we implement a series of education programs on the theme of "Business and Human Rights" at the Company and its domestic group companies, with a 100% attendance rate at all the sessions.

Content of the education and training program

Results of the fiscal year ended March 31, 2024	
Theme	Business and Human Rights
Number of participants	4,802

For more information, please visit our sustainability site.
<https://www.en.kurita-water.com/sustainability/2024/materiality/human-right.html>

Values

Conduct Fair Business Activities

Basic Concept

The Kurita Group helps its customers solve their problems around the world. Our achievement in doing this is the basis of our stakeholders' trust and confidence in us, which we accept with a strong sense of responsibility. To remain being a company trusted and highly commended by our

stakeholders, we will continue to practice our principles of "fairness, transparency and integrity." For that goal, we create and enforce policies and guidelines to assure that fair business practice will be followed at all times throughout the Group.

Materiality initiative targets and achievement

Materiality	Target for FY ended March 31, 2024	Achievement in FY ended March 31, 2024	Target for the fiscal year ending March 31, 2025 *1	Target for FY ending March 31, 2028
Conduct fair business activities				
Rate of participation in whistleblowing-related training sessions Attendance rate of people invited	100%	Achieved (100%)	100%	100%
Rate of participation in training sessions related to anti-bribery and antitrust laws and internal rules	100%	Achieved (100%)	100%	100%
Number of violations of anti-bribery and antitrust laws	0	Achieved (0)	0	0

*1 The target for ending March 31, 2025, was reviewed by the Sustainability Committee and decided by the Executive Committee.

Whistleblowing and Consultation Desk

In order to assure that everybody who works in the Group can work safely with a peace of mind, the Kurita Groups provides whistleblowing and consultation desks in and outside the Group, including one accessible round-the-clock. Any of the officers or employees of the Kurita Group, non-employee workers dispatched to and working at a Kurita Group site, and supplier employees who have observed any actual or potential act that may be in violation of the law, the Kurita Group Behavioral Guidelines, or other applicable policies or company rules concerning compliance, or if they have a question or doubt if a particular action or incident observed is free of compliance violation, can consult about or report such action or incident to one of the desks.

The desks provide service in 18 languages for employees at overseas groups. We post information on how to use these desks and run regular initiatives involving providing education sessions on our intranet site for group employees, and also distribute brochures to our suppliers and business partners in Japan to let the desk service known to everybody who is eligible to use it. The operations status of these whistleblowing and consultation desks is annually reported by the Executive General Manager of Sustainability Division to Board of Directors.

Conducting Whistleblowing-related Training Sessions

The Kurita Group continually provide education programs to let our employees know about this whistleblowing and consultation desk service so as to encourage them to readily consult or report to the desk when any actual or potential compliance violation is observed. We provide education to new the Company employees on a case-by-case basis through office organization, with a 100% attendance rate among eligible employees during the fiscal year ended March 31, 2024.

Training Sessions Related to Anti-bribery and Antitrust Laws and Internal Rule

In order to reduce risks where its employees violate anti-bribery or antitrust law or internal rules, the Kurita Group establishes "Kurita Group Anti-Bribery Policy" and "Kurita Group Antitrust Law Compliance Policy" and also continually provides education programs on related laws and company rules to improve understanding of and compliance to these laws and rules.

Throughout the Group. In the fiscal year ended March 31, 2024, we implement a series of e-learning programs on antitrust laws for our group companies in Japan, with a 100% attendance rate at all the sessions.

Implementation of the Integrity Survey

In order to evaluate the effectiveness of its ongoing integrity assurance effort and also to remind its people to review their awareness and practice from the integrity perspective and to identify potential legal violations risks to help prevent future incidents, the Kurita Group conducts an annual Integrity Survey on group employees as well as non-employees who are dispatched to and work at Kurita Group sites. The survey is conducted in such a way to protect anonymity of the respondents.

Record of our integrity survey conducted in the fiscal year ended March 31, 2024

Number of people being contacted	Number of people responded	Response rate (%)
8,424	7,839	93.1

For more information, please visit our sustainability site.
<https://www.en.kurita-water.com/sustainability/2024/materiality/fair-business.html>

Risk Management

Basic Concept

The Kurita Group defines risk as any event that makes its sustainable growth and enhancement of the Group's corporate value uncertain. To ensure that opportunities for business growth are not missed due to decision-making that

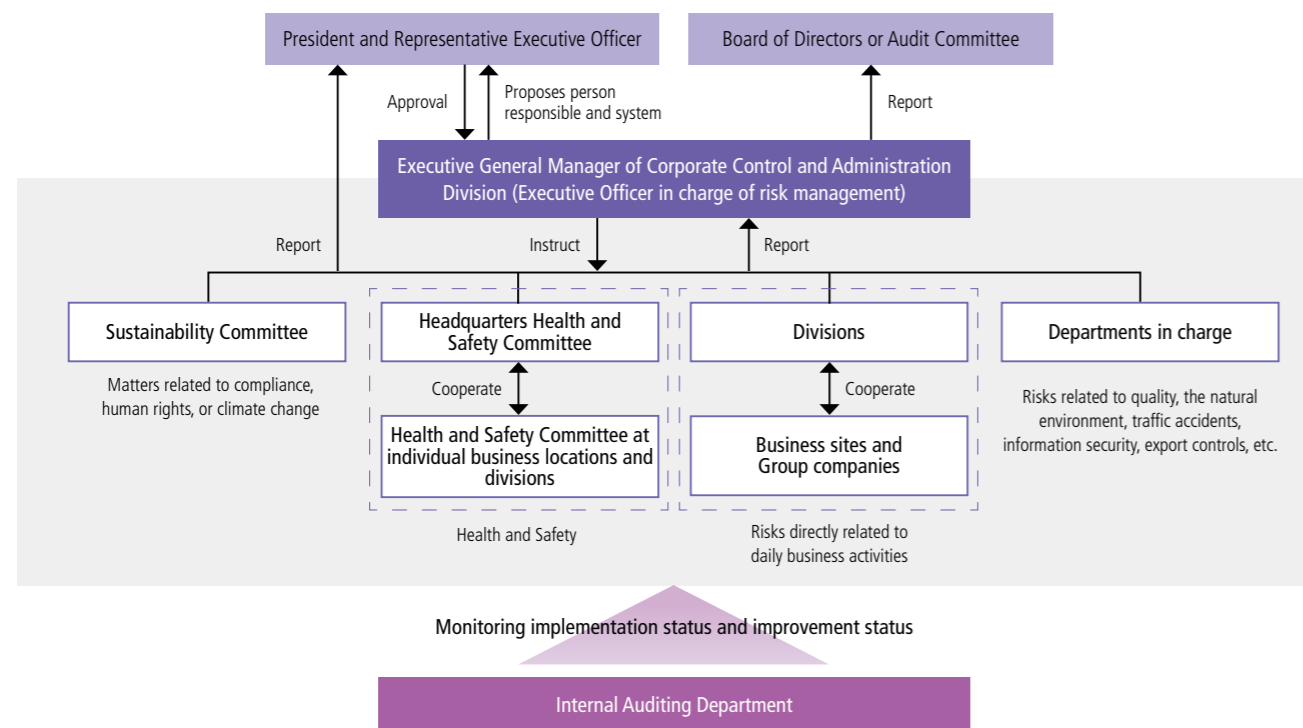
favors risk avoidance, we work to clarify which risks should be accepted for the sake of sustainable growth and corporate value increase while implementing appropriate measures to reduce losses.

Risk Management System

The executive general manager of the Corporate Control and Administration Division is responsible for monitoring risks and implementing risk management in the Kurita Group. The executive general manager regularly analyzes and evaluates the Group's risks and conducts ongoing monitoring based on the Group-wide risk map, and also takes steps to prevent risks from occurring. In the event of a risk materializing that could have a serious impact on group's business, the executive general manager formulates systems with the person in charge, obtains approval from the president and representative executive officer, and immediately issues instructions. The person in charge promptly takes action and reports to the president and representative executive officer and the executive general manager of the Corporate Control and Administration Division, as well as the Board of Directors or the Audit Committee, regarding the impact of the risk, progress with mitigation and measures to prevent reoccurrence. The chairperson of the Sustainability Committee is responsible for tackling material risks related to compliance and climate change, while the chairperson of the

Headquarters Health and Safety Committee is responsible for material risks related to health, and safety. The executive general manager of each division is responsible for responding to risks directly associated with day-to-day business operations, and each division identifies and evaluates risks related to the operations and group companies it is in charge of. Also, responding to risks relating to quality, the natural environment, traffic accidents, information security, export controls, and so on are handled by the respective departments responsible. The executive general manager of the Corporate Control and Administration Division, the chairperson of each committee and the executive general manager of each division report periodically to the Board of Directors on the status of risk management implementation, and report as necessary to the Board of Directors on the occurrence and impact of material risks. Furthermore, the Internal Auditing Department monitors the execution status and improvement status of risk management measures.

Risk Management System



Identification of Risks and Preparation of Countermeasures

The Kurita Group uses a group-wide risk map to identify potential risks in its business activities and assess risks against monitoring benchmarks. The Kurita Group also determines material risks for the Group based on the expected impact of those risks and the likelihood of them occurring. For the designated material risks, countermeasures are prepared and included in the business plan, and their implementation statuses in the Group including group companies are monitored. The implementation statuses of countermeasures are reported regularly to the Board of Directors, which deliberates major risks and their countermeasures for the next period including new risks that have arisen due to environment changes.

PDCA of Risk Management



Company-wide risk map

Risk category	Main risks	Report section/information related to response measures
Operating environmental risk	<ul style="list-style-type: none"> Contraction in existing markets due to customers reducing factory operating rates and reining in capital investment Decline in prices for products and services due to intensifying competition Decline in profitability and slowdown in business growth due to spikes in prices for raw materials and energy costs as well as supply chain disruptions Decline in yen translation amounts due to changes in exchange rates and other factors Decline in profits following the introduction and increase of carbon tax on CO₂ emitted by The Kurita Group's facilities and products, etc. 	<ul style="list-style-type: none"> The Kurita Group's Sustainability Management and PSV-27 Plan P.12-35 The Kurita Group's Businesses P.36-43
Country risk	<ul style="list-style-type: none"> Risk of loss of business opportunities and inability to recover investments due to changes in regulatory frameworks and abrupt political and economic changes in Kurita's markets 	<ul style="list-style-type: none"> The Kurita Group's Businesses P.36-43
Disaster risk	<ul style="list-style-type: none"> Human losses and loss of business opportunities caused by pandemics Human losses and loss of business opportunities caused by natural disasters including those caused by climate change 	<ul style="list-style-type: none"> BCM P.74,75 Contribute to the Realization of a Decarbonized Society," P.30-32
Strategic risk	<ul style="list-style-type: none"> Failure to attain goals in medium-term management plan due to delays with organizational reforms, business restructuring Slow pace of business expansion caused by delays with launching new businesses, executing growth strategy Delays with developing businesses matched to customer needs and characteristics of each country/region Failure to remain competitive in water treatment market due to delays with introducing IT and building digital businesses 	<ul style="list-style-type: none"> The Kurita Group's Sustainability Management and PSV-27 Plan P.12-35 The Kurita Group's Businesses P.36-43
Business risk	<ul style="list-style-type: none"> Failure to provide competitive products, services or business models in a timely manner Accidents/injuries in the Kurita Group's businesses Claims for damages and additional costs due to defects or deficiencies in products or services Loss of competitiveness due to outflow of technical expertise Slowdown or lack of progress with improving the profitability of overseas businesses driving the Kurita Group's growth Suspension of business operation due to cyber-attacks and security accidents Degradation of operation quality due to delay in securing and fostering human resources Degradation of ability to respond to changes in the business environment due to insufficient effort for diversity Decrease in productivity and loss of business opportunities due to decline in employee engagement 	<ul style="list-style-type: none"> The Kurita Group's Businesses P.36-43 Information security control P.55 Human Resource Strategy P.60-68
Financial risk	<ul style="list-style-type: none"> Loss of public trust caused by inadequate internal controls related to financial reporting Deterioration in profitability or cash flow due to poor management of group companies Write-down of goodwill caused by weak earnings at acquired companies 	<ul style="list-style-type: none"> Financial Strategy P.20-23 Basic Policies for Constructing an Internal Control System —
Labor, legal, and compliance risk	<ul style="list-style-type: none"> Health issues caused by long working hours Loss of public trust due to legal or compliance violations and information breaches 	<ul style="list-style-type: none"> Conduct business activities respecting human rights. P.70 Conduct fair business activities P.71 Intellectual Property Strategy P.50-52

* The above table is not an exhaustive list of the Kurita Group's risks.

* Please click on the link below for more details about risk factors related to the Group's business conditions, financial accounts and other items in the Annual Securities Report that could have a material impact on investor decisions.

For more information, please visit our IR site.

<https://www.en.kurita-water.com/ir/cg/risk-factors.html>

Risk Management

Business Continuity Management (BCM)

Approach for BCM Activities

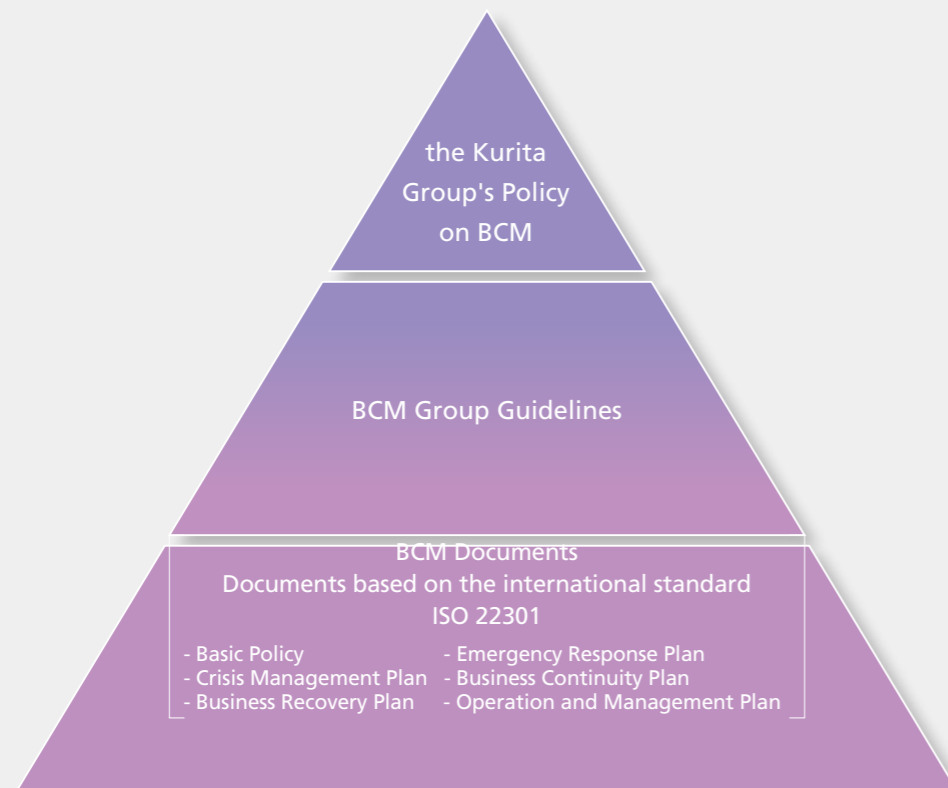
The Kurita Group has taken steps to prepare for sudden unexpected events such as a major earthquake or natural disaster, a pandemic, geopolitical risks, or security incidents, with the focus on "ensuring safety of employees" and "business continuity". This includes establishing an order of operational priorities and criteria for decision making and action for when such an event occurs, and putting in place response policies, procedures, systems, and other measures. During normal times, meanwhile, we engage in management activities such as formulating and updating emergency plans, securing budgets and resources, implementing countermeasures, conducting education and training, and carrying out inspections.

The Kurita Group formulated the Kurita Group's Policy on BCM as the basic approach of this effort, and gives first priority in an emergency to ensuring employee safety, and only then directs efforts to speedy recovery of business operations and assistance for local communities. To support executive officers and employees to take appropriate decisions and actions in such a situation, the Group has also prepared a system of documentation consisting of the BCM Group Guideline, which supplements the Kurita Group's Policy on BCM, as well as BCM Documents prepared based on the framework of the international standard for BCM, ISO 22301.

BCM basic policy

Highest Priority on Ensuring Human Safety	Rapid Recovery of Business Operations	Community Support
We will place the highest priority on ensuring the peace of mind and safety of directors/officers, employees and their family members.	We will endeavor to quickly restore operations at the company's own facilities, completed projects, construction projects, etc. This will facilitate stable delivery of products and services and allow us to support customers' recovery efforts.	At the same time as working to prevent secondary disaster damage at our own sites, we will support reconstruction in the local community.

the Kurita Group's Policy on BCM



BCM Promotion System

We have established an organization that integrates the Kurita Group's business continuity functions within the Corporate Control and Administrative Division, whose executive general manager has been appointed as officer in charge of BCM. The new organization will roll out BCM

activities based on an ISO22301 compliant management system to Group companies globally, progressively strengthening initiatives designed to ensure both employee safety and business continuity.

Initiatives to Strengthen BCM Activities

Operation of the Group management system

The Kurita Group formulates and implements initiatives in light of business characteristics and risks unique to the countries and regions of group companies based on the Group-wide BCM system, and the company governs and provides support for these initiatives conducted by group companies, aiming for the steady practice of the PDCA cycle of BCM initiatives and the steady use of the report line in the

event of incidents throughout the Group. With these efforts, the Kurita Group as a whole operates the management system effectively based on the BCM Documents, in order to ensure the safety of employees, elevate the effectiveness of measures against business continuity risks, and strengthen measures against incidents that have major impact on the Kurita Group.

Strengthening of the ability to respond to large-scale earthquakes

With half of the Group employees working in Japan, which is under the threat of the high probability of the occurrence of an inland earthquake in the Tokyo metropolitan area and the Nankai Trough earthquake, it is important to check that the measures against large-scale earthquakes are functioning effectively, while also elevating their effectiveness. For that purpose, we will first estimate the magnitude of damage on business locations of the Kurita Group and then identify and

prioritize issues to be strengthened from both the perspective of "ensuring safety of employees" and "business continuity", and implement the necessary actions.

In addition, overseas Group companies are also expanding and inspecting measures to address specific risks in each country and region, aiming to strengthen the risk response capabilities of the entire group.

Corporate Governance

Round Table Discussion between Chairperson of the Board of Directors and External Directors



External Director

Kenjiro Kobayashi

Chairperson of the Board of Directors

Michiya Kadota

External Director

Yoshiko Takayama

External Director

Keiko Tanaka

External Director

Masahiro Miyazaki

Further evolution of corporate governance and sustained growth of the Kurita Group

Kurita Water Industries Ltd. transitioned to a company with nominating committee, etc. in June 2023 for the purpose of establishing a more effective and transparent system of corporate governance by strengthening the functions of management supervision and business execution. The Chairperson of the Board of Directors and four External Directors discussed how deliberations in the Board of Directors and Committees have changed through the transition of the organizational design and what the issues are revealed by discussions from the medium-to-long-term perspective.

Background of the transition of organizational design and changes after transition

Kadota When I was the president of a company with the Audit & Supervisory Board, I played the role of the chairperson of the Executive Committee and the chairperson of the Board of Directors simultaneously. I felt something uncomfortable about the process in which the president in charge business execution prepares an agenda in the Executive Committee and brings it to the deliberation of the Board of Directors, in which the same person takes the role of chairperson. I was thinking that the Board of Directors could not execute its supervision function adequately. Internal directors in the Board of Directors at that time accounted for two thirds of the board members, which tended to bias the deliberation

toward the perspective of business execution. In such circumstances, I came to think that execution and supervision must be clearly divided to realize more effective and highly transparent governance.

Tanaka Before the company transitioned to a company with nominating committee, etc., I doubted the suitability of some of the meeting agendas for deliberation in the Board of Directors. After transition to the current organizational design, I feel that the role of the Board of Directors has been clarified to be supervision and deliberations are now made from more long-term perspective. The chairperson draws diverse opinions from directors on the agenda to deepen deliberations. I feel that the current structure, in which the former president not taking the executive role and taking the

role of chairperson of the Board of Directors, is rational for making governance more effective.

Miyazaki When I assumed the position of director, discussion on transition to a company with nominating committee, etc. had already started. The focus of the discussion was what authorities should be transferred to the executive side when the role of supervision and that of execution are separated. The external directors now account for half of the Board members through the strengthening of the supervision function, and the Board of Directors is required to make decisions concerning the long-term direction of the Group. In this situation, I think it is highly rational that the non-executive former president runs the Board of Directors as the chairperson, while also taking into account the experience of business execution.

Kobayashi One of the reasons that the company transitioned to a company with nominating committee, etc. is to respond to the social demand for sustainability management, that is, management from the perspective of stakeholders. With this transition, my role was changed from a member of Audit & Supervisory Board to Director and Chairperson of Audit Committee, which added authority as a director. To fulfill this responsibility, I keep it in mind that I should consider perspectives of various stakeholders when I make a statement.



Kadota What I keep in mind in the management of the Board of Directors as the chairperson are to draw opinions from directors based on their diverse background and to clarify how the thoughts and management directions of the executive side are viewed from the supervision side. While the executive side tends to consider short-term issues, I, as the chairperson of the Board of Directors, intend to focus on matters necessary for creating corporate value on a medium-to-long-term basis without paying too much attention to short-term perspective. For this reason, we strive to take a medium- and long-term view of the agenda items such as business strategies, and to report and discuss the approach taken by the management team.

Issues revealed from discussions in medium-to-long-term perspective

Kobayashi While deliberation tended to be about short-term results in the former Board of Directors, it now has deep

discussions on medium-to-long-term themes. I realize that these discussions revealed more clearly the challenge of how the Group should achieve both social value and economic value to respond to demands from various stakeholders.

Takayama It is an important medium-to-long-term goal to improve the corporate value of the company by pursuing both social value and economic value, but I feel that there are many issues for achieving this goal. Examples of difficult issues include the level of understanding of employees on the value creation framework set forth by the management team and how we can strengthen the capability of creating innovations necessary for solving social issues. I think the important role of the Board of Directors is to constantly pose such questions to the executive side and provide support for resolution.

Miyazaki I try to state issues clearly that are difficult for the executive side to make decisions on such as reconsideration of the business portfolio and improvement of productivity. Furthermore, I wonder whether the business goals are well understood by employees. I think it is important for the Board of Directors to clarify issues such as business transformation by DX and investment in human resources, and urge the executive side to take action on them.

Tanaka Kurita is expanding its business into the world. With great chances of growth in the global market, globalization is inevitable for us. Globalization is difficult to achieve only by Japanese personnel. So, how we should foster and promote talents, including foreign nationals, who can make decisions from the global perspective is another medium-to-long-term issue.



Focusing on highly effective management of committees through deep deliberations from diverse perspectives

Tanaka Effort of fostering the next management personnel is also important in addition to fostering global human resources. Because fostering the successor of the president and nomination of that person is an important role of the Nominating Committee, we are preparing a program for selection, fostering, and nomination. For the nomination of executive officers, we have implemented a process in which a

Corporate Governance

Round Table Discussion between Chairperson of the Board of Directors and External Directors

wide range of candidates are selected to ensure their diversity and objective assessment is made by external directors and external experts. Also, members of the Nomination Committee try to interview candidates of overseas group companies to understand their business experiences and the ways they think.



Miyazaki In the management of the Remuneration Committee, we try to make decisions not just discussions, in addition to keeping the process visible. For the fiscal year ending March 31, 2025, we have revised the guideline on the levels of remuneration to make them competitive inside and outside Japan. We are working to make the remuneration system of the Group highly visible so that they are taken positively by stakeholders.

Kobayashi When the Audit & Supervisory Board transitioned to the Audit Committee, we organized the Secretariat to the Audit Committee to achieve closer cooperation with the internal auditing department. Although the role of a member of the Audit Committee is not very different from that of the Audit & Supervisory Board in terms of the law, I have to keep it in mind that a member of the Audit Committee is also a director when I make a statement. So, I pay attention to the perspectives of diverse stakeholders when I check and make statements on whether directors and executive officers are adequately carrying out their duties of supervision and execution.

Takayama Generally, deliberations in the Nomination Committee is highly confidential, and this sometimes poses problems in sharing information with the Board of Directors. In this company, information sharing is facilitated through detailed report from chairperson Tanaka to the Board of Directors. As for the Audit Committee, the high effectiveness of audits is ensured by putting a full-time external director in the position of the chairperson of the Audit Committee. While the globalization of the company is accelerating, I consider that discussions on the remuneration system will proceed further to gain better understanding and satisfaction through the alignment of management personnel remuneration systems of overseas group companies with the Group-wide remuneration system.

Kadota The largest change brought by replacing the

former Advisory Councils with the Committees based on the Companies Act is the significantly higher objectivity and transparency. There was a process of building a system for nomination and remuneration with Advisory Councils, but I felt there were issues in gaining opinions from diverse perspectives. After the company transitioned to a company with nominating committee, etc., the chairpersons of the Nominating Committee and the Remuneration Committee are leading discussions based on their global experiences and knowledge, and I feel these discussions are eliciting convincing propositions.

Contributing to the promotion of PSV-27 Plan by monitoring materiality items from the supervision side

Miyazaki To monitor the progress of PSV-27 Plan, I watch the progress of publicized indicators such as the business profit margin, ROE, and ROIC. Restructuring of the business portfolio is inevitable in order to achieve profitability goals. We have to shift resources to major segments by considering exit plans for businesses in non-major segments, even if they are earning profit. I also consider it important for the executive side to make decisive moves to show the intention of management to employees on the front line.



Takayama I think it is essential to earn business return continuously exceeding the capital cost to respond to expectations of shareholders and investors. To that end, objective analysis of the current business portfolio is important. The company verifies the adequacy of the current business portfolio in terms of two core indicators, the sales growing rate and ROIC, as well as attractiveness quotients of markets such as growth rate. How we should proceed with restructuring businesses whose return is low and difficult to improve, and how we should make additional investment on businesses that we should focus on for future growth—both of them are important challenges. I think that the Board of Directors can drive the efforts of the executive side by continuous deliberation on how we should tackle these issues.

Kobayashi I evaluate the progress of PSV-27 Plan from two perspectives: customer value and social value. I also

watch whether employees understand the connection between the creation of these values and the growth of the Kurita Group. As the chairperson of the Audit committee, I check whether the basic concept of PSV-27 Plan is shared well in the Group including overseas group companies through discussions with local staffs.

Tanaka To realize the transformation of business models and the evolution of business processes based on the values that are defined as the basic directions in the medium-term management plan, I feel sharing a healthy sense of urgency in the company is important. With the steady performance of the company, the mood of satisfaction in the current status tends to develop. Toward the accomplishment of PSV-27 Plan, I think that the important thing is how we increase unified motivation for transformation among the management team and front-line employees.

Actively supporting risk taking necessary for continuous growth, based on deliberation on adequacy

Kobayashi Because effort for transformation is accompanied by risks, how the executive side takes risks in the execution of its role is important. So, I want to actively support proposals from the executive side for taking risks. I consider seriously the risk of not taking risks, so I think it is important for us to check whether risks that should be taken are actually taken.

Tanaka For the case of the company, I feel not taking risks is a risk. I understand that the executive side are careful in taking risks because they are responsible for the results. However, I think it is the responsibility of the directors to make decisions on the adequacy of risk taking and provide objective opinions.

Takayama While constantly sharing the understanding of the amount of risk that can be taken from the financial perspective, the Board of Directors deliberates what business risks should be taken from the perspective of the management strategy to evaluate the adequacy of taking individual risks.

Miyazaki With the transition to a company with nominating committee, etc., a large part of authority regarding investment projects was transferred to the executive side. The Board of Directors basically does not put a brake on a project that the executive side has deliberated adequately. However, if a risk that should be taken is not taken, the Board of Directors speaks up to encourage the executive side take the risk.

Creation of shared values by integration of sustainability strategy and management strategy

Takayama An important theme of PSV-27 Plan is the creation of shared value. The Sustainability Advisory Council verified the current status and issues of CSV businesses, which is a major part of PSV-27 Plan, and reported the deliberation

results to the Board of Directors. The Board of Directors deliberated the report, and the executive side is now proceeding with individual projects. In order to align them with the management strategy, we clarified the positioning of PSV-27 Plan and the materiality and also the relationship between financial indicators and non-financial indicators. I think we are now able to conduct more detailed verification on the progress of the medium-to-long-term growth strategy based on Materiality, because of the common framework shared by the executive side and supervision side.

Miyazaki It is also important whether employees in workplaces are conducting their duties with the understanding of the relationship between PSV-27 Plan and materiality. I feel that the supervision side must monitor how the intention of the management team is communicated to the employees through the middle management personnel. I also request the executive side from time to time to communicate to all employees in simpler terms about the process of connecting social value creation with Kurita's corporate value.

Kobayashi I think the identified Materiality items are expressed in an organized way, but I wonder how much they have spread to all corners of the company. Also, the process of connecting the creation of social value with the improvement of corporate value must be understood not only internally but also by external stakeholders. Sustainability management and non-financial information are also subject to audits. So, I intend to audit properly the goals and indicators that the executive side has set, as well as their progress.



Kadota The Sustainability Advisory Council also discussed the meaning of CSV businesses and the appropriateness of the way of evaluating social values. As for the way of communicating them to employees, I occasionally advise the executive side to use expressions as simple and easy to understand as possible. There is a limit to the extent of internal discussions, so we must listen to voices of stakeholders including shareholders and investors as well as opinions of External Directors. Then, we will endeavor to accomplish PSV-27 Plan and the corporate vision, joining forces with the executive side—the responsible body of creating values.

Corporate Governance

Corporate Governance Structure

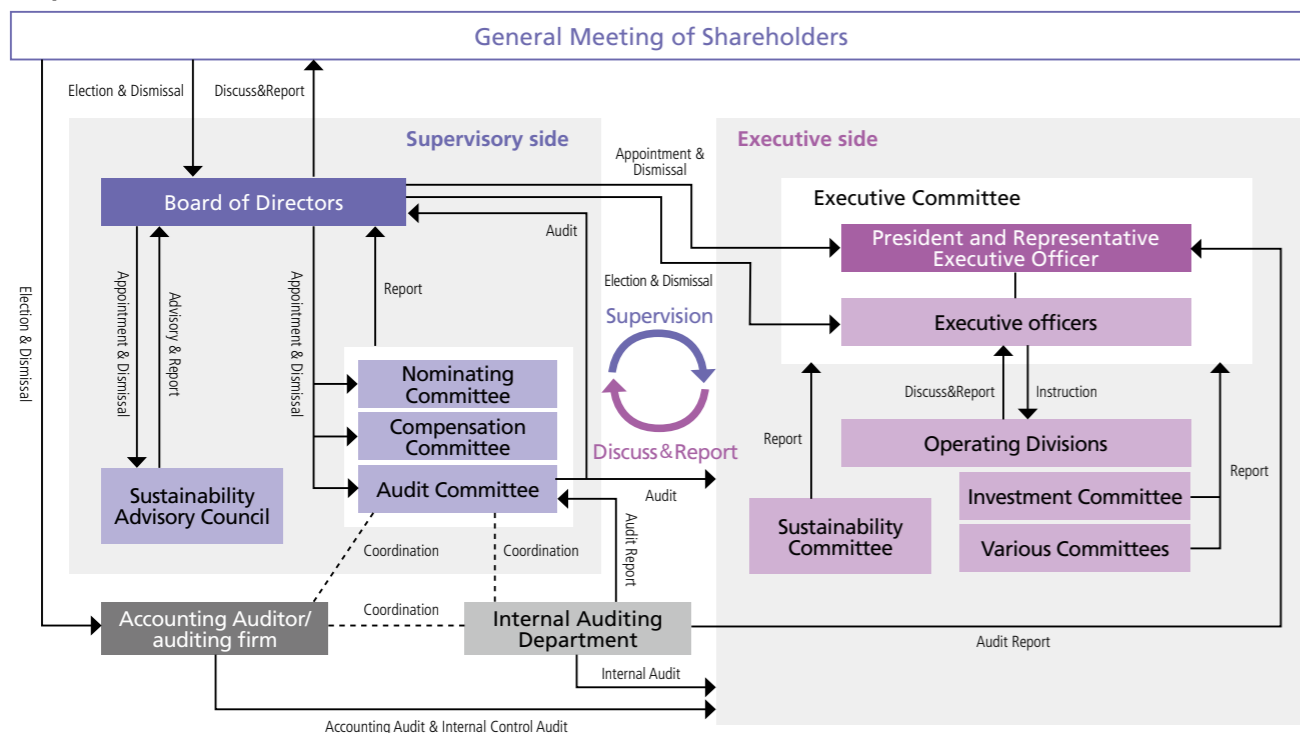
The Kurita Group aims to contribute broadly to society through corporate activities in the fields of water and the environment in accordance with the Kurita corporate philosophy, "Study the properties of water, master them, and we will create an environment in which nature and humanity are in harmony." The Kurita Group will work to promote sustainable growth and enhance its corporate value in the medium and long term, deferring to the rights and positions of various stakeholders such as customers, business partners, employees, shareholders, and local communities while striving to meet their expectations. To this end, the Kurita Group is working to establish corporate governance, with the aim of realizing transparent, fair, prompt, and decisive decision-making and highly effective management supervision.

Corporate Governance Structure

Kurita Water Industries has recently transitioned to an organization with a nominating committee for the purpose of establishing a more effective and transparent corporate governance system by strengthening management supervision and business execution functions in order to further enhance the Group's sustainable growth and corporate value. Through a system that clearly separates

management supervision and execution, the company focuses on supervision based on the perspectives of various stakeholders in management supervision, while in management execution, the company utilizes the knowledge and appropriate monitoring functions of the supervisory side to make decisions on business execution.

Corporate Governance Structure



Timeline of Corporate Governance Improvements

Kurita Water Industries has sought to develop its governance structure to ensure that it fulfills its social obligations as a global enterprise while continuing to grow. Going forward, to ensure the Board of Directors can maintain the highest level of functionality, the Group will seek to build an optimized corporate governance set-up by reinforcing governance through appropriate review and adjustment.

The company established the Sustainability Advisory

Council during the fiscal year ended March 31, 2024, to discuss matters related to domestic and international situations surrounding sustainability, and to provide advice and reports to the Board of Directors. The Sustainability Advisory Council examines the company's approach to sustainability management from the perspective of multi-stakeholders and a medium- to long-term perspective.

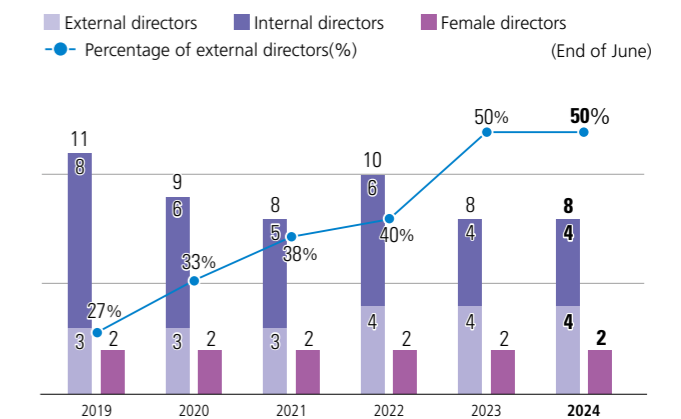
	To March 2018	MVP-22 April 2018 — March 2023	PSV-27 From April 2023
Organizational design	Company with the Audit & Supervisory Board		● Transition in June 2023 Company with a Nominating Committee, etc., system
Board chairperson	President • Chairman		● From June 2023 Chairman, non-executive
Corporate governance structure	<ul style="list-style-type: none"> ● 2006 Introduced the corporate officer system ● 2014 Appointed an independent external director ● 2014 Reduced the term of office of directors from two years to one year ● 2016 Established Nomination & Remuneration Advisory Council ● 2016 Started evaluating the effectiveness of the Board of Directors ● 2018 Appointed a female external director ● 2018 Established the Investment Committee 	<ul style="list-style-type: none"> ● 2019 Established the Successor Planning Committee 	<ul style="list-style-type: none"> Nominating Committee Establishment of the Audit Committee Establishment of the Sustainability Advisory Council
Remuneration system	<ul style="list-style-type: none"> ● 2009 Abolished the retirement benefit system for directors ● 2017 Increased the proportion of remuneration linked to consolidated results performance and introduced a performance-linked stock compensation program ● 2019 Revised the remuneration system for corporate officers 	<ul style="list-style-type: none"> ● 2022 Trialed reflecting non-financial indicators in performance evaluation standards 	<ul style="list-style-type: none"> Establishment of the Compensation Committee ● From April 2023 Inclusion of non-financial indicators and TSB outcomes in performance evaluation standards for executive officers and corporate officers

* Fiscal years ended March 31

Composition of the Board of Directors

To fulfill the highly effective supervisory function over operational execution, the Board of Directors will consist of personnel with the necessary knowledge, experience and competence, taking into consideration gender and diversity. With regard to this knowledge, experience and competence, the Company will identify skills regarding corporate management, management planning and other aspects of corporate governance and management, skills required to realize the direction sought by the Kurita Group of leveraging diversity to deepen water knowledge and using water knowledge to create social value, and necessary skills, etc., for realizing the Corporate Philosophy. The Board of Directors as a whole will be organized in a way that complements the above.

Composition of the Board of Directors



Independent External Directors

The company's Board of Directors currently consists of eight directors including four internal directors and four external directors (with the ratio of independent external directors at 50%) to serve its clearly defined role as a monitoring board. The Board provides a high-level direction for the company on fundamental executive decisions on corporate and group matters and also serves its objective supervisory and monitoring functions by nominating the executive candidates for the company (executive officers including the president). We are confident that the number of independent external

directors on our Board as of the end of June 2024 is appropriate and is optimally balanced with the number of the internal directors on the Board. Considering our responsibility as a company listed on the Tokyo Stock Exchange Prime Market, we will continue to make utmost effort in always having an appropriate number of best qualified people to serve as independent external directors on our board, taking a comprehensive selection perspective based on the operating environment, the skills matrix and the best balance in number with the internal directors.

Corporate Governance

Nominating Committee



Nominating Committee Chairperson
Keiko Tanaka

Members		Performance
[Chairperson]	Keiko Tanaka (External Director)	No. of meetings ----- 8 times (June 2023 — March 2024 results)
[Committee Members]	Kenjiro Kobayashi (External Director)	
	Masahiro Miyazaki (External Director)	
	Michiya Kadota (Director and Chairman)	
	Hirohiko Ejiri (Director)	
Percentage of external directors: 60%		

Message from Committee Chairperson

In the Nominating Committee meetings, we discuss nomination of not only the president and managing directors but also of other executive and senior officers of the company. We design and implement a personalized training program for each executive candidate. Being from outside the company, we typically have very little knowledge about each executive candidate, such as their personality and career experience. To overcome this knowledge gap, we hold personalized meetings to have a greater understanding of each of the candidates. Starting from the fiscal year ended March 31, 2024, we also implemented an overseas study program targeting our younger managerial candidates. Considering the future of the Kurita Group which is in the process of rapidly globalizing itself, we are confident that this new overseas study program will be an extremely useful investment to feed our future. The program will also accelerate each participant's personal growth and will generate positive influence on others who work with the participants.

◎ Policies and Procedures for Nominating Directors

The process of selecting candidates for external and other directors is designed to give due consideration to diversity while creating a system of management oversight that enhances corporate value and reflects the perspectives of shareholders and other stakeholders. Nomination of candidates for director is based on predetermined requirements. The Nominating Committee selects candidates for recommendation to the General Meeting of Shareholders, including a clear rationale for each.

◎ Succession Planning Process

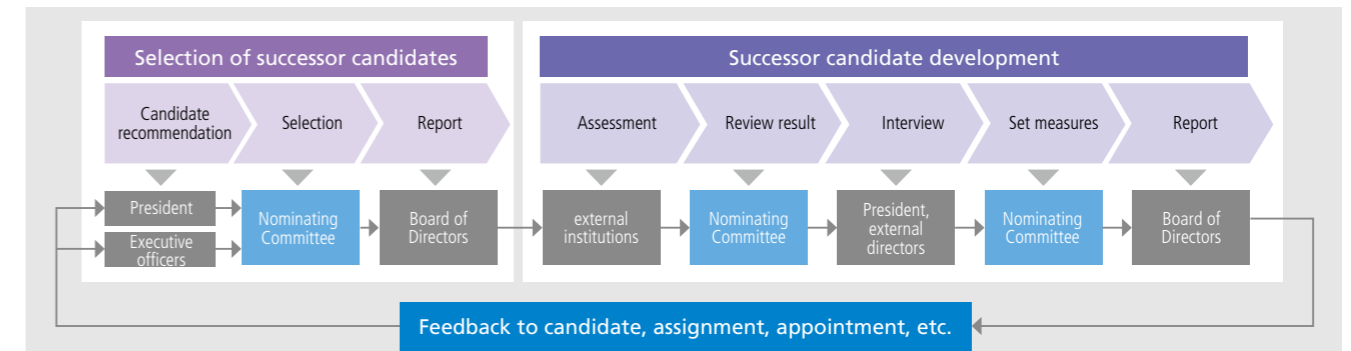
The Nominating Committee will deliberate on requirements for the President and Executive Officer in light of the aims of the Company and specific management strategies and then report the results to the Board of Directors. The Nominating Committee will select multiple candidates for the successor to the President and Executive Officer and develop succession planning measures based on requirements set forth by the Board of Directors. The Board of Directors will regularly confirm the selection of candidates for the successor to the President and Executive Officer, development of the succession planning measures, and its progress based on reports from the Nominating Committee.

The successor candidates are selected and trained through an objective and transparent process complemented by inputs from an external body concerning assessment of each candidate.

◎ Policies and Procedures for Nominating and Appointing/Dismissing the President and Executive Officer and Other Executive Officers

In appointing the President and Executive Officer and other Executive Officers, the Board of Directors will review the management structure at least once a year so that the administrative structure will create shared value with stakeholders and contribute to the sustainable growth of the Kurita Group. The Board of Directors will nominate candidates for the President and Executive Officer and other Executive Officers, and decisions on the selection and dismissal of the President and Executive Officer and the appointment and removal of Executive Officers are made by the Board of Directors based on reports from the Nominating Committee. The Nominating Committee will also review the status of business execution twice a year, and deliberate on whether it is appropriate to continue with the position of President and CEO, and report the results to the Board of Directors.

Succession Planning Flowchart (President/Executive Officers)



◎ Skills Matrix of Directors

To realize our corporate philosophy, we have set the necessary knowledge, experience, and capabilities as skill items based on management strategies such as the Kurita Group's value creation story and medium-term management plan.

Name	Corporate governance and management			Leveraging diversity ▶ Making full use of water knowledge ▶ Creating social value					
	Corporate management Corporate planning	Finance and accounting	Legal and HR management	Human rights	Global	Understanding and solving issues on site	R&D, technology, and engineering	Digital Transformation	Environment
Michiya Kadota	●	●	●	●	●	●*			●
Hirohiko Ejiri	●			●	●	●	●	●	●
Shuji Shirode	●	●			●				●
Yukihiko Mutou	●	●	●	●					
Kenjiro Kobayashi (external)	●	●			●				
Keiko Tanaka (external)	●		●	●	●				
Masahiro Miyazaki (external)	●	●	●		●				
Yoshiko Takayama (external)	●	●			●				

Among the knowledge and experience of each director, those with ● are fields where they have strength while ● indicates an area where they are especially promising.

*"Understanding and solving issues on site" is a skill item expected of Internal Directors. Those who have experience as president are marked with a ● because they have sufficient skills in "Understanding and solving issues on site" as supervisors based on their experience in supervising an entire company.

Corporate Governance

The skill items are largely divided into two categories. One is corporate governance and management, under which three skill items of "corporate management and corporate planning," "finance and accounting," and "legal and HR management" are set as basic elements that are particularly essential. The other is about creating shared value with society by providing solutions that make full use of "water knowledge," which is obtained by leveraging diversity* of

human resources and other elements. To drive this initiative, we have set six skill items of "human rights," "global," "understanding and solving issues on site," "R&D, technology, and engineering," "digital transformation (DX)," and "environment."

We believe that our Board of Directors should possess these nine items of skills for oversight of management.

Skills and Reason for Selection

High-level concepts	Skills	Reason for Selection
Corporate governance and management	Corporate management/ Corporate planning Finance and accounting Legal and HR management	These are regarded as the skills, knowledge, and experience that provide a foundation for conducting management oversight.
	Human rights	In developing its business globally, the Kurita Group encounters diverse working environments, business customs, and trading practices, and there is a need to engage in business activities while respecting the human rights of stakeholders. To this end, the Group has defined a basic materiality theme as "Conduct business activities respecting human rights." The Group is promoting initiatives to ensure respect for the human rights of employees, suppliers and other stakeholders in the countries and regions where it conducts business. The Group also recognizes the importance of leveraging diversity in human resources as a foundation for innovation and as a source of value creation leading to sustainable growth. "Human rights" has thus been selected as a skill category for Board oversight of management due to its importance as a management issue.
Leveraging diversity ▼ Making full use of water knowledge ▼ Creating social value	Global	To accelerate global business development, the Kurita Group is working to speed up the development of products and services tailored to local and regional market characteristics. The category "Global" represents a level of international experience and understanding of these regions and countries. We see it as one of the essential elements in cultivating the "diverse points of contact with sites" that constitute a source of the Group's competitive advantage. "Nominating Committee" has been selected as a skill category for Board oversight of management because we consider a deep knowledge of global markets as essential for developing business globally and increasing corporate value.
	Understanding and solving issues on site	The Kurita Group delivers solutions addressing water-related issues at the sites of various customers worldwide. At "diverse points of contact with sites," we engage seriously with customers' issues, utilizing our "water knowledge" in the form of accumulated information and data to create proprietary and innovative solutions. We see this as the source of shared value creation with customers and society. This area has been selected as a skill category for Board oversight of management because we value having a deep understanding of the points of contact with customer sites as a source of value creation, alongside extensive experience of addressing such issues.
	R&D, technology, and engineering	The Kurita Group combines technology and expertise acquired from various business domains to create new products, services, and technologies. Amid significant recent changes in the external environment, we consider ensuring customer business continuity to be one area where we can provide added value. Accordingly, we have reviewed our methods of product, service, and technology delivery and the procurement and production set-up to improve our cost competitiveness and production capacity. Because we see strengthening of development, technology, and production as a key platform for creating and providing solutions, this area has been selected as a skill category for Board oversight of management.
	Digital Transformation	The Kurita Group aims to achieve DX by utilizing digital technology to change business processes and to transform business models. "DX" has been selected as a skill category for Board oversight of management since we consider it a priority for the deployment of digital tools, AI, and IoT, and for the utilization of information and data collected from diverse customer sites as "water knowledge," resulting in creation of innovative shared value with customers and society.
	Environment	The three shared value themes that the Kurita Group has defined as the Kurita Group's Materiality are "Solve issues related to water resources," "Contribute to the realization of a decarbonized society," and "Contribute to building a circular economy society." These are priority issues that we seek to address. We have defined as "CSV business" the Group products, technologies and business models that significantly contribute to water saving, the reduction of GHG emissions and resource input, and the recycling of resources compared with prior levels. We are working to create shared value with society via their development and provision to customers. 'Environment' has been selected as a skill category for Board oversight of management because we regard it as part of our mission to reduce environmental impact through our business activities.

* The "diversity" means the variety of elements that form "diverse points of contact with sites" that are the source of the Kurita Group's competitiveness, such as contact points with customers, business fields, business development areas / countries, and technology fields, in addition to human resources.

Corporate Governance

Audit Committee



Chairperson of the Audit Committee

Kenjiro Kobayashi

Members		Performance
[Chair]	Kenjiro Kobayashi (External Director)	No. of meetings ----- 12 times (June 2023 — March 2024 results)
[Committee Members]	Yoshiko Takayama (External Director) Yukihiko Mutou (Director)	
Percentage of external directors: 67%		

Message from Committee Chairperson

I believe that the most important role of the Audit Committee is to review and verify, from an external stakeholder's viewpoint, that each of our directors and executive officers fulfill their supervisory and executive duties. The Committee's primary review theme for the fiscal year ending March 31, 2025 will be to see if our medium-term Management Plan, PSV-27 is progressing successfully and if the current progress status aligns with the Kurita Group's mission and vision. Another important responsibility is to see, by directly interacting with executive officers and employees, if group governance across all our domestic and overseas entities is correctly working. Despite being a small team comprising only three members, we in the Audit Committee are eager to fulfill our auditing duties with the help of the Secretariat to the Audit Committee and the Internal Auditing Department as well as support from the non-member directors.

© Auditing Set-up

The Audit Committee comprises a total of three members, including two External Directors and one non-executive Director who is familiar with our businesses. Of the three members, at least one must have sufficient expertise in finance and accounting. Of the current three Committee members, two actually have such finance and accounting expertise. The Kurita Group's Audit Committee is required to have full-time members. In the current Committee membership, two are selected to serve as full-time members and one of them is the Committee chairperson.

The Audit Committee is responsible for auditing the execution of duties by Directors and Executive Officers, preparing audit reports, and approving proposals to be submitted to the General Meeting of Shareholders regarding the election and dismissal of Accounting Auditor. The Company provides a dedicated the Secretariat to the Audit Committee, staffed by our full-time employees, to assist the Committee members to perform their duties. If required, the Audit Committee may also request additional assistance from members of the Internal Auditing Department, which is in charge of internal audits of the company.

To ensure the accuracy of operations at our group, the members of the Audit Committee selected by the Audit Committee have been conducting audits and surveys with respect to the Company and the Group Companies in accordance with audit policies and audit plans, etc. established by the Audit Committee.

© Audit Record by the Audit Committee during the Fiscal Year ended March 31, 2024

In the fiscal year ended March 31, 2024, the Audit Committee discussed specific matters such as the formulation of audit policies and plans, preparation of audit reports, the reappointment of the Accounting Auditor, remuneration for the Accounting Auditor, and other agenda items for submission to the Ordinary General Meeting of Shareholders, including activities as the executive audit meeting body to prepare for our transition to an organization with a nominating committee. The Committee, by collaborating with the Internal Auditing Department and the Accounting Auditor, audited the status of establishment and operation of the internal control systems (including internal control over financial reporting) and Group governance systems, and the status of priority measures in the business plan, all of which have been defined as priority audit items in the audit plan. For the fiscal year ended March 31, 2024, the Audit Committee held 14 meetings including two Audit & Supervisory Board, and 100% of the Committee members and Directors attended all of the 14 meetings.

Corporate Governance

Compensation Committee



Compensation Committee Chairperson

Masahiro Miyazaki

Members		Performance
[Chair]	Masahiro Miyazaki (External Director)	No. of meetings ----- 5 times (June 2023 — March 2024 results)
[Committee Members]	Keiko Tanaka (External Director)	
	Yoshiko Takayama (External Director)	
	Michiya Kadota (Chairman and Director)	
	Hirohiko Ejiri (Director)	
Percentage of external directors: 60%		

Message from Committee Chairperson

Our remuneration policy is set based on the principles that the remuneration level and system should allow acquiring and retaining competent people, that the remuneration amount closely follows the business performance that each officer is being paid for, that the remuneration system focuses on improving the mid- to long-term value of the company and that it is a fair and equitable system based on the recipient's job responsibility and achievement.

For the fiscal year ending March 31 2025, the remuneration level has been set with the underlying benchmark data, which serves as the reference to determine the remuneration amount, reviewed and updated, so that the finalized remuneration amount will be a competitive one from domestic and global perspectives. We will continue to work on reviewing and updating our group's remuneration system so that it will remain a transparent and relevant system acceptable to our stakeholders.

Basic Policy on Determining Remuneration for Directors and Executive Officers

Basic Policy	Objectives of the basic policy
1. The remuneration paid to directors and executive officers is designed to attract and retain talented people with diverse skills, experience, etc., to help realize the corporate philosophy.	The basic policy is to establish a structure and level of remuneration that enables us to secure excellent personnel capable of supervising and executing the management of the Company in order to realize its corporate philosophy.
2. The Company intends that remuneration be linked to business performance and medium- to long-term corporate value in order to function as a sound incentive for sustainable growth.	The remuneration system shall function as a sound incentive for sustainable growth, taking into account the enhancement of corporate value from a long-term perspective and the accommodation of expectations and requests from shareholders and other stakeholders.
3. The decision-making process of remuneration shall be highly transparent so that the objectivity of remuneration decisions will be ensured.	In addition to establishing a periodic remuneration level check process that refers to external remuneration data, the remuneration determination process shall be highly objective and transparent in compliance with the companies act and other laws and regulations pertaining to remuneration for directors and executive officers.

Remuneration System for Directors and Executive Officers

The policies relating to remuneration amounts and calculation methods for directors and executive officers are determined for each position in line with the Group's relevant basic remuneration policy.

With the aim of increasing the objectivity and transparency

of related decision-making processes, the structure and levels of remuneration for directors and executive officers as well as the performance evaluation of executive officers are determined by the Compensation Committee, with related status updates promptly reported to the Board of Directors.

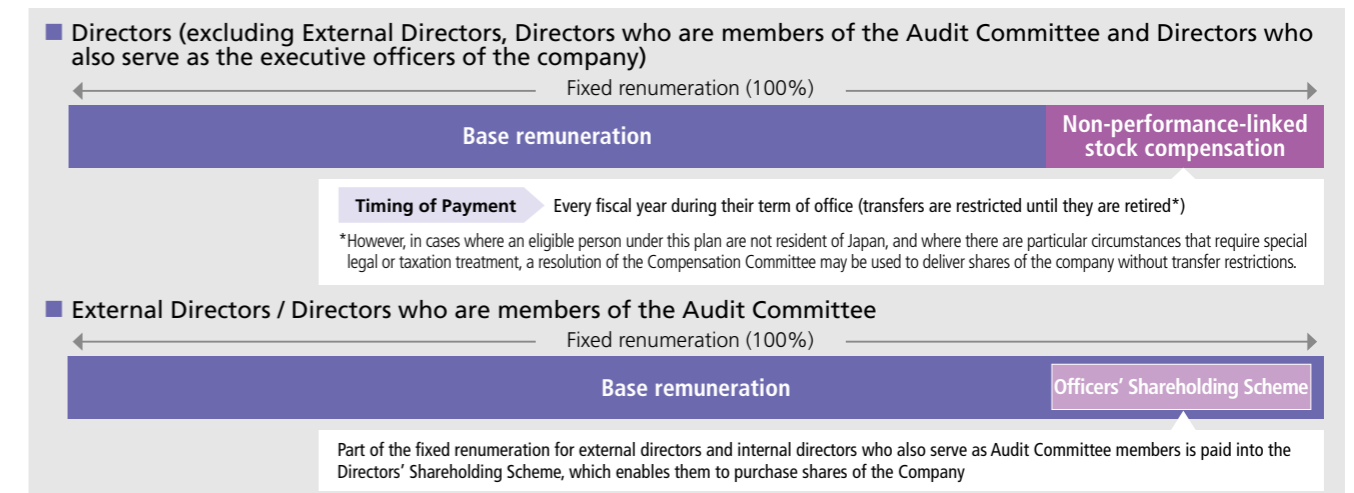
Remuneration system for directors

To assist them to be focused on their core duty of management supervision, the remuneration of all the directors is limited to a fixed remuneration.

The fixed remuneration for directors excluding external directors and directors who are Audit Committee members is determined by their position, and for directors to share the risk of share price fluctuations that our shareholders are subjected to, a portion of the fixed remuneration is paid in the form of non-performance-linked stock. In the non-performance-linked stock compensation system, points are

granted in accordance with their position, and a number of shares of the company's stock (with restriction on transfer) equivalent to the number of points granted are annually delivered to the director.

To enable external directors and internal directors who also serve as Audit Committee members to share the risk of share price fluctuations that our shareholders are subjected to, part of their base remuneration is paid into the Directors' Shareholding Scheme, which enables them to purchase shares of the Company.



Remuneration system for executive officers

Remuneration of executive officers is composed of a base remuneration based on job position plus a performance-linked portion split into short-term and long-term incentive components.

The performance-linked remuneration that forms short-term incentive is divided into multiple parts, where one part is linked to the overall consolidated performance of the Group, another is linked to the outcome of the business unit under the recipient officer's supervision, and the remaining parts are linked to other contributing factors including environmental impact coefficients. The performance indicator used for the remuneration linked to consolidated performance is year-on-year change in return on invested capital (ROIC). To determine the amount of the remuneration part linked to the outcome of the business unit under the recipient officer's supervision, the applied performance indicators include the difference between the planned target of the consolidated overall operating profit margin and its actual result and also the difference between the planned target of the consolidated business profit of the business unit under his or her supervision and its actual result. For the remuneration parts related to other contributing factors, we apply the implementation record of large investment projects, e.g. strengthening the corporate structure, M&A, etc., which may not be reflected in the performance for the relevant fiscal year, as the evaluation perspective. We set an environmental impact coefficient that assesses average value of degree of achievement in each indicator of water

saving, avoided GHG emissions, and increase in resource recovery or reduction of resource input, through CSV business, with the aim of accelerating business operations with social value as the starting point and enhancing corporate value through the realization of social value. The amount of short-term incentivized remuneration is determined by calculating a variable payment rate from the level of achievement reflected in the performance indicators that are used for determining the remuneration parts linked to consolidated performance, the outcome of the business unit under that officer's supervision and other contributing factors. This calculated payment rate is then multiplied by a couple of coefficients, one of which corresponds to the level of achievement reflected in the environmental impact coefficient and another corresponds to the base amount for the officer's position relating to short-term incentive remuneration, to finally determine the short-term incentive remuneration amount.

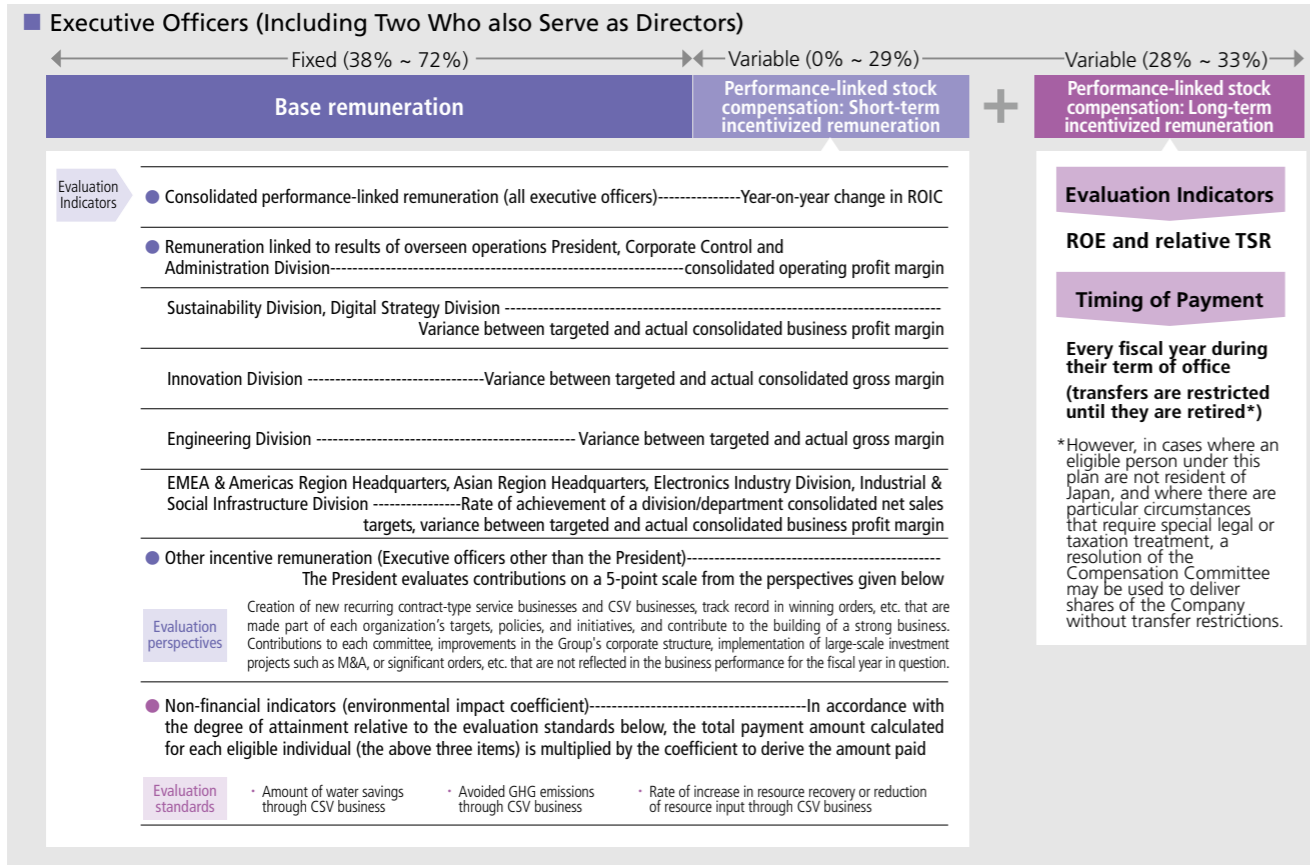
The amount of long-term incentivized remuneration uses consolidated return on equity attributable to owners of parent (ROE), and total shareholder return (TSR) as the performance indicators, and is calculated by multiplying a variable payment rate, that reflects the level of achievement of consolidated ROE, by a couple of coefficients, one of which corresponds to the level of achievement of TSR and another that corresponds to the base amount for that officer's position relating to long-term incentive remuneration, to finally determine the long-term incentivized remuneration amount.

Corporate Governance

Compensation Committee

The reason for selecting ROIC, consolidated operating profit margin, consolidated ROE, TSR, etc. as the performance indicators for performance-linked remuneration is because these are management indicators that directly reflect the results of business performance and are also metrics of high

interest in the eyes of our shareholders. This performance-linked remuneration is determined at the Compensation Committee, with related status updates promptly reported to the Board of Directors.



Remuneration Amounts by Executive Classification

The total remuneration amounts paid for the fiscal year ended March 31, 2024, including breakdowns by executive

classification, remuneration type and numbers of eligible officers, are summarized below.

After the company's transition to an organization with a nominating committee (from July 2023 to March 2024)

Classification	Total amount (millions of yen)	Total amount by type of remuneration, etc. (millions of yen)			Number of payees
		Base remunerations, etc.	Short-term incentive remuneration (monetary compensation)	Long-term incentive remuneration (stock compensation)	
Director (excluding external directors)	107	107	—	—	2
Executive officer	363	174	78	110	6
External officer	58	58	—	—	4

*1. This number does not include two officers who also serve as executive officers of the company.

*2. The total remuneration for a director (excluding external directors) includes a base remuneration of 59 million yen and a non-performance-linked stock remuneration of 48 million yen.

Corporate Governance

Sustainability Advisory Council



Sustainability Advisory Council Chairperson
Yoshiko Takayama

Members		Performance
[Chairperson]	Yoshiko Takayama (External Director)	No. of meetings -----3 times (June 2023 — March 2024 results)
[Members]	Kenjiro Kobayashi (External Director)	
	Keiko Tanaka (External Director)	
	Masahiro Miyazaki (External Director)	
	Michiya Kadota (Director and Chairman)	
	Hirohiko Ejiri (Director)	
Percentage of external directors: 67%		

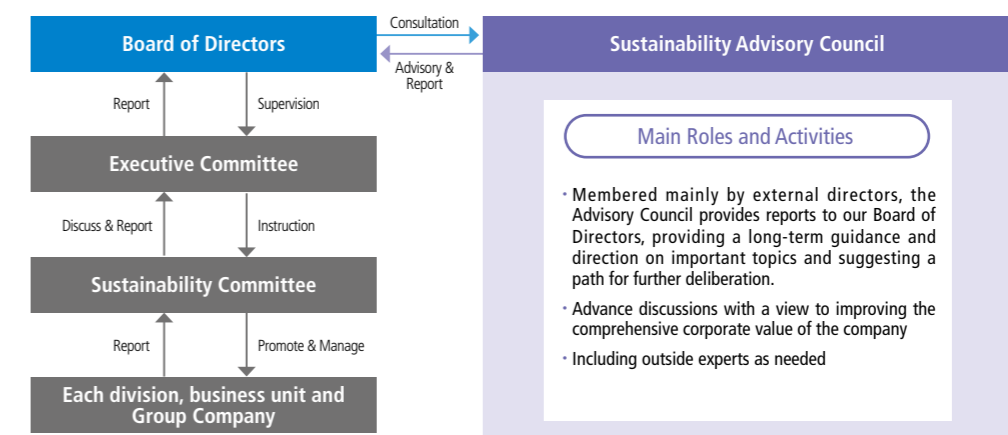
Message from Chairperson

I think our Sustainability Advisory Council is unique in that it functions as an advisory body to the Board of Directors and that it reviews sustainability-related activities of the company from the perspective of executive supervision. In the fiscal year end March 31, 2024, the Advisory Council deliberated our CSV business, a critical element of PSV-27 Plan, from the perspectives of corporate materialities and competition strategy. The Council examined the current situation of the CSV business as well as its potential issues and thereby submitted a report to the Board of Directors. The Board of Directors, upon receiving the report from the Advisory Council, further discussed the topics to present a conclusion to the executive team, based on which the executive team is now working on obtaining greater recognition and understanding of our CSV business. For the fiscal year ending March 31, 2025, the Advisory Council will examine the relationship between social and economic values within Kurita from a different perspective than the one used during the previous fiscal year, using complementary inputs from experts, to boost the executive team to achieve a greater corporate value.

Establishment of the Sustainability Advisory Council

The Sustainability Advisory Council operates to present a long-term guidance and direction to the Board of Directors toward achieving sustainable growth by resolving environmental and social issues. The Sustainability Advisory Council examines the company's approach to sustainability

management from a set of multi-stakeholder and medium- to long-term perspectives with the domestic and global sustainability-related situations taken into consideration in order to advise the Board of Directors through reports and recommendations.



In the fiscal year ended March 31, 2024, the Council discussed how to accelerate in-group recognition and understanding of our sustainability-related materiality commitments and how to drive a strategy to create new

markets based on social issue resolution needs. The Council reported its conclusion on these topics to the Board of Directors.

Corporate Governance

Sustainability Advisory Council

Evaluation of the Effectiveness of the Board of Directors

The Board of Directors analyzes and evaluates its effectiveness every year in order to fulfill its expected roles and functions more effectively

Evaluation Method

The evaluation is carried out via a written survey with each of the respondents identified. Following a discussion using the aggregated results, the Board of Directors evaluates its effectiveness, identifies problems, designates issues to be addressed and establishes measures. These matters are then adopted by a resolution of the Board. The survey is revised each fiscal year based on the results of the previous year's survey.

Method	Self-evaluation. First a signed questionnaire is completed by each respondent, followed by a personal hearing to complement the questionnaire response. The Board of Directors examines and discusses the findings to assess their own effectiveness and identify potential issues, in order to determine the tasks and actions to be undertaken in the future.
Evaluation items	1) Roles and responsibilities of the Board of Directors 2) Size and composition of the Board of Directors 3) Operation of the Board of Directors 4) Compositions, roles, and statuses of operation of committees 5) Framework to assist external directors to perform their duties 6) Relationship and interactions with stakeholders 7) Overall evaluation
Evaluation period	15 months from January 2023 to March 2024 * The evaluation period was extended three months compared to the regular one in order to closely evaluate the effectiveness of the Board of Directors after the core system change where the company transitioned to an organization with a nominating committee. The evaluation focused on the nine months from June 2023 to March 2024 following the above-mentioned core system change.

Evaluation Result for the Subject Period

The evaluation results submitted by all the directors were positive, indicating that the Board remained effective in performing its duties. While the company's June 2023 transition to an organization with a nominating committee generally helped improve the effectiveness of the Board of Directors, the evaluation also indicated that there is room for improvement in the Board's long-term direction setting capability to guide the Kurita Group, including their leadership in individual key management themes such as the promotion of DX and innovation activities, and that further discussion from various stakeholder perspectives is desired.

Issues for the Fiscal Year Ending March 31, 2025

The Kurita Group's long-term direction needs to be more clearly defined from the perspectives of diverse stakeholders, so as to ensure an appropriate supervision of growth strategies taken by the executive team.

Measures for the Fiscal Year ending March 31, 2025

- (1) Create opportunities to deepen understanding of the global trend in the water business, so as to clarify the Kurita Group's long-term direction from an objective viewpoint.
- (2) Focus efforts on finding opinions to and expectations for the Kurita Group from stakeholders other than shareholders and investors, based on reports, etc. from management, and deepen understanding of them.
- (3) Clarify the Kurita Group's long-term vision from a medium- to long-term perspective, based on integrated thinking which reflects viewpoints of diverse stakeholders.

Status of Initiatives in the Fiscal Year ended March 31, 2024

The following initiatives were implemented in response to the issue of "The Board of Directors has to show clarified direction for management policy which is planned by management members and identify important appeal point for investors and shareholders to improve the quality of the dialogue." based on the results of evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2023.

- The Board of Directors conducted supervision based on the knowledge and experience of Directors, through reports from the management team on the execution status of key management issues under PSV-27 Plan and through discussions on policies for formulating the business plan of the fiscal year ended March 31, 2024.
- The Sustainability Advisory Council was established as a voluntary advisory body for providing long-term direction to the Board of Directors toward achieving sustainable growth by resolving environmental and social issues, and oversaw initiatives toward achieving sustainability.
- The results of dialogue with shareholders and investors were promptly shared with all members of the Board of Directors to increase their understanding of the expectations that shareholders and investors have of the Company, and the Board of Directors held discussions based on the perspectives of shareholders and investors.
- At sustainability briefings for shareholders and investors, external directors outlined the status of the company's sustainability management and corporate governance system together with the management team, and engaged in direct dialogue with shareholders and investors.
- We increased understanding of the company's initiatives for promoting DX with external directors participating as observers in DX Committee meetings, reports from the management team on the Company's DX initiatives, and study sessions related to DX, and through discussions with the management team, and focused on clarifying the Company's approach to management leveraging DX.

Status of Board of Directors Meetings in the Fiscal Year Ended March 31, 2024

Main topics discussed and deliberated	<ul style="list-style-type: none"> • The Kurita Group's governance framework, roles of the Board of Directors and the degree of improvement in its effectiveness after the company's core system change • Progress of the priority measures being pursued according to PSV-27 Plan
Number of meetings	15 times per year (each regular Board of Directors meeting except August, and quarterly extraordinary Board of Directors meetings)

Record of the regular Board of Directors meetings as compared with the same from the previous fiscal year

Number of topics discussed	58 (14 less than the previous FY)
Total number of deliberation hours	23 hours and 21 minutes (1 hour and 5 minutes longer than the previous FY)
Deliberation hours per one Board meeting	Approx. 1 hour and 54 minutes (6 minutes longer than the previous FY)
Deliberation time per matter	approx. 21 minutes (+5 minutes year-on-year)

*The Board meeting record from July 2023 to March 2024 was compared to the same from July 2022 to March 2023 in order to evaluate changes before and after the transition to an organization with a nominating committee

Shareholdings of Other Listed Companies

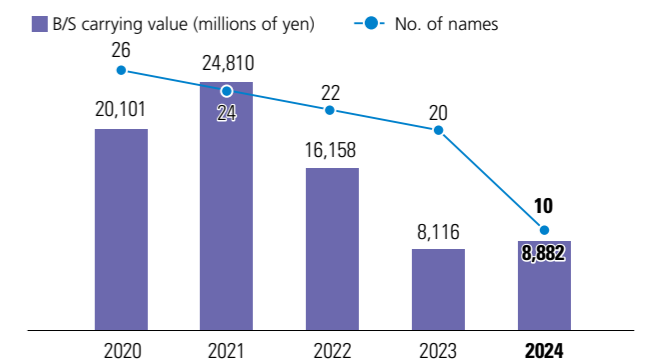
The Company holds shares of other listed companies to strengthen business relationships. We verify the economic rationale for mutual shareholdings and examine relationships with companies whose shares the Company holds based on our transaction history. The Board of Directors conducts periodic reviews of the appropriateness of Kurita's cross-shareholdings and is looking to cut the number of such shares held. As of March 31, 2024, the number of shares other than unlisted stocks reduced by 10 names.

[Cross-shareholdings policy]

- In some cases, the Company holds shares of other listed companies to strengthen business relationships, etc.
- When holding such shares, the Company makes efforts to minimize the risk of holding the shares. The rationale for holding each stock is reviewed on a regular or timely basis by the Board of Directors. Based on the results of the examination, the Company works to reduce the holding of shares of other listed companies.
- The Company exercises voting rights for each proposal based on whether it will contribute to an increase in shareholder value.
- If a shareholder indicates its intention to sell the Company's shares, the Company will not prevent the shareholder from making such sale, etc.

Size of Cross-Shareholdings* Portfolio

(As of March 31)



* Note: Investment equity securities held for purposes other than pure investment (excluding unlisted equity securities)

Corporate Governance

Directors



In the back: 4 Yukihiko Mutou 2 Hirohiko Ejiri 5 Kenjiro Kobayashi 3 Shuji Shirode
In the front: 8 Yoshiko Takayama 1 Michiya Kadota 6 Keiko Tanaka 7 Masahiro Miyazaki

1 Michiya Kadota

Director and Chairman
 Chairperson of the Board of Directors
 Member of the Nominating Committee
 Member of the Compensation Committee
 Sustainability Advisory Council Member

- 1983 Joined Kurita Water Industries Ltd.
- 2006 General Manager of Business Process Reengineering Dept., Corporate Planning Division
- 2008 General Manager of Internal Auditing Dept.,
- 2012 General Manager of Finance and Accounting Dept., Administrative Division
- 2013 Corporate Officer
- 2014 Director
Executive General Manager of Administrative Division
- 2016 President and Representative Director
- 2023 Chairman and Representative Director
Director and Chairman (to present)

2 Hirohiko Ejiri

Director
 Member of the Nominating Committee
 Member of the Compensation Committee
 Sustainability Advisory Council Member

- 1985 Joined Kurita Water Industries Ltd.
- 2005 President of Kurita Europe GmbH
- 2011 General Manager of Sales Dept. for Heavy Industries, Group II, Chemicals Division
- 2013 General Manager of Business Management Dept., Chemicals Division
- 2014 Corporate Officer
Senior General Manager of Sales Group I, Chemicals Division
- 2016 Director
Executive General Manager of Corporate Planning Division
- 2018 Executive General Manager of Engineering Division
- 2019 Managing Director
- 2020 Executive General Manager of Engineering Division and Chief Business Officer for Facilities Operation
- 2021 Director
Executive Senior Managing Director and Representative
- 2022 Executive General Manager of Japan Sales Business Division and Chief Business Officer for Chemical Operation
- 2023 President and Representative Director
Director, President and Representative Executive Officer (to present)

3 Shuji Shirode

Director

- 2016 Joined Kurita Water Industries Ltd.
Assistant to General Manager of Administrative Division
- 2018 Corporate Officer
Deputy Executive General Manager of Corporate Planning Division
- 2019 Deputy Executive General Manager of Corporate Control and Administration Division
- 2020 Chief Financial Officer (CFO) (to present)
- 2021 Director (to present)
Executive General Manager of Corporate Control and Administration Division (to present)
- 2023 Managing Executive Officer (to present)

5 Kenjiro Kobayashi

External Director
 Chairperson of the Audit Committee
 Member of the Nominating Committee
 Sustainability Advisory Council Member

- 1977 Joined Japan Development Bank (current Development Bank of Japan Inc.)
- 2002 General Manager of the New Business Division of Development Bank of Japan Inc.
- 2004 Managing Director of CITIC Provident Management Ltd.
- 2006 Executive Officer and General Manager of Corporate Strategy Planning Office of Johnson Diversey (current CxS Corporation)
- 2007 General Manager of Corporate Strategy Planning Division of Johnson Diversey
- 2008 General Manager in charge of the Co-Creation Business Promotion Project of City of Yokohama
- 2010 Representative Director and Executive Vice President of Japan Industrial Solutions Co., Ltd.
- 2013 Director of Japan Industrial Solutions Co., Ltd.
- 2016 External Member of the Audit & Supervisory Board (full-time) of Kurita Water Industries Ltd.
- 2023 External Director of Kurita Water Industries Ltd. (to present)

7 Masahiro Miyazaki

External Director
 Chairperson of the Compensation Committee
 Member of the Nominating Committee
 Sustainability Advisory Council Member

- 1977 Joined Nissei Sangyo Co., Ltd. (current Hitachi High-Tech Corporation)
- 2007 Executive Officer, General Manager, Regional Branch Office for West Japan Area and Kansai Branch Office of Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation)
- 2010 President & CEO, Hitachi High-Technologies America, Inc. (current Hitachi High-Tech America, Inc.)
- 2014 Senior Vice President and Executive Officer, General Manager of Corporate Strategy Division of Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation)
- 2015 Representative Executive Officer, President and Chief Executive Officer of Hitachi High-Technologies Corporation
Representative Executive Officer, President and Chief Executive Officer and Director of Hitachi High-Technologies Corporation
- 2021 Advisor of Hitachi High-Tech Corporation
- 2022 External Director of Kurita Water Industries Ltd. (to present)
- 2023 Outside Director of Astellas Pharma Inc. (to present)

4 Yukihiko Mutou

Director
 Member of the Audit Committee

- 1991 Joined Kurita Water Industries Ltd.
- 2005 General Manager of Finance and Accounting Dept., Administrative Division
- 2012 General Manager of Personnel and Labor Relations Dept., Administrative Division
- 2014 General Manager of General Affairs Dept., Administrative Division
- 2016 Corporate Officer
- 2018 Director
Executive General Manager of Group Administrative Division
- 2019 Deputy Executive General Manager of Corporate Planning and Control Division
Member of the Audit & Supervisory Board (full-time)
- 2023 Director (to present)

6 Keiko Tanaka

External Director
 Chairperson of the Nominating Committee
 Member of the Compensation Committee
 Sustainability Advisory Council Member

- 1984 Joined NISSAN MOTOR CO., LTD.
- 2011 Seconded to JATCO Ltd
- 2013 Treated as equivalent to Vice President, JATCO Ltd
- 2014 Retired from NISSAN MOTOR CO., LTD. and JATCO Ltd
Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay
- 2018 Vice President of Nissan Financial Services Co., Ltd.
- 2019 External Director of Kurita Water Industries Ltd. (to present)
- 2020 Outside expert of Sustainability Committee of NH Foods Ltd.
- 2022 Corporate Vice President of Nissan Financial Services Co., Ltd.
- 2024 Outside Director of Nissui Corporation (to present)

8 Yoshiko Takayama

External Director
 Member of the Compensation Committee
 Member of the Audit Committee
 Sustainability Advisory Council Chairperson

- 1980 Joined Bank of America N.A.
- 1990 Vice President, Merrill Lynch & Co., Inc.
- 1997 Senior manager, Thomson Financial Investor Relations
- 1998 Asia-Pacific Regional Director, Thomson Financial Investor Relations
- 2001 Managing Director, J-Eurus IR Co., Ltd.
- 2003 Managing Director/Board Member, J-Eurus IR Co., Ltd.
- 2010 Governor, International Corporate Governance Network
Director, Japan Corporate Governance Network (to present)
- 2015 Outside Director, AUTOBACS SEVEN Co., Ltd.
Member of the Council of Experts Concerning the Follow-up of Japan's Stewardship Code and Japan's Corporate Governance Code, Financial Services Agency and Tokyo Stock Exchange, Inc. (to present)
Representative Director, Japan Board Review Co., Ltd.
- 2022 Committee member representing Japan, ISO/PC 337, Guidelines for the promotion and implementation of gender equality, Japanese Standards Association (to present)
- 2023 Vice Chairperson, J-Eurus IR Co., Ltd. (to present)
Director, Japan Board Review Co., Ltd.
External Director of Kurita Water Industries Ltd. (to present)
Representative Director, Japan Board Review Co., Ltd. (to present)
External Member of the Governance Council, Ernst & Young ShinNihon LLC (to present)
Member of the "Committee for Studying Scoring Criteria for Selecting Enterprises as Nadeshiko Brands" operated by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, FY2023
(From 2014 to present, appointed to the committee every fiscal year)

Corporate Governance

Executive Officers and Corporate Officers



In the back: **4 Kunihiro Kuse** **2 Shuji Shiode** **3 Katsuya Amano**

In the front: **1 Hirohiko Ejiri** **5 Jordi Verdés Prieto**

1 Hirohiko Ejiri

President and Representative Executive Officer

- 1985 Joined Kurita Water Industries Ltd.
- 2005 President of Kurita Europe GmbH
- 2011 General Manager of Sales Dept. for Heavy Industries, Group II, Chemicals Division
- 2013 General Manager of Business Management Dept., Chemicals Division
- 2014 Corporate Officer
- Senior General Manager of Sales Group I, Chemicals Division
- 2016 Executive General Manager of Corporate Planning Division Director
- 2018 Executive General Manager of Engineering Division
- 2019 Managing Director
- 2020 Executive General Manager of Engineering Division and Chief Business Officer for Facilities Operation
- 2021 Executive Senior Managing Director and Representative Director
- 2022 Executive General Manager of Japan Sales Business Division and Chief Business Officer for Chemical Operation
- 2023 President and Representative Director
Director, President and Representative Executive Officer (to present)

2 Shuji Shiode

Managing Executive Officer

- 2016 Joined Kurita Water Industries Ltd.
Assistant to General Manager of Administrative Division
- 2018 Corporate Officer
Deputy Executive General Manager of Corporate Planning Division
- 2019 Deputy Executive General Manager of Corporate Control and Administration Division
- 2020 Chief Financial Officer (CFO) (to present)
- 2021 Director (to present)
Executive General Manager of Corporate Control and Administration Division (to present)
- 2023 Managing Executive Officer (to present)

3 Katsuya Amano

Executive officer

- 1992 Joined Kurita Water Industries Ltd.
- 2014 General Manager of Sales Dept. II, Global Business Group, Facilities Division
- 2019 Senior General Manager of Electronics Industries Group, Japan Sales Business Division
- 2021 Corporate Officer
- 2022 Executive General Manager of Engineering Division and Chief Business Officer for Facility Operation Director
- 2023 Executive General Manager of Electronics Industry Division and Chief Business Officer for Electronics Industry (to present)
Executive Officer (to present)

5 Jordi Verdés Prieto

Executive officer

- 2015 Kurita Water Industries Ltd. implemented partial business acquisition of BK Giuliani GmbH
Vice President & Business Director of Kurita Europe APW GmbH
- 2016 Integration of two German subsidiaries into Kurita Europe GmbH
Vice President Business of Kurita Europe GmbH
- 2017 Senior Vice President Business of Kurita Europe GmbH
- 2018 Chief Operating Officer (COO) of Kurita Europe GmbH
- 2019 Chief Executive Officer (CEO) of Kurita Europe GmbH
- 2023 Head of EMEA & Americas Region, Regional Management Division of Kurita Water Industries Ltd.
Executive Officer of Kurita Water Industries Ltd. (to present)
- 2024 Executive General Manager of EMEA & Americas Regional Management Division of Kurita Water Industries Ltd. (to present)

4 Kunihiro Kuse

Executive officer

- 1992 Joined Kurita Water Industries Ltd.
- 2013 General Manager of Engineering Dept. II, Engineering Group, Facilities Production Division
- 2014 General Manager of Engineering Dept. I, Engineering Group, Facilities Production Division
- 2015 Senior General Manager of Global Facilities Group, Facilities Division
- 2017 Senior General Manager of Engineering Group, Global Business Division
- 2018 Corporate Officer
Senior General Manager of Engineering Group, Engineering Division
- 2022 Senior General Manager of Engineering Group I, Engineering Division
- 2023 Executive General Manager of Engineering Division (to present)
Executive Officer (to present)
- 2024 Chief Technology Officer (CTO) (to present)

Corporate Officers

- Norikazu Kachi** Deputy Executive General Manager of Corporate Control and Administration Division
- Hisashi Tanabe** Executive General Manager of Sustainability Division
- Yasuko Tanaka** Deputy Executive General Manager of Sustainability Division
- Makoto Mizuno** Executive General Manager of Digital Strategy Division
- Hiroyuki Suzuki** Executive General Manager of Innovation Division
- Seiji Ueda** Deputy Executive General Manager of Engineering Division

- Takehiro Nozue** Executive General Manager of Asian Regional Management Division, Chief Business Officer for General Industries
- Eiji Yonese** Head of Solution Business & Japan Region, Asian Regional Management Division
- Youichi Makise** Senior General Manager of Digital Industry Group, Electronics Industry Division
- Shingo Yamaga** Senior General Manager of Precision Cleaning Group, Electronics Industry Division
- Hiroyoshi Tamai** Executive General Manager of Industrial & Social Infrastructure Division
- Jiro Tanaka** Senior General Manager of Sales Group, Industrial & Social Infrastructure Division

11-Year Summary

(Fiscal years ended March 31)

(Millions of Yen)

When two item names appear, the left represents Japanese GAAP and the right represents IFRS.

	Japanese GAAP					IFRS					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business Results											
Orders	173,463	181,282	221,273	218,730	251,447	258,439	259,545	262,341	315,240	374,268	390,152
Net sales	178,137	189,398	214,372	214,187	236,815	257,331	264,807	267,749	288,207	344,608	384,825
Cost of sales	122,870	130,509	143,964	145,455	160,476	174,670	172,092	173,073	183,928	224,911	252,983
Gross profit	55,267	58,889	70,407	68,732	76,338	82,661	92,715	94,676	104,278	119,696	131,841
Selling, general and administrative expenses	40,380	39,454	50,574	49,280	53,863	56,994	66,060	65,206	71,334	81,106	89,786
Operating income/Business profit* ¹	14,886	19,435	19,833	19,452	22,475	25,667	26,654	29,470	32,944	38,589	42,055
Income before income taxes /Profit before tax	15,375	18,467	20,411	20,465	25,535	20,267	26,691	29,150	30,079	30,151	41,686
Net income attributable to owners of parent /Profit attributable to owners of parent	9,352	10,434	12,577	14,506	17,897	12,050	18,287	19,088	18,471	20,134	29,189
Earnings per share/Basic earnings per share (Yen)	78.48	87.81	108.24	125.23	159.37	107.33	162.86	169.94	164.38	179.14	259.70
Capital expenditures (Property, plant and equipment* ²)	5,268	8,489	18,818	9,289	20,070	40,004	31,729	32,647	66,422	46,629	38,916
Depreciation (Property, plant and equipment* ²)	14,250	14,378	13,409	13,248	13,507	15,588	15,804	17,900	20,079	25,796	28,278
R&D expenses	4,534	4,397	5,269	5,038	5,258	5,490	5,693	5,317	5,386	6,344	7,412
Financial Position (As of March 31)											
Total assets	274,925	294,492	298,107	299,249	323,046	359,500	387,749	424,928	469,981	501,538	557,407
Total liabilities	55,772	71,014	69,142	70,490	82,193	120,315	143,640	167,090	192,119	205,778	223,995
Total net assets/Total equity	219,153	223,478	228,964	228,758	240,853	239,184	244,108	257,837	277,862	295,759	333,411
Total liabilities and net assets/Total liabilities and equity	274,925	294,492	298,107	299,249	323,046	359,500	387,749	424,928	469,981	501,538	557,407
Cash flows											
Net cash provided by (used in) operating activities	29,666	23,314	26,582	33,941	21,408	41,143	37,376	40,002	28,737	48,631	50,874
Net cash provided by (used in) investing activities	(16,676)	4,746	(33,172)	(1,119)	(15,928)	(51,902)	(43,683)	(10,771)	(39,929)	(46,274)	(35,801)
Net cash provided by (used in) financing activities	(5,957)	(13,929)	(5,707)	(10,154)	(12,419)	(13,453)	21,981	(18,852)	(7,927)	1,101	(15,337)
Cash and cash equivalents at end of period	41,028	55,675	43,591	65,438	58,917	35,547	50,215	62,228	45,730	50,468	54,009
Management indicators											
Net sales	178,137	189,398	214,372	214,187	236,815	257,331	264,807	267,749	288,207	344,608	384,825
Operating income margin/Business profit margin	8.4%	10.3%	9.3%	9.1%	9.5%	10.0%	10.1%	11.0%	11.4%	11.2%	10.9%
Return on equity* ³	4.4%	4.7%	5.6%	6.4%	7.7%	5.1%	7.6%	7.7%	7.0%	7.1%	9.3%
Financial leverage* ⁴	1.26	1.32	1.31	1.31	1.35	1.52	1.60	1.68	1.73	1.71	1.68
Total assets turnover (times)	0.66	0.67	0.72	0.72	0.76	0.74	0.71	0.66	0.64	0.71	0.73
Return on equity* ⁵	—	—	—	—	—	6.8%	6.6%	6.7%	7.1%	8.0%	7.2%

*1 Business profit = Net sales - Cost of sales - Selling, general and administrative expenses

*2 Including right-of-use assets

*3 Return on equity (IFRS) = Profit attributable to owners of parent ÷ Equity attributable to owners of parent (Average) × 100
Return on equity (J-GAAP) = Net income attributable to owners of parent ÷ Shareholders' equity (Average) × 100

*4 Financial leverage (IFRS) = Total liabilities and equity ÷ Equity attributable to owners of parent

Financial leverage (J-GAAP) = Total liabilities and equity ÷ (Equity + Accumulated other comprehensive income)

*5 Return on invested capital = Profit after tax ÷ invested capital (Average) × 100

Profit after tax = Business profit - Income tax expense

Invested capital = Equity attributable to owners of parent + bonds and borrowings + lease liabilities

Stock Information/Corporate Data

(As of March 31, 2024)

Corporate Data

Company Name	Kurita Water Industries Ltd.
Established	July 13, 1949
Paid-in Capital	¥13,450,751,434
Number of Employees	7,981 (on a consolidated basis) 1,624 (parent company)
Head Office	Nakano Central Park East (General Reception on 10F), 10-1, Nakano 4-chome, Nakano-ku, Tokyo 164-0001, Japan

Credit Rating

R&I	Issuer Rating	A+
	Short-term	a-1

Stock Information

Stock Exchange Listing	Prime Market of the Tokyo Stock Exchange
Stock Code	6370
Number of Authorized Shares	531,000,000
Number of Shares Outstanding	116,200,694 (Including 3,555,082 shares of treasury stock)
Trading Unit	100
Dividend Payment Record Dates	Year-end dividend: March 31/ Interim dividend: September 30
Number of Shareholders	23,261
Transfer Agent	Sumitomo Mitsui Trust Bank, Ltd.
Ordinary General Meeting of Shareholders	June
Accounting Auditor	Grant Thornton Taiyo LLC

Major Shareholders (As of March 31, 2024)

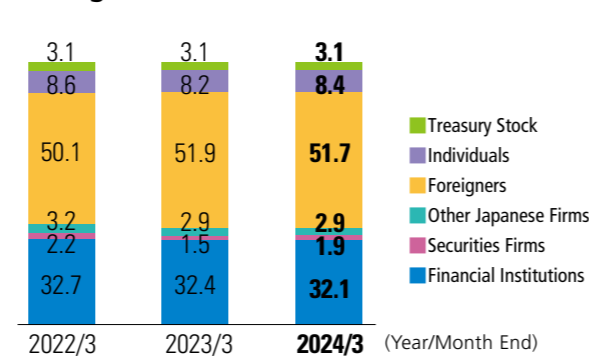
Name	Number of shares held	Share (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,753,300	14.41
Custody Bank of Japan, Ltd. (Trust Account)	6,963,399	5.99
Nippon Life Insurance Company	5,979,883	5.14
Kurita Water Industries Ltd.	3,547,396	3.05
BANK PICTET AND CIE (EUROPE) AG, SUCCURSALE DE LUXEMBOURG REF UCITS	2,038,600	1.75
CLEARSTREAM BANKING S.A.	1,774,315	1.52
CACEIS BANK, LUXEMBOURG BRANCH/UCITS CLIENTS ASSETS	1,728,928	1.48
MUFG Bank, Ltd.	1,686,131	1.45
NORTHERN TRUST CO.(AVFC) RE IEDU UCITS CLIENTS AVFC LENDING 15.315 PCT NON TREATY ACCOUNT	1,621,787	1.39
GOVERNMENT OF NORWAY	1,592,752	1.37

Distribution of Shares by Shareholder Type

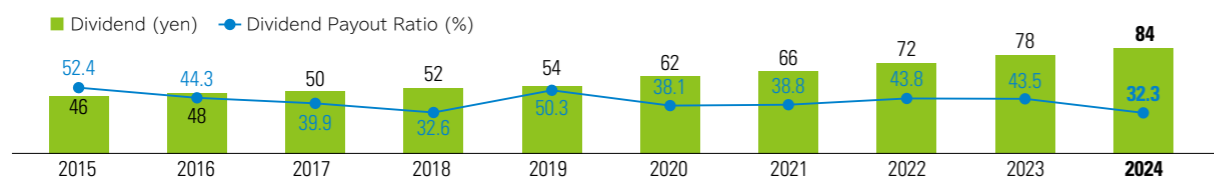
(As of March 31, 2024)

	Number of shares held	Share (%)
Financial Institutions	37,277,379	32.1
Securities Firms	2,212,498	1.9
Other Japanese Firms	3,418,320	2.9
Foreigners	60,040,430	51.7
Individuals	9,704,671	8.4
Treasury Stock	3,547,396	3.1
Total	116,200,694	100

Changes in Shareholder Distribution(%)



Dividends and Dividend Payout Ratio (Fiscal years ended March 31)



External Evaluation

(As of September 30, 2024)

Inclusion in ESG Indexes



* The inclusion of Kurita Water Industries Ltd. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Kurita Water Industries Ltd. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Evaluation by ESG Rating Organization



Our Website



Daiwa Investor Relations Co., Ltd.
2022 Internet IR Commendation Award



Nikko Investor Relations Co., Ltd.
Fiscal 2023 All Japanese Listed Companies' Website Ranking AAA Corporate Website (Overall Award)

Others



Platinum Kurumin



Eruboshi (3stars)

Kurita Water Industries has drafted an action plan based on Japan's Act on the Promotion of Female Participation and Career Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children. In recognition of initiatives implemented in line with this plan to support employees raising children and to promote the empowerment of women in the workplace, Kurita Water Industries has been accredited by the Ministry of Health, Labour and Welfare with the "Platinum Kurumin" and "Eruboshi" (3 stars) certification

Evaluation by Supplier Evaluation Organization



BroadBand Security, Inc.
2023 Gomez IR Site Ranking Silver Award



BroadBand Security, Inc.
2024 Gomez ESG Site Ranking outstanding company