

[Translation for Reference and Convenience Purposes Only]

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 86th Ordinary General Meeting of Shareholders of Kurita Water Industries Ltd. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

# Notice of Convocation of the 86th Ordinary General Meeting of Shareholders

Kurita Water Industries Ltd.

[Translation for Reference and Convenience Purposes Only]

Dear Shareholders,

We would like to express sincere thanks to all our shareholders for the support you provide. The shareholders of Kurita Water Industries Ltd. are hereby notified of the 86th Ordinary General Meeting of Shareholders to be held on Wednesday, June 29, 2022.

This notice details the agenda proposals of the General Meeting of Shareholders and provides an overview of business operations in the fiscal year ended March 31, 2022. We request that you read it. We look forward to your continued understanding and support in the future.

June 2022

Sincerely yours,

Michiya Kadota  
President and Representative Director

## **Corporate Philosophy**

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

Kurita Group will contribute to facilitate the coexistence and shared prosperity of the natural environment and human society by creating shared value with society through water.

Kurita Group will generate new functions and value for water, through further exploration and exploitation of the fundamental properties of water.

Each individual of Kurita Group will adopt its customers' point of view and solve their water and environmental issues, by making full use of its unique technologies, products and services.

## TABLE OF CONTENTS

Notice of Convocation	Notice of Convocation of the 86th Ordinary General Meeting of Shareholders .....	3
Reference Documents for the General Meeting of Shareholders	Proposal No. 1: Appropriation of Surplus .....	5
	Proposal No. 2: Partial Amendments to the Articles of Incorporation .....	6
	Proposal No. 3: Election of Ten (10) Directors .....	8
	Proposal No. 4: Election of One (1) Substitute Member of the Audit & Supervisory Board .....	19
	<Reference> Corporate Governance .....	24
(Attached documents to the notice of convocation of the 86th ordinary general meeting of shareholders)		
Business Report	1. Group Overview of Operations .....	26
	2. Stock of the Company .....	34
	3. Directors and members of the Audit & Supervisory Board of the Company .....	36
	4. Accounting Auditor .....	43
	5. System to ensure that the execution of the duties of directors conforms with laws, regulations, and the Articles of Incorporation and other systems to ensure appropriate operations .....	44
Consolidated Financial Statements	Consolidated Statement of Financial Position .....	51
	Consolidated Statement of Profit or Loss .....	52
	Consolidated Statement of Changes in Equity .....	53
Non-Consolidated Financial Statements	Non-Consolidated Balance Sheet .....	54
	Non-Consolidated Statement of Income .....	55
	Non-Consolidated Statement of Changes in Shareholders' Equity .....	56
Audit Report	Accounting Auditor's Audit Report on the Consolidated Financial Statements .....	58
	Accounting Auditor's Audit Report on the Non-Consolidated Financial Statements .....	61
	The Audit & Supervisory Board's Audit Report .....	64

June 8, 2022

Dear Shareholders

Michiya Kadota  
President and Representative Director  
**Kurita Water Industries Ltd.**  
10-1, Nakano 4-chome, Nakano-ku, Tokyo

## NOTICE OF CONVOCATION OF THE 86th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby provide notice that the 86th Ordinary General Meeting of Shareholders of Kurita Water Industries Ltd. (the “Company”) shall be held as described below.


Having carefully considered based on the situation of the spread of COVID-19 infection, the Company has decided to hold this meeting, taking appropriate measures beforehand to avoid infection. However, **you are encouraged to exercise your voting rights prior to the meeting by sending your Voting Rights Exercise Form or via the Internet, etc., and to refrain from traveling to the venue on the date of the meeting, if at all possible.** Please review the attached Reference Documents for the General Meeting of Shareholders described hereinafter, **and exercise your voting rights, no later than 5:15 p.m. on Tuesday, June 28, 2022.**

1. **Time and Date:** 11:00 a.m., Wednesday, June 29, 2022 (Reception starts at 10:00 a.m.)
2. **Place:** 10F Conference Room  
Kurita Water Industries Ltd.  
Nakano Central Park East,  
10-1, Nakano 4-chome, Nakano-ku, Tokyo
3. **Objectives of the Meeting:**
  - Reports:**
    1. Reports on Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 86th Fiscal Year (From April 1, 2021, to March 31, 2022)
    2. Reports on Non-Consolidated Financial Statements for the 86th Fiscal Year (From April 1, 2021, to March 31, 2022)
  - Agenda:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
    - Proposal No. 3:** Election of Ten (10) Directors
    - Proposal No. 4:** Election of One (1) Substitute Member of the Audit & Supervisory Board
4. **Other Matters Regarding the Convocation of the General Meeting of Shareholders:**

If your voting rights are exercised in duplicate in writing and via the Internet, etc.:  
The exercise of your voting rights that reaches the Company last shall be deemed valid.  
Provided, however, that in the event your Voting Rights Exercise Form and your exercise via the Internet, etc. reach the Company on the same date, the exercise of your voting rights via the Internet, etc. shall be deemed valid.

[Translation for Reference and Convenience Purposes Only]

- If you attend the meeting, we request that you submit the enclosed Voting Rights Exercise Form to the reception desk at the meeting. Any persons other than the shareholders who are entitled to exercise their voting rights are not allowed to enter the place of this meeting.
- If there are any corrections to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and/or the Non-Consolidated Financial Statements, such corrections will be posted on the Company's website.

The Company's website	<a href="https://ir.kurita.co.jp/en/shareholders_information/shareholder_meeting/index.html">https://ir.kurita.co.jp/en/shareholders_information/shareholder_meeting/index.html</a>	
-----------------------	---	---

While the notes to consolidated financial statements and notes to non-consolidated financial statements have not been translated into English, a portion of the notes to consolidated financial statements is included in the English translation of the consolidated financial statements viewable via the following link:  
[https://ir.kurita.co.jp/en/downloads/pdf/immediate\\_220506\\_en.pdf](https://ir.kurita.co.jp/en/downloads/pdf/immediate_220506_en.pdf)

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1: Appropriation of Surplus

#### 1. Year-end dividends

The Company's basic policy is to pay stable dividends on an ongoing basis. The Company will endeavor to return profits to shareholders by maintaining a dividend increase, setting a consolidated dividend payout ratio of 30% to 50% as a guide and making the decision based on consolidated dividend payout ratios for the most recent five years in order to respond flexibly to changes in the financial results each year.

The Company proposes that the year-end dividend for the current fiscal year be ¥36 per share, an increase of ¥2 per share from a year earlier.

The Company's annual dividend for the fiscal year under review would be ¥72 per share, including ¥36 per share distributed as an interim dividend, an increase of ¥4 per share from a year earlier, and the consolidated dividend payout ratio would be 43.8%.

(1)	Type of Property for Dividends	Cash	
(2)	Allotment of Property for Dividends and Total Amount Thereof	Dividend per share of common stock of the Company	¥36
		Total amount of dividends	¥4,054,517,748
(3)	Effective Date of the Distribution of Surplus	June 30, 2022	

#### 2. Other appropriation of surplus

We propose the following internal reserves to be used for investments aimed at boosting corporate value, etc. in order to strengthen the management foundation in preparation for the development of operations in the future.

(1)	Item of surplus to be increased and amount of increase	General reserve	¥18,000,000,000
(2)	Item of surplus to be decreased and amount of decrease	Retained earnings brought forward	¥18,000,000,000



Current Articles of Incorporation	Proposed amendments
<p>&lt;Newly established&gt;</p>	<p><u>(Supplementary provisions)</u>  <u>(Transitional measures for measures for electronic provision, etc.)</u>  <u>The establishment of Article 14 (Measures for electronic provision, etc.) shall take effect on September 1, 2022 (the “Enforcement Date”).</u>  <u>2. Notwithstanding the provision of the previous paragraph, Article 14 (Disclosure on the Internet for General Meetings of Shareholders) of the pre-amended Articles of Incorporation (amended on June 27, 2019) shall remain valid for general meetings of shareholders held on a day to the end of February 2023.</u>  <u>3. Article 1 of these supplementary provisions shall be deleted on the day after which six months have elapsed since the Enforcement Date or the day after which three months have elapsed since the day of the general meeting of shareholders in the previous paragraph, whichever is later.</u></p>



### Proposal No. 3: Election of Ten (10) Directors

The term of office of eight (8) current Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, in order to strengthen the management system, the Company shall increase two (2) Directors (including one (1) External Director), and propose the election of ten (10) Directors (including four (4) External Directors). The Company nominates these candidates in accordance with the “Policies and procedures for nominating candidates for Directors and members of the Audit & Supervisory Board” on page 20. The candidates for Directors are as follows:

No.	Name	Positions and Assignments in the Company	Record of attendances at the Board of Directors meetings	Number of years as Director (at the conclusion of this General Meeting of Shareholders)
1	Michiya Kadota	President and Representative Director — Reappointment	100% (12/12)	8 years
2	Hirohiko Ejiri	Executive Senior Managing Director and Representative Director Executive General Manager of Japan Sales Business Division and Chief Business Officer for Chemical Operation Reappointment	100% (12/12)	6 years
3	Yoshio Yamada	Managing Director Executive General Manager of Innovation Division Reappointment	100% (12/12)	8 years
4	Yasuo Suzuki	Managing Director Executive General Manager of Global Business Division and Chief Business Officer for Global Operation Reappointment	100% (12/12)	4 years
5	Shuji Shirode	Director Executive General Manager of Corporate Control and Administration Division Reappointment	100% (9/9)	1 year
6	Katsuya Amano	Executive Officer Executive General Manager of Engineering Division and Chief Business Officer for Facility Operation New	—	—
7	Ryoko Sugiyama	External Director — Reappointment External Independent	100% (12/12)	5 years
8	Keiko Tanaka	External Director — Reappointment External Independent	100% (12/12)	3 years
9	Kenichiro Kamai	External Director — Reappointment External Independent	100% (9/9)	1 year
10	Masahiro Miyazaki	— — New External Independent	—	—


Note: During the fiscal year ended March 31, 2022, the Board of Directors held 12 Board of Directors meetings. The attendance records of the Board of Directors meetings for Shuji Shirode and Kenichiro Kamai indicate their attendances after they assumed office as Director on June 29, 2021.


New
External


New candidates for Director  
Candidates for External Director


Reappointment
Independent


Candidates for reappointment as Director  
Independent Officer as set forth under regulations of the Tokyo Stock Exchange, Inc.


Candidate No. <b>1</b>	<b>Michiya Kadota</b>	Date of birth February 16, 1959 63 years old	<span style="border: 1px solid black; padding: 2px;">Reappointment</span>
 <p>Number of the shares of the Company held  <b>25,100 shares</b></p> <p>Number of years as Director  <b>8 years</b>                  (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings  <b>100% (12/12)</b></p>	<p><b>Brief personal history, positions and assignments in the Company</b></p> <p>Apr. 1983    Joined Kurita Water Industries Ltd.</p> <p>Apr. 2006    General Manager of Business Process Reengineering Dept., Corporate Planning Division</p> <p>Apr. 2008    General Manager of Internal Auditing Dept.</p> <p>Apr. 2012    General Manager of Finance and Accounting Dept., Administrative Division</p> <p>Jun. 2013    Executive Officer of the Company</p> <p>Jun. 2014    Director of the Company</p> <p>Jun. 2014    Executive General Manager of Administrative Division</p> <p><b>Apr. 2016    President and Representative Director of the Company (Current position)</b></p> <p><b>Significant positions concurrently held</b></p> <p>None</p> <p><b>Reasons for deciding to make him a candidate for Director</b></p> <p>Mr. Michiya Kadota has a career mainly in the area of general affairs such as finance and accounting and was responsible for the Administrative Division from 2014. He also carried through the integration of the Water Treatment Chemicals business acquired in Europe as responsible manager. He served as Director since 2014, and has been serving as President and Representative Director since 2016. He has been exercising strong leadership unrestrained by preconceived ideas in implementing reforms of the Kurita Group as a whole through emphasizing CSR and pushing forward corporate governance reforms while working on change of business processes and transformation of business models by accelerating digital transformation (DX), and the Company has therefore nominated him as a candidate for Director.</p>		


<p>Candidate No. <b>2</b></p>	<p><b>Hirohiko Ejiri</b></p>	<p>Date of birth October 6, 1962 59 years old</p>	<p>Reappointment</p>
 <p>Number of the shares of the Company held <b>15,600 shares</b></p> <p>Number of years as Director <b>6 years</b> (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings <b>100% (12/12)</b></p>	<p><b>Brief personal history, positions and assignments in the Company</b></p> <p>Apr. 1985 Joined Kurita Water Industries Ltd. Apr. 2005 President of Kurita Europe GmbH Apr. 2011 General Manager of Sales Dept. for Heavy Industries, Group II, Chemicals Division Jun. 2013 General Manager of Business Management Dept., Chemicals Division Apr. 2014 Executive Officer of the Company Jun. 2014 Senior General Manager of Sales Group I, Chemicals Division Apr. 2016 Executive General Manager of Corporate Planning Division Jun. 2016 Director of the Company Apr. 2018 Executive General Manager of Engineering Division Apr. 2019 Managing Director of the Company Apr. 2020 Executive General Manager of Engineering Division and Chief Business Officer for Facilities business <b>Jun. 2021 Executive Senior Managing Director and Representative Director of the Company (Current position)</b> <b>Apr. 2022 Executive General Manager of Japan Sales Business Division and Chief Business Officer for Chemical Operation (Current position)</b></p> <p><b>Significant positions concurrently held</b> None</p> <p><b>Reasons for deciding to make him a candidate for Director</b> Mr. Hirohiko Ejiri led the initiative for expansion of the Kurita Group's business fields and transformation of revenue structure as Executive General Manager of Corporate Planning Division from 2016, after holding important posts such as those at the sales departments of the Water Treatment Chemicals business and representative of an overseas group company. Since 2018, he has been serving as Executive General Manager of Engineering Division, leading enhancement of production efficiency through utilization of DX in the production process, etc., improvement of product quality, and transformation of the production structure. Since 2022, he has been in charge of sales of the entire Japan market of the Company as the Executive General Manager of Japan Sales Business Division. He served as Director since 2016, Managing Director since 2019 and Executive Senior Managing Director and Representative Director since 2021. The Company believes that he is an individual capable of strengthening the function of the Company's Board of Directors with the aim of expanding the Kurita Group's business and improving the corporate structure, leveraging his various viewpoints and extensive experience, and has therefore nominated him as a candidate for Director.</p>		

Candidate No. <b>3</b>	<b>Yoshio Yamada</b>	Date of birth June 18, 1958 64 years old	<span style="border: 1px solid black; padding: 2px;">Reappointment</span>
 <p>Number of the shares of the Company held  <b>24,000 shares</b></p> <p>Number of years as Director  <b>8 years</b>                  (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings  <b>100% (12/12)</b></p>	<p><b>Brief personal history, positions and assignments in the Company</b></p> <p>Apr. 1982    Joined Kurita Water Industries Ltd.</p> <p>Apr. 2004    General Manager of Pulp and Paper Project, Chemicals Group I, Chemicals and Maintenance Services Division</p> <p>Apr. 2010    General Manager of Nagoya Sales, Group III, Chemicals Division</p> <p>Jun. 2011    Executive Officer of the Company</p> <p>Jun. 2011    General Manager of Planning and Coordination Dept., Chemicals Division</p> <p>Jun. 2013    Senior General Manager of Sales Group II, Chemicals Division</p> <p>Jun. 2014    Director of the Company</p> <p>Apr. 2016    Senior General Manager of Sales Group I, Chemicals Division</p> <p>Apr. 2017    Executive General Manager of Sales Division I</p> <p><b>Apr. 2018    Managing Director of the Company (Current position)</b></p> <p>Apr. 2018    Executive General Manager of Sales Division I and Chief Business Officer for Chemicals business</p> <p>Apr. 2019    Executive General Manager of Japan Sales Business Division and Chief Business Officer for Chemicals business</p> <p><b>Apr. 2022    Executive General Manager of Innovation Division (Current position)</b></p> <p><b>Significant positions concurrently held</b>                  None</p> <p><b>Reasons for deciding to make him a candidate for Director</b></p> <p>Mr. Yoshio Yamada held important posts at the sales departments after gaining experience in sales and technology development in the Water Treatment Chemicals business. Since 2017, he has managed the Water Treatment Chemicals business, leading the initiative to strengthen service business integrating the water treatment chemicals and maintenance of the water treatment facilities. Since 2019, he has overseen the development of total solutions for the entire domestic market, including the Water Treatment Facilities business. He has overseen the research and development functions since 2022. He served as Director since 2014 and has been serving as Managing Director since 2018. The Company believes that he is an individual capable of strengthening the function of the Company's Board of Directors, leveraging his broad insights and experience related to total solutions of the water treatment in general and has therefore nominated him as a candidate for Director.</p>		


Candidate No. <b>4</b>	<b>Yasuo Suzuki</b>	Date of birth August 16, 1959 62 years old	<span style="border: 1px solid black; padding: 2px;">Reappointment</span>
 <p>Number of the shares of the Company held  <b>10,000 shares</b></p> <p>Number of years as Director  <b>4 years</b>                  (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings  <b>100% (12/12)</b></p>	<p><b>Brief personal history, positions and assignments in the Company</b></p> <p>Dec. 1997 Joined Kurita Water Industries Ltd.</p> <p>Apr. 2005 General Manager of Steel and Oil Process Dept., Chemicals Group I, Chemicals and Maintenance Services Division of the Company</p> <p>Apr. 2011 President of Kurita Europe GmbH</p> <p>Apr. 2014 Executive Officer of the Company</p> <p>Apr. 2017 Senior General Manager of Operation Group, Global Business Division</p> <p>Apr. 2018 Executive General Manager of Global Business Division</p> <p>Jun. 2018 Director of the Company</p> <p><b>Apr. 2020 Managing Director of the Company (Current position)</b></p> <p><b>Apr. 2020 Executive General Manager of Global Business Division and Chief Business Officer for Global business (Current position)</b></p> <p><b>Significant positions concurrently held</b></p> <p>None</p> <p><b>Reasons for deciding to make him a candidate for Director</b></p> <p>Mr. Yasuo Suzuki, after holding technology and development roles in the Water Treatment Chemicals business, held important posts such as the representative of an overseas group company. In the acquisition of the Water Treatment Chemicals business in Europe, he managed the integrated company, putting the acquired business on track. While serving as the person responsible for the sales department of the overseas businesses since 2017 and as Executive General Manager of Global Business Division since 2018, he has worked to establish a global platform built on the four pivotal regions by acquiring / investing several companies in North America and the Middle East and he also has been further promoting the Kurita Group's overseas development. He served as Director since 2018 and has been serving as Managing Director since 2020. The Company believes that he is an individual capable of utilizing his experience from a global viewpoint to strengthen the function of the Company's Board of Directors and has therefore nominated him as a candidate for Director.</p> <p>(Note) The registered name of the candidate for Director, Yasuo Suzuki, is Yasuo Hatta.</p>		


Candidate No. <b>5</b>	<b>Shuji Shirode</b>	Date of birth October 5, 1959 62 years old	Reappointment
 <p>Number of the shares of the Company held  <b>8,800 shares</b></p> <p>Number of years as Director  <b>1 year</b>                  (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings  <b>100% (9/9)</b></p>	<p><b>Brief personal history, positions and assignments in the Company</b></p> <p>Jan. 2016    Joined Kurita Water Industries Ltd.                                   Assistant to General Manager of Administrative Division</p> <p>Apr. 2018    Executive Officer of the Company</p> <p>Apr. 2018    Deputy Executive General Manager of Corporate Planning Division</p> <p>Apr. 2019    Deputy Executive General Manager of Corporate Control and Administration Division</p> <p><b>Jun. 2021    Director of the Company (Current position)</b></p> <p><b>Jun. 2021    Executive General Manager of Corporate Control and Administration Division (Current position)</b></p> <p><b>Significant positions concurrently held</b>                  None</p> <p><b>Reasons for deciding to make him a candidate for Director</b></p> <p>Mr. Shuji Shirode has a wealth of experience at a corporate group with global operations, including time spent working overseas, as well as high expertise related to finance, tax affairs, and accounting. Since joining the Company in 2016, he has led acquisition projects overseas, and has been serving as Executive Officer from 2018, while also supporting the decision-making of the Company by serving as Deputy Executive General Manager of the Corporate Planning Division. As Chief Financial Officer (CFO) from 2020, he has focused on strengthening the foundations of the Group's finance and accounting functions. In 2021, he assumed the position of Director and has served as Executive General Manager of Corporate Control and Administration Division. The Company believes that he is an individual capable of utilizing his understanding of the Company's businesses and high expertise to strengthen the function of the Company's Board of Directors and has therefore nominated him as a candidate for Director.</p>		


Candidate No. <b>6</b>	<b>Katsuya Amano</b>	Date of birth June 6, 1969 53 years old	New
	<p><b>Brief personal history, positions and assignments in the Company</b></p> <p>Apr. 1992    Joined Kurita Water Industries Ltd.</p> <p>Apr. 2014    General Manager of Sales Dept. II, Global Business Group, Facilities Division</p> <p>Apr. 2019    Senior General Manager of Electronics Industries Group, Japan Sales Business Division</p> <p><b>Apr. 2021    Executive Officer of the Company (Current position)</b></p> <p><b>Apr. 2022    Executive General Manager of Engineering Division and Chief Business Officer for Facility Operation (Current position)</b></p>		
Number of the shares of the Company held <b>900 shares</b>	<p><b>Significant positions concurrently held</b></p> <p>None</p>		
Number of years as Director —	<p><b>Reasons for deciding to make him a candidate for Director</b></p> <p>Mr. Katsuya Amano has a wealth of experience in the domestic and overseas sales departments of the Water Treatment Facilities business. Since 2019, he has headed the sales department for the electronics industry, and he has worked earnestly to solve issues facing customers in the development of the ultrapure water supply business, etc. and has worked on promoting the business. He was appointed as Executive Officer in 2021 and has been serving as Executive General Manager of Engineering Division since 2022, overseeing the Kurita Group's production function. The Company believes that he is an individual capable of utilizing his deep understanding and wealth of experience in the Water Treatment Facilities business to strengthen the function of the Company's Board of Directors and has therefore nominated him as a candidate for Director.</p>		
Record of attendances at the Board of Directors meetings —			

Candidate No. <b>7</b>	<b>Ryoko Sugiyama</b>	Date of birth July 27, 1955 66 years old	<input type="checkbox"/> Reappointment <input checked="" type="checkbox"/> External <input type="checkbox"/> Independent
 <p>Number of the shares of the Company held  <b>3,200 shares</b></p> <p>Number of years as Director  <b>5 years</b>                  (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings  <b>100% (12/12)</b></p>	<p><b>Brief personal history, positions and assignments in the Company</b></p> <p>May 1996 Established Sugiyama &amp; Kurihara Environmental Consultants, Inc., Representative Director</p> <p>Aug. 2007 Director of Sugiyama &amp; Kurihara Environmental Consultants, Inc. (Current position)</p> <p>Apr. 2010 Professor at the Faculty of Social and Environmental Studies, Fuji Tokoha University (current Tokoha University)</p> <p>Jun. 2010 External Director and Audit and Supervisory Committee Member, LECIP Holdings Corporation (Current position)</p> <p>Jun. 2015 External Director, UACJ Corporation (Current position)</p> <p>Jan. 2016 Director, Gifu Sugiyama Memorial Foundation, a general incorporated foundation (now Gifu Sugiyama Memorial Foundation, a public interest incorporated foundation) (Current position)</p> <p><b>Jun. 2017 Director of Kurita Water Industries Ltd. (Current position)</b></p> <p>Dec. 2018 Head and Representative Director, Gifu Shimbun Co., Ltd. (Current position)</p> <p><b>Significant positions concurrently held</b></p> <p>Head and Representative Director, Gifu Shimbun Co., Ltd.                  External Director and Audit and Supervisory Committee Member, LECIP Holdings Corporation                  External Director, UACJ Corporation                  Director, Gifu Sugiyama Memorial Foundation, a public interest incorporated foundation</p> <p><b>Reasons for deciding to make her a candidate for External Director and a summary of expected roles</b></p> <p>Ms. Ryoko Sugiyama is an expert in the environment and wastes and has experience of management, including serving as External Director at multiple listed companies. The Company believes that she is an individual capable of expressing opinions from an outside perspective different from the Company's to increase the rationality and transparency of the Company's management and supervising the execution of the duties of Directors based on her high expertise and a wealth of experience in the environment field, and therefore nominated her as a candidate for External Director.</p> <p><b>Notes concerning the candidate for External Director</b></p> <ul style="list-style-type: none"> <li>● UACJ Corporation is one of customers of the Company. However, because the transaction value with UACJ Corporation is less than 0.1% of consolidated net sales of the Company, it does not fall under a major customer. LECIP Holdings Corporation is not a business partner of the Company.</li> <li>● The Company has entered into an agreement with Ms. Sugiyama that limits liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of the Articles of Incorporation thereof based on the provisions of Paragraph 1, Article 427 of the Act. The amount stipulated in Paragraph 1, Article 425 of the Act has been set as the maximum liability for damages based on this agreement. The Company intends to continue this agreement in case this proposal is approved and adopted at this meeting and Ms. Sugiyama is reappointed as an External Director of the Company.</li> <li>● The Company has notified the Tokyo Stock Exchange, Inc. of the appointment of Ms. Sugiyama as an independent officer as set forth under regulations thereof.</li> </ul>		



Candidate No. <b>8</b>	<b>Keiko Tanaka</b>	Date of birth May 24, 1960 62 years old	<input type="checkbox"/> Reappointment <input checked="" type="checkbox"/> External <input type="checkbox"/> Independent
 <p>Number of the shares of the Company held  <b>500 shares</b></p> <p>Number of years as Director  <b>3 years</b>                  (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings  <b>100% (12/12)</b></p>	<p><b>Brief personal history, positions and assignments in the Company</b></p> <p>Apr. 1984 Joined NISSAN MOTOR CO., LTD.</p> <p>Apr. 2011 Seconded to JATCO Ltd</p> <p>Apr. 2013 Treated as equivalent to Vice President, JATCO Ltd</p> <p>Sep. 2014 Retired from NISSAN MOTOR CO., LTD. and JATCO Ltd</p> <p>Oct. 2014 Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay</p> <p>Apr. 2018 Vice President, Nissan Financial Services Co., Ltd.</p> <p><b>Jun. 2019 Director of Kurita Water Industries Ltd. (Current position)</b></p> <p>Apr. 2020 Outside expert of Sustainability Committee of NH Foods Ltd. (Current position)</p> <p>Apr. 2022 Corporate Vice President of Nissan Financial Services Co., Ltd. (Current position)</p> <p><b>Significant positions concurrently held</b></p> <p>Corporate Vice President, Nissan Financial Services Co., Ltd.</p> <p><b>Reasons for deciding to make her a candidate for External Director and a summary of expected roles</b></p> <p>Ms. Keiko Tanaka has been active in business fields that differ from those of the Kurita Group and possesses a great deal of knowledge on public relations and marketing, as well as having held the position of Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay. The Company believes that she is an individual capable of expressing opinions from an outside perspective different from the Company's to increase the rationality and transparency of the Company's management and utilizing her expansive knowledge and international experience for supervising the execution of the duties of Directors, and therefore nominated her as a candidate for External Director.</p> <p><b>Notes concerning the candidate for External Director</b></p> <ul style="list-style-type: none"> <li>● Nissan Financial Services Co., Ltd. has not conducted any transaction with the Company so far.</li> <li>● The Company has entered into an agreement with Ms. Tanaka that limits liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of the Articles of Incorporation thereof based on the provisions of Paragraph 1, Article 427 of the Act. The amount stipulated in Paragraph 1, Article 425 of the Act has been set as the maximum liability for damages based on this agreement. The Company intends to continue this agreement in case this proposal is approved and adopted at this meeting and Ms. Tanaka is reappointed as an External Director of the Company.</li> <li>● The Company has notified the Tokyo Stock Exchange, Inc. of the appointment of Ms. Tanaka as an independent officer as set forth under regulations thereof.</li> </ul>		

Candidate No. <b>9</b>	<b>Kenichiro Kamai</b>	Date of birth January 14, 1956 66 years old	<input type="checkbox"/> Reappointment <input checked="" type="checkbox"/> External <input type="checkbox"/> Independent
 <p>Number of the shares of the Company held  <b>300 shares</b></p> <p>Number of years as Director  <b>1 year</b>                  (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings  <b>100% (9/9)</b></p>	<p><b>Brief personal history, positions and assignments in the Company</b></p> <p>Apr. 1978 Joined NIPPONDENSO CO., LTD. (current DENSO CORPORATION)                  Mar. 1991 Seconded to DENSO International America, Inc.                  Apr. 1997 Returned to DENSO CORPORATION                  Jun. 2006 Managing Officer, DENSO CORPORATION                  Jun. 2009 Executive Senior Managing Director, SOKEN, INC.                  Jun. 2012 Managing Executive Officer, DENSO CORPORATION in charge of Development Division                  Jun. 2014 Executive Senior Managing Director, ADVICS CO., LTD.                  Jun. 2015 Director and Executive Vice President, ADVICS CO., LTD.                  Jun. 2019 Executive Advisor, ADVICS CO., LTD.                  Mar. 2021 Retired from the position of Executive Advisor, ADVICS CO., LTD.  <b>Jun. 2021 Director of Kurita Water Industries Ltd. (Current position)</b>                  Dec. 2021 Advisor of TOKAI ELECTRONICS CO., LTD. (Current position)</p> <p><b>Significant positions concurrently held</b>                  None</p> <p><b>Reasons for deciding to make him a candidate for External Director and a summary of expected roles</b>                  Mr. Kenichiro Kamai has a wealth of experience, including overseas, in business fields that differ from those of the Kurita Group, and he has also considerable insight in DX and development. The Company believes that he is an individual capable of expressing opinions from an outside perspective different from the Company's to increase the rationality and transparency of the Company's management and supervising the execution of the duties of Directors based on his experience of management at multiple companies and expertise in the fields of DX and development, and therefore nominated him as a candidate for External Director.</p> <p><b>Notes concerning the candidate for External Director</b></p> <ul style="list-style-type: none"> <li>● TOKAI ELECTRONICS CO., LTD. and ADVICS CO., LTD. have not conducted any transaction with the Company so far.</li> <li>● The Company has entered into an agreement with Mr. Kamai that limits liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of the Articles of Incorporation thereof based on the provisions of Paragraph 1, Article 427 of the Act. The amount stipulated in Paragraph 1, Article 425 of the Act has been set as the maximum liability for damages based on this agreement. The Company intends to continue this agreement in case this proposal is approved and adopted at this meeting and Mr. Kamai is reappointed as an External Director of the Company.</li> <li>● The Company has notified the Tokyo Stock Exchange, Inc. of the appointment of Mr. Kamai as an independent officer as set forth under regulations thereof.</li> </ul>		

Candidate No. <b>10</b>	<b>Masahiro Miyazaki</b>	Date of birth April 13, 1954 68 years old	<input type="checkbox"/> New <input checked="" type="checkbox"/> External <input checked="" type="checkbox"/> Independent
 <p>Number of the shares of the Company held  <b>0 share</b></p> <p>Number of years as Director                  —</p> <p>Record of attendances at the Board of Directors meetings                  —</p>	<p><b>Brief personal history, positions and assignments in the Company</b></p> <p>Apr. 1977 Joined Nissei Sangyo Co., Ltd. (current Hitachi High-Tech Corporation)</p> <p>Apr. 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)</p> <p>Apr. 2010 President &amp; CEO, Hitachi High-Technologies America, Inc. (current Hitachi High-Tech America, Inc.)</p> <p>Apr. 2014 Senior Vice President and Executive Officer, General Manager of Corporate Strategy Div. of Hitachi High-Technologies Corporation</p> <p>Apr. 2015 Representative Executive Officer, President and Chief Executive Officer of Hitachi High-Technologies Corporation</p> <p>Jun. 2015 Representative Executive Officer, President and Chief Executive Officer and Director of Hitachi High-Technologies Corporation</p> <p>Apr. 2021 Advisor of Hitachi High-Tech Corporation (Current position)</p> <p><b>Significant positions concurrently held</b></p> <p>None</p> <p><b>Reasons for deciding to make him a candidate for External Director and a summary of expected roles</b></p> <p>Mr. Masahiro Miyazaki has experience of holding important positions such as a representative executive officer and president and chief executive officer at corporate groups with global operations, both in Japan and overseas. The Company believes that he is an individual capable of increasing the rationality and transparency of the Kurita Group's management and supervising the execution of the duties of Directors from an outside perspective based on his extensive experience in corporate management and global business, and therefore nominated him as a candidate for External Director.</p> <p><b>Notes concerning the candidate for External Director</b></p> <ul style="list-style-type: none"> <li>● Hitachi High-Tech Corporation is one of customers of the Company. However, because the transaction value with Hitachi High-Tech Corporation is less than 0.1% of consolidated net sales of the Company, it does not fall under a major customer.</li> <li>● The Company plans to enter into an agreement with Mr. Miyazaki that limits liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of the Articles of Incorporation thereof based on the provisions of Paragraph 1, Article 427 of the Act, on the premise that this proposal is approved and adopted. The amount stipulated in Paragraph 1, Article 425 of the Act has been set as the maximum liability for damages based on this agreement.</li> <li>● The Company plans to notify the Tokyo Stock Exchange, Inc. of the appointment of Mr. Miyazaki as an independent officer as set forth under regulations thereof.</li> </ul>		

- Notes: 1. No special interest exists between the Company and any of the above candidates for Director.
2. Ages of the candidates indicated are as of the date of the General Meeting of Shareholders.
3. The Company has entered into officers liability insurance agreements with insurance companies. These insurance agreements cover any damages, legal fees etc. that arise as a result of an insured Director's liability in relation to the execution of his or her duties, or claims related to the pursuit of such liability. Provided, however, that there are exemptions, including the fact that damages arising from intentional or malicious actions shall not be covered. The Company bears all premiums for the insurance agreements, including riders, and no substantial premiums are borne by the insured. Furthermore, if each candidate is appointed as Director, they will be insured under these insurance agreements, and the Company intends to renew these insurance agreements during their time in office.

### **Proposal No. 4: Election of One (1) Substitute Member of the Audit & Supervisory Board**

To prepare for the case where the number of members of the Audit & Supervisory Board lacks in the number set forth by the relevant laws and regulations, the Company proposes that Mr. Tetsuya Nagasawa be elected as a Substitute Member of the Audit & Supervisory Board.

The Company has already obtained the consent of the Audit & Supervisory Board for this proposal.

The candidate for Substitute Member of the Audit & Supervisory Board is as follows:

<b>Tetsuya Nagasawa</b>	Date of birth April 17, 1970 52 years old	<table border="1"><tr><td style="text-align: center;">External</td></tr><tr><td style="text-align: center;">Independent</td></tr></table>	External	Independent
External				
Independent				
<b>Brief personal history</b>				
Apr. 1996 Registered as an attorney Joined Oh-Ebashi LPC & Partners				
Jan. 2002 Registered as an attorney, admitted in New York State, the U.S.A.				
Aug. 2002 Attorney, Oh-Ebashi LPC & Partners (Current position)				
Jul. 2006 Corporate Auditor, LifeFoods Co., Ltd.				
Oct. 2016 Visiting Professor, Kobe University Graduate School of Law (Current position)				
Jul. 2018 Temporary Member, The Small and Medium Enterprise Agency, The Small and Medium Enterprise Policy-Making Council (Current position)				
<b>Jun. 2020 Substitute Member of the Audit &amp; Supervisory Board of Kurita Water Industries Ltd. (Current position)</b>				
May 2021 External Director and Audit and Supervisory Committee Member, LifeFoods Co., Ltd. (Current position)				
<b>Significant positions concurrently held</b>				
Attorney, Oh-Ebashi LPC & Partners External Director and Audit and Supervisory Committee Member, LifeFoods Co., Ltd. Visiting Professor, Kobe University Graduate School of Law				
<b>Reasons for deciding to make him a candidate for Substitute External Member of the Audit &amp; Supervisory Board</b>				
Mr. Tetsuya Nagasawa has expertise as an attorney and a wealth of knowledge about corporate legal affairs in Japan and overseas. The Company decided to make him a candidate for Substitute External Member of the Audit & Supervisory Board so that such expertise and knowledge may be reflected in the Company's audits.				
<b>Notes concerning the candidate for Substitute External Member of the Audit &amp; Supervisory Board</b>				
<ul style="list-style-type: none"><li>● Oh-Ebashi LPC &amp; Partners, LifeFoods Co., Ltd., and Kobe University are not business partners of the Company.</li><li>● Mr. Nagasawa was not involved in corporate management in ways other than acting as an external director or an external member of the Audit &amp; Supervisory Board in the past. However, the Company believes that he is capable of executing his duties appropriately in audits because he has expertise as an attorney and sufficient knowledge in corporate legal affairs.</li><li>● The Company plans to enter into an agreement with Mr. Nagasawa that limits liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of the Articles of Incorporation thereof based on the provisions of Paragraph 1, Article 427 of the Act, if he assumes the office of external member of the Audit &amp; Supervisory Board. The amount stipulated in Paragraph 1, Article 425 of the Act has been set as the maximum liability for damages based on this agreement.</li><li>● The Company plans to notify the Tokyo Stock Exchange, Inc. of the appointment of Mr. Nagasawa as an independent officer in accordance with regulations thereof, if he assumes the office of external member of the Audit &amp; Supervisory Board.</li></ul>				
<b>Number of the shares of the Company held</b>				
0 share				

- Notes:
1. Mr. Tetsuya Nagasawa is a candidate for Substitute External Member of the Audit & Supervisory Board.
  2. No special interest exists between the Company and the above candidate for Substitute Member of the Audit & Supervisory Board.
  3. Age of the candidate indicated is as of the date of the General Meeting of Shareholders.
  4. The Company has entered into officers liability insurance agreements with insurance companies. These insurance agreements cover any damages, legal fees etc. that arise as a result of an insured Member of the Audit & Supervisory Board's liability in relation to the execution of his or her duties, or claims related to the pursuit of such liability. Provided, however, that there are exemptions, including the fact that damages arising from intentional or malicious actions shall not be covered. The Company bears all premiums for the insurance agreements, including riders, and no substantial premiums are borne by the insured. Furthermore, if the candidate is appointed as Member of the Audit & Supervisory Board, he will be insured under these insurance agreements, and the Company intends to renew these insurance agreements during his time in office.

**<Reference> Policies and procedures for nominating candidates for Directors and members of the Audit & Supervisory Board**

1) Policy for nominating candidates for Directors and members of the Audit & Supervisory Board

In order to fulfill the highly effective supervisory function over operational execution toward realizing the Corporate Philosophy, the Board of Directors will consist of persons 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, corporate planning and other aspects of corporate governance management, skills required to realize the direction sought by the Kurita Group of creating social value by leveraging diversity and water knowledge, and necessary skills, etc. for realizing the corporate philosophy, and the entire Board of Directors will supplement this system. There are three or more Directors in total, one-third or more of whom are External Directors to ensure the independence and objectivity of the Board of Directors. It is also our policy that there should be three or more members of the Audit & Supervisory Board, one or more of whom should be a member who specializes in finance, accounting and legal affairs.

2) Procedures for nominating candidates for Directors and members of the Audit & Supervisory Board

When making a proposal of candidates for the Directors, the President and Director, Representative Directors, and Directors with positions of responsibility as well as members of the Audit & Supervisory Board, the Chairperson of the Board of Directors will consult the Nomination and Remuneration Advisory Council in advance. Based on the report given by the Nomination and Remuneration Advisory Council, the Board of Directors will submit a proposal for recommending the candidates for the Directors and the members of the Audit & Supervisory Board by stating the reason for recommendation. After deliberating the proposal, the Board of Directors will nominate the candidates and make a decision on the President and Director, Directors with positions of responsibility, and Representative Directors. When submitting a proposal for recommending the candidates for the members of the Audit & Supervisory Board to the Board of Directors, it shall be carried out after obtaining the consent of the Audit & Supervisory Board in advance.

[Translation for Reference and Convenience Purposes Only]

### Skills Matrix of Directors and Members of the Audit & Supervisory Board

Towards realizing the corporate philosophy, the skills set out on the skills matrix comprise the knowledge, experience, and capabilities necessary based on the Company's management strategies, such as the Group's value creation story and medium-term management plan. The skills are broadly divided into two areas: basic elements needed for governance management and basic elements needed for the Group's intended management direction. Moreover, the Group's intended management direction refers to creation of shared value with society through the provision of solutions driven by "water knowledge," obtained by leveraging the diversity (\*1) of human resources.

If Proposal No. 3 is approved and adopted as originally proposed, the Directors and members of the Audit & Supervisory Board of the Company and the skills matrix will be as follows.

	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 (*2)	R&D, Technology, and Engineering	DX	Environment
Directors	Michiya Kadota	●	●	●	●	●				●
	Hirohiko Ejiri	●			●	●	●	●	●	●
	Yoshio Yamada	●					●	●		
	Yasuo Suzuki	●			●	●	●	●		●
	Shuji Shirode	●	●			●				
	Katsuya Amano					●	●			
	Ryoko Sugiyama (External)	●								●
	Keiko Tanaka (External)	●		●	●	●				
	Kenichiro Kamai (External)	●						●	●	
	Masahiro Miyazaki (External)	●				●				
Members of the Audit & Supervisory Board	Kenjiro Kobayashi (External)	●	●			●				
	Yukihiko Mutou	●	●	●	●					
	Toshiaki Tada (External)			●	●	●				

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

[Translation for Reference and Convenience Purposes Only]

(Notes)

- \*1 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.
- \*2 The Kurita Group provides solutions to issues derived from water at sites of customers in the world. The Kurita Group creates unique solutions by making use of information and data, which it has accumulated by seriously addressing customer issues at diverse points of contact with sites, as its water knowledge. We believe that these activities constitute the source of creation of shared value with customers and society. We believe that a deep understanding of customer sites, which leads to value creation, and the experience of committing oneself to solving issues at customer sites are skills needed by the Company's directors to make important decisions and effectively supervise operational executions at the Company.

### <Reference> Our criteria for judging independence

The criteria for judging the independence of the Independent External Directors in selecting candidates shall be that the candidates for Independent External Directors and their close relatives (\*1) must not fall under any of the following items.

- a. A person who currently executes the operations of the Company or its subsidiary, or has executed such operations in the past 10 years
- b. A person whose major business partner is currently the Company (\*2) or was the Company at some time during the past year, or an individual who executes the operations of this party
- c. A current major business partner of the Company (\*3) or a major business partner at some time during the past year, or a person who executes the operations of the major business partner
- d. A consultant, an accountant, or a legal professional who currently receives or has received at some point during the past year a lot of money or property (\*4) other than remuneration for officers from the Company
- e. A current major shareholder of the Company (\*5) or a person who executes the operations of a major shareholder
- f. A person who executes the operations of an organization in which an external officer also currently assumes office (the person only)
- g. A person who executes the operations of an organization to which the Company currently makes a donation (the person only)

\*1 The term “close relatives” means relatives within the second degree of kinship.

\*2 The term “person whose major business partner is the Company” means a person whose sales in transactions with the Company make up 2% or more of that person’s consolidated net sales.

\*3 The term “major business partner of the Company” means a business partner with whom the Company’s sales in transactions make up 2% or more of the consolidated net sales of the Company, or a business partner from which borrowings make up 1% or more of the consolidated total assets of the Company.

\*4 The term “a lot of money or property” means money and other property that are equivalent to 10 million yen or more per year, other than remuneration for officers.

\*5 The term “major shareholder of the Company” means a shareholder who has voting rights that account for 10% or more of the voting rights of the Company.



## <Reference> Corporate Governance

### 1. Corporate Governance Policies and Corporate Governance Organizational Structure

#### (1) Corporate Governance Policies

Kurita Water Industries Ltd. and its consolidated subsidiaries (hereinafter the “Kurita Group,” and Kurita Water Industries Ltd. on a non-consolidated basis shall be hereinafter referred to as the “Company”) aim to contribute broadly to society through corporate activities in the fields of water and 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 make efforts to promote sustainable growth and enhance its corporate value in the medium and long term, deferring to the rights and position 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 will establish corporate governance, with the aim of realizing transparent, fair, prompt, and decisive decision-making measures and highly effective management supervision.

Further details of the basic policy and each policy have been made available to the public via the following URL on the Company’s website on the Internet.

([https://ir.kurita.co.jp/en/corporate\\_governance/governance\\_policies/index.html](https://ir.kurita.co.jp/en/corporate_governance/governance_policies/index.html))

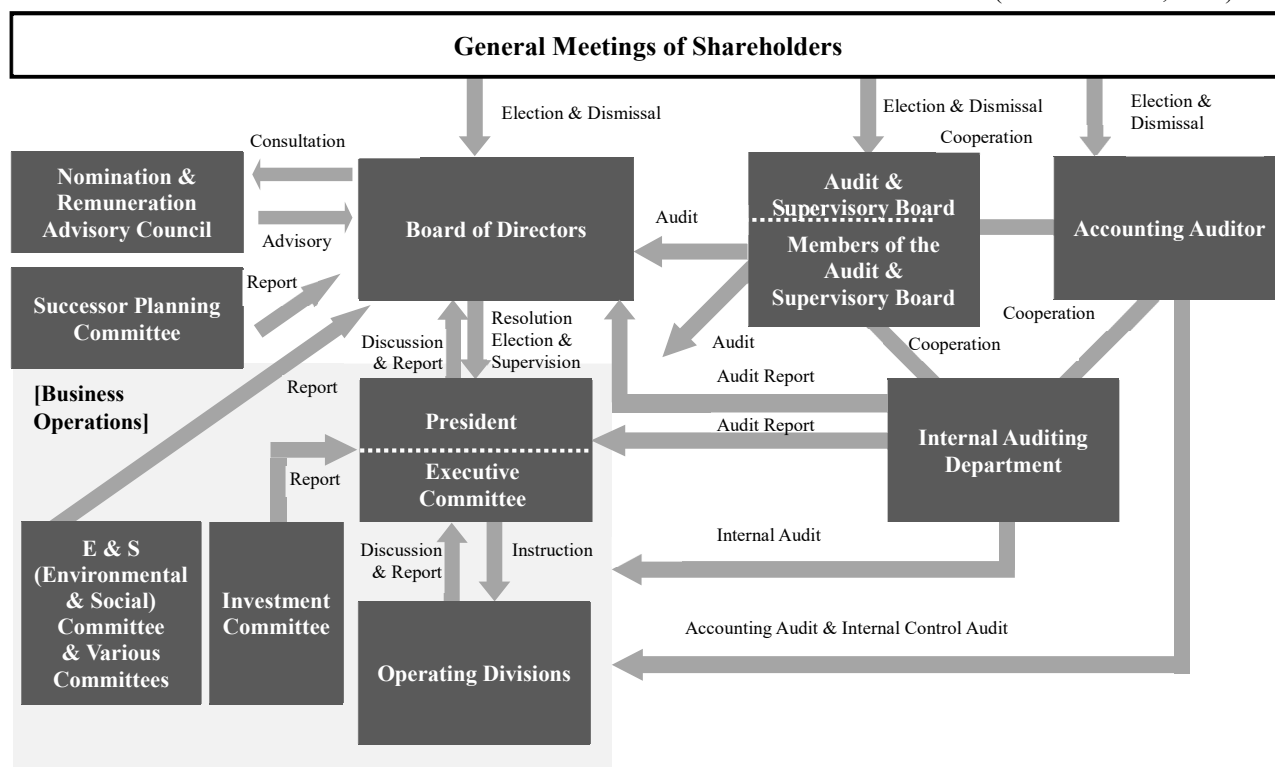
#### (2) Corporate Governance Organizational Structure

The Company adopts the structure of a company with audit & supervisory board. In addition, the Board of Directors, in accordance with the Kurita corporate philosophy, provides a strategic direction that contributes to the Kurita Group’s sustainable growth, makes decisions on important matters related to operational execution and performs supervisory functions of overall management. The Nomination and Remuneration Advisory Council, mainly consisting of External Directors and an external member of the Audit & Supervisory Board, is in place to enhance the transparency of the decision-making process related to the remuneration of Directors and the nomination of candidates for Directors/members of the Audit & Supervisory Board. In addition, the Successor Planning Committee was established in order to select and develop candidates for successors to the President and Directors, etc.

The Executive Committee conducts a review of matters resolved at the Board of Directors meetings when necessary to enable speedy and smooth decision-making by the Board of Directors. Furthermore, the E&S (Environmental & Social) Committee, Investment Committee and various other committees are in place as enterprise-wide organizations which facilitate solutions for management issues faced by the Company.

The members of the Audit & Supervisory Board, while performing the audits undertaken by the Audit & Supervisory Board in accordance with the audit policy and audit plan determined thereby, also attend important meetings including meetings of the Board of Directors, Executive Committee and E&S Committee to audit execution of duties by Directors.

(As of March 31, 2022)



## 2. Results of corporate governance initiatives

- (1) Concerning the review of corporate governance policies, etc.  
Based on the realization of the Kurita Group's ideal form of corporate governance and the intention of the revised Japan's Corporate Governance Code, the Company conducted initiatives aimed at clarifying the guidelines for supervising the business portfolio administration at the Board of Directors and the like, and these included a review of the composition of the Board of Directors and establishing policies related to issues of sustainability such as social and environmental issues in its Corporate Governance Policies. The Company also reviewed the skills matrix in order to define afresh the skills relating to knowledge, experience and capabilities that should be possessed by the Board of Directors based on the Group's value creation stories and management strategies.
- (2) Reduction of strategic shareholdings in other listed companies  
In accordance with the reduction of the holdings of shares owned for policy purposes as stated in the Company's Corporate Governance Policies, the Company sold four holdings (two of which were partially sold) in fiscal 2021.
- (3) Establishment of the human resources policy  
Based on the concept that human resources diversity is the foundation for generating innovation as well as a source for creating unique value linked to sustained growth, a human resources policy was established for outlining the basic philosophy required for the Group's human resources to ensure that people with diverse experience, knowledge, and skills can make the most of their expertise.

## 3. Evaluation of Effectiveness of the Board of Directors

The Board of Directors conducts an annual analysis and evaluation of the Board of Directors in order to more effectively fulfill its required roles and functions. The evaluation results of the Board of Directors for the one-year period from January 2021 to December 2021 are as follows. Details are disclosed to the public through the Company's website below. ([https://ir.kurita.co.jp/en/corporate\\_governance/board\\_evaluation/index.html](https://ir.kurita.co.jp/en/corporate_governance/board_evaluation/index.html))

According to the evaluation results, the self-evaluation of all Directors and members of the Audit & Supervisory Board was generally good, indicating that the effectiveness of the Board of Directors is ensured. Looking at each category, the area of "operation of the Board of Directors" was most highly evaluated, followed by "contributions of individual Directors and members of the Audit & Supervisory Board." On the other hand, items related to building and monitoring of the DX promotion structure among "roles and responsibilities of the Board of Directors," and "dialogue with shareholders" received relatively low evaluation results.

(Issue)

In order to improve the quality of dialogue with shareholders and investors to enhance the Kurita Group's corporate value, it is necessary for each member of the Board of Directors to perform his or her duties with an increased awareness of perspectives from outside the Company.

(Measures)

Through the following measures, the Board of Directors will improve the nature of constructive dialogue with shareholders and investors and the quality of such dialogue.

- (1) The Board of Directors will select a broad range of qualified individuals to engage in dialogue with shareholders and investors, based on their areas of expertise and the business that they oversee. The Board of Directors will strengthen its involvement in IR/SR activities by expanding the system to share the results of such dialogue with all members of the Board of Directors.
- (2) Each member of the Board of Directors will, based on his/her expertise, knowledge, experience, and background, accurately grasp the requests and expectations of shareholders and investors for the Kurita Group and the current status of the Kurita Group, then identify issues, make original proposals, and deepen discussions at the Board of Directors meetings.
- (3) The Board of Directors will request reports from specific committees on important topics to be considered by the Board of Directors, which will then discuss and provide direction based on the expectations of shareholders and investors for the Kurita Group.

Since the building of the DX promotion structure is an essential element as a foundation for the future development of the Kurita Group, the Board of Directors will further strengthen its monitoring of the DX promotion structure as an ongoing issue.

(Attached documents)

## **Business Report**

(From April 1, 2021 to March 31, 2022)

### **1. Group Overview of Operations**

#### **(1) Operations and results**

During the fiscal year ended March 31, 2022, economic activities worldwide showed signs of a recovery as economic activities began to return to normal backed by national economic stimulus measures and widespread vaccinations, although the momentum of recovery was weakened occasionally by movement restrictions and logistical disruptions due to the outbreak of COVID-19 variants.

Looking at the market environment surrounding the Kurita Group, in Japan, production in the manufacturing sector partially weakened owing to supply constraints of raw materials such as semiconductor shortages, but the recovery trend continued and capital investment also picked up. Overseas, in Europe, the U.S., and China, the economies continued to recover moderately, but the economic recovery was weakened in certain Asian countries due to the impact of the resurgence of COVID-19 pandemic.

In this environment, the Kurita Group used the fiscal year under review, which is the fourth year of the medium-term management plan Maximize Value Proposition 2022 (MVP-22), to become an indispensable long-term partner for our customers. The Group also made efforts to expand the total solutions and Creating Shared Value (CSV) business, which contributes to solving customer problems through in-depth understanding of society and customer challenges, such as minimizing water consumption, CO<sub>2</sub> emissions, waste, and other environmental loads, as well as improving productivity. In the highly profitable ultrapure water supply business and the tool cleaning business, we achieved results by expanding customers' production capacity and developing new projects in order to increase profitability. In the design and construction process of water treatment facilities, we curbed additional costs by utilizing a model to prevent the recurrence of nonconformities. Overseas, we reexamined our business portfolio and production and sales structures in each region, and thereby expanded highly profitable businesses and built a business structure that is highly resistant to the effects of the external environment. Furthermore, the operating results of Kurita AquaChemie Limited, a Middle-Eastern company, and their two subsidiaries, as well as Keytech Water Management, a Canadian company, have been consolidated from the fiscal year under review owing to them becoming consolidated subsidiaries of the Company.

As a result, total consolidated orders for the Kurita Group in the fiscal year ended March 31, 2022 amounted to 315,240 million yen (up 20.2% year on year), and net sales amounted to 288,207 million yen (up 7.6% year on year). Business profit\* was 32,944 million yen (up 11.8% year on year), operating profit was 35,734 million yen (up 13.3% year on year), and profit before tax was 30,079 million yen (up 3.2% year on year), while profit attributable to owners of parent was 18,471 million yen (down 3.2% year on year) due to financial costs of 5,496 million yen recorded based on the subsequent (fair value) measurement of liabilities pertaining to forward contracts concluded with non-controlling shareholders of Pentagon Technologies Group, Inc. (United States). Furthermore, in the fiscal year under review, other income of 6,119 million yen and other expenses of 3,329 million yen were recorded. Other income includes the gain on sale of fixed assets of 4,079 million yen mainly from the sale of real estate of former Head Office (in Shinjuku) and the Osaka Office, while other expenses include the impairment loss on fixed assets of 1,028 million yen. The impairment loss on fixed assets was mainly incurred due to the closure of the Yamaguchi Plant accompanying the reorganization of manufacturing bases in the domestic Water Treatment Facilities business and the decision to suspend the operation of the plant of Kurita Water Industries (Jiangyin) Co. (Water Treatment Chemicals business) due to a review of the production structures for water treatment chemicals in China.

(Note) Business profit is the Group's own indicator that measures constant business performance. It is net sales less cost of sales and selling, general and administrative expenses. Although business profit is not defined by IFRS, the Group voluntarily discloses it, believing that it is beneficial for users of its financial statements.

## **(2) Status of segment of the Kurita Group**

### **Water Treatment Chemicals business**

With respect to orders and sales in Japan, capacity utilization at the plants of customers increased as production activity in the manufacturing sector began to recover. Overseas, both orders and sales increased due to the rebound from the decrease in demand triggered by the stagnation in economic activities in the previous fiscal year caused by the spread of COVID-19, as well as the newly consolidated operating results of subsidiaries in the Middle East and Canada acquired in the first quarter of the current fiscal year and an increase in the yen value of overseas subsidiaries accompanying the yen's depreciation.

As a result, total Group orders for the Water Treatment Chemicals business amounted to 118,401 million yen (up 14.3% year on year) and sales amounted to 117,672 million yen (up 14.0% year on year). Business profit amounted to 13,589 million yen (up 10.6% year on year) due to an increase in sales despite a rise in expenses resulting from the ongoing recovery of sales activities to a normal state and the impact of soaring raw material prices. Operating profit amounted to 14,560 million yen (up 23.2% year on year) partly due to foreign exchange gains at overseas subsidiaries.

### **Water Treatment Facilities business**

In Japan, orders for water treatment facilities for the electronics industry increased significantly due to orders for large projects, and sales also increased due to progress in construction of large projects. Both orders for and sales from maintenance services for the electronics industry increased due to repair projects such as expansion and replacement of consumables, backed by a steady rise in capacity utilization at customers' plants. Orders for water treatment facilities for general industries decreased significantly due to a cancellation of large projects, and sales also decreased as sales from large projects had run their courses. Orders for maintenance services for the electronics industry decreased due to sales activities centering on profitability, but sales increased as demand grew backed by a recovery in capacity utilization at the plants of customers. Both orders for and sales from water treatment facilities for the electric power industry decreased as orders for large projects declined and sales from the backlog of orders ran their courses. Orders for soil remediation increased, but the sales declined as orders for and sales from large projects ran their courses. Overseas, both orders and sales increased due to the posting of orders for and sales from large projects for water treatment equipment for the electronics industry in East Asia, as well as increased demand for the tool cleaning business. Total sales in the ultrapure water supply business in Japan and overseas increased due to a contract that began in the previous fiscal year and contribution of sales from projects recently put into operation.

As a result, total Group orders for the Water Treatment Facilities business amounted to 196,839 million yen (up 24.0% year on year), while sales amounted to 170,534 million yen (up 3.7% year on year). Business profit amounted to 19,391 million yen (up 13.2% year on year) mainly as a result of cost reductions and other efforts to improve profitability and operating profit amounted to 21,169 million yen (up 7.8% year on year), despite the absence of a liquidation gain of 2,066 million yen from the termination of contracts with certain customers in the ultrapure water supply business, which was recorded in other income in the previous fiscal year.

## **(3) Status of capital expenditure**

The Kurita Group carried out capital expenditure amounting to a total of 66,394 million yen (up 33,747 million yen year on year).

The amount consists of capital expenditure in the Water Treatment Chemicals business of 10,843 million yen (up 2,729 million yen year on year), and in the Water Treatment Facilities business for the ultrapure water supply business of 55,551 million yen (up 31,018 million yen year on year). Furthermore, the amount of capital expenditure includes expenses related to the construction of the research and development facility Kurita Innovation Hub, which opened on April 1, 2022.

[Translation for Reference and Convenience Purposes Only]

**(4) Status of financing**

There are no significant matters for special attention.

**(5) Changes in assets and profit and loss**

**[The Kurita Group]**

	Classification	83rd Fiscal Year 2018		84th Fiscal Year 2019	85th Fiscal Year 2020	86th Fiscal Year 2021
		Japanese GAAP	IFRS	IFRS	IFRS	IFRS
Profit and Loss	Orders (Million yen)	258,439	258,439	259,545	262,341	315,240
	Net sales (Million yen)	259,409	257,331	264,807	267,749	288,207
	Business profit (Million yen)	–	25,667	26,654	29,470	32,944
	Operating profit (Million yen)	24,300	19,860	27,479	31,529	35,734
	Profit before tax (Million yen)	27,506	20,267	26,691	29,150	30,079
	Profit attributable to owners of parent (Million yen)	17,305	12,050	18,287	19,088	18,471
	Basic earnings per share (Yen)	154.13	107.33	162.86	169.94	164.38
Assets	Total assets (Million yen)	350,828	359,500	387,749	424,928	469,981
	Total equity (Million yen)	239,652	239,184	244,108	257,837	277,862
	Equity attributable to owners of parent per share (Yen)	2,116.70	2,113.32	2,158.96	2,252.86	2,419.58
Number of Companies	Consolidated subsidiaries	60	60	62	67	70
	Equity method affiliates	4	4	9	5	5

- (Notes) 1. From the 84th fiscal year, we adopted IFRS for preparing the consolidated financial statements. For reference purpose, the table includes figures of the 83rd fiscal year complying with IFRS. “Income before income taxes,” “Profit attributable to owners of parent,” “Net income per share,” “Total assets,” “Net assets” and “Net assets per share” under Japanese GAAP are respectively stated as “Profit before tax,” “Profit attributable to owners of parent,” “Basic earnings per share,” “Total assets,” “Total equity” and “Equity attributable to owners of parent per share” under IFRS, in each column.
2. Basic earnings per share is calculated by deducting the number of treasury stock from the average total number of issued shares during the fiscal year.
3. Equity attributable to owners of parent per share is calculated by deducting the number of treasury stock from the total number of issued shares at the end of the fiscal year.

4. Treasury stock includes about 244 thousand shares of treasury stock for performance-linked stock compensation to Directors, held by Custody Bank of Japan, Ltd. (Trust Account).

## **(6) Issues to be addressed**

The Company has implemented the MVP-22 plan since the fiscal year ended March 31, 2019, aiming at realizing the corporate vision of “A creator of unique value to the solution of water and environment” contributing to the realization of a sustainable society.” In the MVP-22 plan, we are making efforts to create shared value with society, positioning CSR as the core of management. Also, we are aiming at realizing high profitability and sustainable growth, in addition to offering new value to customers, by clarifying that the source of the Company’s competitive power is “customer intimacy” and performing business processes with dramatically improved work quality and speed.

In the fiscal year under review, the fourth year of the MVP-22 plan was marked by continued uncertainty amidst the ongoing struggle in many countries to find a way to balance between the prevention of the COVID-19 pandemic and economic growth, as well as the Russian invasion of Ukraine. As the external environment is changing rapidly, with soaring raw material, logistics, and energy costs, disruptions in supply chains, and depreciation of the yen, we considered our future approach to our businesses, with an eye toward the age of living with COVID-19 and living after COVID-19, and we focused on changing our business processes and transforming our business models, deploying total solutions, making optimal use of management resources, and strengthening our corporate structure. To realize a value creation story, we redefined the skills to be possessed by the Company’s Board of Directors, developed a human resources strategy for the Group, and formulated a policy on business portfolio management.

Based on the above, the Kurita Group believes it must address the following issues as we look to realize a sustainable society: business process changes and business model transformation based on promoting DX; acceleration of the creation and deployment of solution models that contribute to social value, including addressing the issue of climate change; and establishment of an earnings base that will contribute to the Group’s medium- to long-term growth. In the fiscal year ending March 31, 2023, the last year of the MVP-22 plan, we will prioritize the following four key measures.

- 1) Development of solutions contributing to the creation of shared value with society and reinforcement of initiatives in prospective markets

We will vigorously drive the development of solutions that create shared value with society across the organization. We will also create new technologies and solutions for the realization of decarbonization and the circular economy that contributes to the realization of carbon neutrality, while also accelerating the CSV business development. Furthermore, the entire Group will focus its efforts to develop the service businesses for customers in the electronics market, which is expected to continue to grow robustly in the future.

- 2) Enhancement of the value provided to customers and cost structure reform through business process review

In light of the rapidly changing external environment, we will focus on contributing to customers’ operational and business continuity and review the products, services and solutions, and thereby enhance the value we provide to our customers. Furthermore, we will strongly accelerate cost-cutting initiatives to reform the cost structure of the Company through collaboration with start-ups that enables us to increase the production capacity and cost competitiveness and reassessment on procurement sources by a global team formed across countries and regions. We will undertake a fundamental review of the nature of worksites and the way of working, with an eye to the future after COVID-19.

- 3) Business process change and business model transformation by accelerating DX

We will accelerate to utilize digital technologies and tools to build business processes where each function – internal affairs, development, production, and sales – mutually coordinate with each other, contributing to maximizing our value offering to customers. At the same time, we will utilize the data we have accumulated through our broad range of on-site connections as “water knowledge” to enable us to create systems that generate new value to offer customers, including building connections with customers by digital. In addition, we will also work to automate and optimize the design process through the Meta-Aqua Project, and promote enhanced efficiency and optimization in water treatment facility operation and build data infrastructure.

4) Establishment of a base that contributes to the Group’s medium- to long-term growth

To achieve sustainable growth in corporate value and the transition to a highly profitable structure, we will accelerate the revitalization of low-profit businesses and the examination of business continuity, and optimize our business portfolio. In April 2022, we opened the Kurita Innovation Hub as a new R&D center. We consider the Innovation Hub as a “hub where diverse people from inside and outside the Company gather and connect for technological innovation and social changes,” and aim to accelerate the creation of innovation through communication and collaboration with a broad range of stakeholders. Further, we will strengthen diversity initiatives and focus on creating an organizational structure with high levels of personnel diversity and employee engagement.

**(7) Principal businesses (As of March 31, 2022)**

Since its founding, the Kurita Group has contributed to developing industry and society and conserving the environment through various business activities in the water and environment areas.

Major principal products in each business segment of the Kurita Group are as follows:

Segment	Principal products
Water Treatment Chemicals	Boiler water treatment chemicals, cooling water treatment chemicals, air conditioning-related water treatment chemicals, process treatment chemicals for oil refining and petrochemicals, process treatment chemicals for pulp and paper, process treatment chemicals for steel, marine vessel-related water treatment chemicals, wastewater treatment chemicals, sludge dehydrating chemicals, civil engineering and construction related chemicals, heavy metal stabilizers, RO membrane treatment chemicals, chemical dosing systems, ion exchange resin, maintenance services, water analysis and software services
Water Treatment Facilities	Ultra-pure water production systems, deionizer, condensate demineralizers, filtration systems, standard-type products (deionizers, wastewater treatment systems, various water treatment systems), water and wastewater treatment systems for various industries (electronics, steel, oil refining, petrochemicals, electric power, paper, pulp, food products, etc.), wastewater reclamation systems, marketable substance recovery systems, biogas production systems, seawater desalination system, swimming pool-related equipment, ion exchange resin, RO membranes, ultrafiltration membranes, functional water production equipment for the semiconductor manufacturing process, water purifiers, ultrapure water supply, reclaimed water supply, maintenance services, tool cleaning services, chemical cleaning services, operation and maintenance of water treatment facilities, soil and groundwater remediation, household drinking water and software services

**(8) Principal offices (As of March 31, 2022)**

The Company	Head Office	10-1, Nakano 4-chome, Nakano-ku, Tokyo
	Osaka Office	2-22, Kitahama 2-chome, Chuo-ku, Osaka-shi, Osaka
	Branch Office	Tohoku Office (Aoba-ku, Sendai-shi, Miyagi)
		Nagoya Office (Naka-ku, Nagoya-shi, Aichi)
		Hiroshima Office (Naka-ku, Hiroshima-shi, Hiroshima)
	Production, R&D facilities	Ichihara Plant (Ichihara-shi, Chiba)
		Shizuoka Plant (Yoshida-cho, Haibara-gun, Shizuoka)
		Tsuruga Plant (Tsuruga-shi, Fukui)
		Takahama Plant (Takahama-cho, Oi-gun, Fukui)
		Toyoura Plant (Shimonoseki-shi, Yamaguchi)
		Yamaguchi Plant (Yamaguchi-shi, Yamaguchi)
		Kurita Global Technology Center (Nogi-machi, Shimotsuga-gun, Tochigi)
		Engineering Center (Mitaka-shi, Tokyo)
Subsidiary	Japan	Kurita Chemical Manufacturing Ltd. (Ibaraki and others)
		Kuritaz Co., Ltd. (Tokyo, Osaka and others)
		Kuritec Service Co., Ltd. (Osaka and others)
	Overseas	Hansu Technical Service Ltd. (South Korea)
		Hansu Co., Ltd. (South Korea)
		Kurita Water Industries (Dalian) Co., Ltd. (China)
		Kurita Water Industries (Suzhou) Ltd. (China)
		Kurita Water (Malaysia) Sdn. Bhd. (Malaysia)
		Kurita (Singapore) Pte. Ltd. (Singapore)
		Kurita Europe GmbH (Germany and others)
		Kurita do Brasil LTDA. (Brazil)
		Kurita America Inc. (United States)
		Pentagon Technologies Group, Inc. (United States)

- (Notes)
- As of March 31, 2022, the Company had 26 sales branch offices, but on April 1, 2022, the Utsunomiya Sales Branch became the Utsunomiya Sub-branch, the Gunma Sales Branch became the Gunma Sub-branch, and the Chiba Minato Sales Branch, the Nihombashi Sales Branch, the West Tokyo Sales Branch and the Kurashiki Sales Branch were closed. As a result, the Company has 20 sales branch offices.
  - Kurita Innovation Hub was opened as a new R&D center on April 1, 2022 in Akishima-shi, Tokyo.
  - On June 1, 2022, the Osaka Office moved to Hommachi, Chuo-ku, Osaka-shi.



[Translation for Reference and Convenience Purposes Only]

**(9) Important subsidiaries (As of March 31, 2022)**

Company name	Capitalization (In millions)	Ownership (%)	Principal business
Kurita Europe GmbH	EUR 50	100	Manufacture and sale of water treatment chemicals
Kurita Water Industries (Dalian) Co., Ltd. (China)	JPY 550	90.1	Manufacture and sale of water treatment chemicals
Kurita Water Industries (Suzhou) Ltd.	JPY 530	100	Manufacture and sale of water treatment facilities Operation and maintenance of water treatment facilities
Hansu Technical Service Ltd.	KRW 26,400	100	Manufacture and sale of water treatment facilities Operation and maintenance of water treatment facilities
Hansu Co., Ltd.	KRW 2,500	100	Manufacture and sale of water treatment chemicals
Kurita Water (Malaysia) Sdn. Bhd.	MYR 0.6	100	Manufacture and sale of water treatment chemicals and water treatment facilities Operation and maintenance of water treatment facilities
Pentagon Technologies Group, Inc.	USD 0.002	51	Tool cleaning services
Kurita America Inc.	USD 0.00001	100	Manufacture and sale of water treatment chemicals and water treatment facilities Operation and maintenance of water treatment facilities
Kuritaz Co., Ltd.	JPY 220	100	Operation and maintenance of water treatment facilities
Kuritec Service Co., Ltd.	JPY 50	100	Tool cleaning services
Kurita Chemical Manufacturing Ltd.	JPY 50	100	Manufacture of water treatment chemicals

**(10) Employees (As of March 31, 2022)**

**[The Kurita Group]**

Number of employees	Year-on-year change
7,661	+196

**[The Company]**

Number of employees	Year-on-year change	Average age	Average length of service
1,673	+112	43.0	17 years and 7 months

**(11) Main lenders and outstanding borrowings (As of March 31, 2022)**

Although the Company has concluded a commitment line contract with a maximum loan amount of 20,000 million yen with MUFG Bank, Ltd., the Company had no outstanding borrowings based on this contract as of March 31, 2022.

**(12) Important matters concerning the Kurita Group**

1) Establishment of the Kurita Innovation Hub

The Company opened the Kurita Innovation Hub (KIH) as a new R&D center on April 1, 2022 in Akishima-shi, Tokyo. KIH is a center for creating innovation to solve social and industrial issues by integrating diverse knowledge through connections with customers in Japan and abroad customers, research institutions, and other stakeholders of the Company. KIH was designed to accelerate the creation of innovation through communication and collaboration with a range of stakeholders, in an effort to realize the naming concept of KIH “becoming a hub where diverse people from inside and outside the Company gather and connect for technological innovations and social changes.”

[Translation for Reference and Convenience Purposes Only]

## 2. Stock of the Company (As of March 31, 2022)

### (1) Total number of issuable shares

531,000,000 shares

### (2) Total number of issued shares

116,200,694 shares (including 3,575,201 shares of treasury stock)

### (3) Number of shareholders

21,980 persons

### (4) Major shareholders (Top 10 shareholders)

Name of shareholder	Number of shares	Ratio of shareholding
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,627	14.76
Custody Bank of Japan, Ltd. (Trust Account)	6,196	5.50
Nippon Life Insurance Company	5,979	5.30
CACEIS BANK, LUXEMBOURG BRANCH/UCITS CLIENTS ASSET	2,334	2.07
MUFG Bank, Ltd.	2,056	1.82
STATE STREET BANK WEST CLIENT - TREATY 505234	1,812	1.60
BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS	1,725	1.53
State Street Bank and Trust Company 505025	1,667	1.48
JP MORGAN CHASE BANK 385781	1,434	1.27
Resona Bank, Limited.	1,417	1.25

- (Notes)
- Treasury stock held by the Company is omitted from the above table.
  - Ratio of shareholding is calculated based on the number of shares after deduction of the number of treasury stock from the total number of issued shares.
  - Treasury stock does not include about 244 thousand shares of treasury stock for performance-linked stock compensation to Directors, held by Custody Bank of Japan, Ltd. (Trust Account).

### (5) Shares delivered to Directors and members of the Audit & Supervisory Board of the Company as consideration for the execution of duties during the fiscal year under review

Classification	Number of shares	Number of persons to whom shares were delivered
Director (excluding External Director)	20,826	2
External Director	—	—
Member of the Audit & Supervisory Board	—	—

### (6) Other important matters regarding stock

Holdings of the Company stock by means of a trust pertaining to the performance-linked stock compensation plan  
As of March 31, 2022, 244,657 shares of the Company stock have been acquired by the stock distribution trust established with monetary funds contributed by the Company on the basis of the performance-linked stock

[Translation for Reference and Convenience Purposes Only]

compensation plan which was adopted upon resolution made at the 80th Ordinary General Meeting of Shareholders held on June 29, 2016 and held by Custody Bank of Japan, Ltd. (Trust Account).

### 3. Directors and members of the Audit & Supervisory Board of the Company (As of March 31, 2022)

#### (1) Directors and members of the Audit & Supervisory Board

Name	Position	Responsibility and important concurrent positions
Michiya Kadota	President and Representative Director	
Hirohiko Ejiri	Executive Senior Managing Director and Representative Director	Executive General Manager of Engineering Division and Chief Business Officer for Facilities business
Yoshio Yamada	Managing Director	Executive General Manager of Japan Sales Business Division and Chief Business Officer for Chemicals business
Yasuo Suzuki	Managing Director	Executive General Manager of Global Business Division and Chief Business Officer for Global business
Shuji Shirode	Director	Executive General Manager of the Corporate Control and Administration Division
Ryoko Sugiyama	Director (External Director)	Head and Representative Director of the Board, Gifu Shimbun Co., Ltd. External Director and Audit and Supervisory Committee Member, LECIP Holdings Corporation External Director, UACJ Corporation Director, Gifu Sugiyama Memorial Foundation, a public interest incorporated foundation
Keiko Tanaka	Director (External Director)	Vice President, Nissan Financial Services Co., Ltd.
Kenichiro Kamai	Director (External Director)	
Kenjiro Kobayashi	Full-time member of the Audit & Supervisory Board (External member of the Audit & Supervisory Board)	
Yukihiko Mutou	Full-time member of the Audit & Supervisory Board	
Toshiaki Tada	Member of the Audit & Supervisory Board (External member of the Audit & Supervisory Board)	Attorney, HIBIYA SOGO LAW OFFICES Audit & Supervisory Board Member, ITOCHU Techno-Solutions Corporation

- (Notes)
- Messrs. Kiyoshi Itou, Toshimi Kobayashi and Tsuguto Moriwaki retired from the office of Director at the conclusion of the 85th Ordinary General Meeting of Shareholders held on June 29, 2021, and Messrs. Shuji Shirode and Kenichiro Kamai have been newly appointed as the office of Directors.
  - Mr. Hirohiko Ejiri was appointed as the Executive Senior Managing Director and Representative Director on June 29, 2021.
  - Directors Ryoko Sugiyama, Keiko Tanaka and Kenichiro Kamai are External Directors of the Company under Item 15, Article 2 of the Companies Act.
  - Members of the Audit & Supervisory Board Kenjiro Kobayashi and Toshiaki Tada are external members of the Audit & Supervisory Board of the Company under Item 16, Article 2 of the Companies Act.
  - Member of the Audit & Supervisory Board Kenjiro Kobayashi has considerable insight with respect to finance and accounting, having handled operations that include the investment and loan business of Japan Development Bank (currently, Development Bank of Japan Inc.) for 27 years until his appointment as a member of the Audit & Supervisory Board of the Company.

6. Member of the Audit & Supervisory Board Yukihiro Mutou has considerable insight with respect to finance and accounting, as he was engaged in finance and accounting in the Finance and Accounting Dept. for 16 years at Kurita Water Industries Ltd.
7. On April 1, 2022, the following changes were made in the responsibility of Directors.

Name	Position	Responsibility and important concurrent positions
Hirohiko Ejiri	Executive Senior Managing Director and Representative Director	Executive General Manager of Japan Sales Business Division and Chief Business Officer for Chemical Operation
Yoshio Yamada	Managing Director	Executive General Manager of Innovation Division

8. The Company has registered the following individuals as independent officers with the Tokyo Stock Exchange, Inc.
- Director Ryoko Sugiyama  
 Director Keiko Tanaka  
 Director Kenichiro Kamai  
 Member of the Audit & Supervisory Board Kenjiro Kobayashi  
 Member of the Audit & Supervisory Board Toshiaki Tada

**(2) Outline of agreements for limitation of liability with external officers**

The Company has entered into an agreement with External Directors Ryoko Sugiyama, Keiko Tanaka and Kenichiro Kamai, and an external member of the Audit & Supervisory Board Toshiaki Tada that limits liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of the Articles of Incorporation thereof based on the provisions of Paragraph 1, Article 427 of the Act. The amount stipulated in Paragraph 1, Article 425 of the Act has been set as the maximum liability for damages based on this agreement.

**(3) Outline of the directors and officers liability insurance agreements**

The Company has entered into directors and officers liability insurance agreements provided for in Paragraph 1, Article 430-3 of the Companies Act with insurance companies. The insurance agreements cover compensation for damages and litigation costs to be borne by the insured persons in the event of claims for damages by shareholders or third parties. The insurance premiums are fully paid by the Company. The insured parties of the insurance agreements include the Directors, Members of the Audit & Supervisory Board, Executive Officers, and other significant operating officers of the Company.

**(4) Remuneration of Directors and members of the Audit & Supervisory Board during the fiscal year under review**

- 1) Matters related to policies for determining the contents of individual remuneration of Directors and members of the Audit & Supervisory Board

The Company's basic policy regarding the determination of remuneration for Directors and Members of the Audit & Supervisory Board is as follows.

Basic policy regarding the determination of remuneration for Directors and members of the Audit & Supervisory Board

1. The remuneration paid to Directors and members of the Audit & Supervisory Board is designed to attract and retain talented people with diverse skills, experience, etc., to help realize the 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.
3. The Company ensures the objectivity of decisions on remuneration and the remuneration decision-making process be highly transparent.

[Objectives of the basic policy]

- 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.
- 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.
- The remuneration decision-making process shall be highly objective and transparent, in compliance with the Companies Act and other laws and regulations relating to executive remuneration, through efforts such as the establishment of a process to verify the remuneration levels on a regular basis with reference to external remuneration data utilizing the Nomination & Remuneration Compensation Advisory Council.

The Company resolves on the policy for determining the contents of individual remuneration of Directors at its Board of Directors meeting. The Board of Directors makes such resolution after referring the contents to be resolved to the Nomination & Remuneration Advisory Council and receiving that council's findings.

The remuneration system for the Company's Directors (excluding the External Directors) consists of fixed remuneration as the basic remuneration and incentive remuneration that reflects performance. The remuneration system for External Directors with supervising functions and members of the Audit & Supervisory Board is a fixed remuneration system. The fixed remuneration is a fixed amount by position for the Directors and by working form for the members of the Audit & Supervisory Board, and a portion thereof is appropriated for the Directors' and the members of the Audit & Supervisory Board's Shareholding Scheme for the purchase of the Company's shares so that the Directors and the members of the Audit & Supervisory Board share the risks of share price fluctuations with the shareholders. The incentive remuneration is intended to motivate Directors (excluding the External Directors) to continuously improve the Kurita Group's business results for the enhancement of corporate value. The incentive remuneration consists of short-term incentive remuneration, which increases or decreases depending on factors such as the level of attainment of the annual business plan or the evaluation of each individual's performance of his or her duties and long-term incentive remuneration, whereby shares are issued to retiring directors according to their performance while in office and their title.

Regarding the remuneration system and the remuneration level of the Directors and the members of the Audit & Supervisory Board and the performance evaluation of the Directors (excluding External Directors), the Chairperson of the Board of Directors will consult the Nomination & Remuneration Advisory Council in advance. Based on the report given by the Nomination & Remuneration Advisory Council, the Board of Directors will decide the remuneration of the Directors within the total amount determined by a General Meeting of Shareholders. The Nomination & Remuneration Advisory Council consists of the five members with three External Directors, one full-time external Member of the Audit & Supervisory Board, and the President and is chaired by Ryoko Sugiyama, an External Director. Therefore, the Board of Directors has judged that the contents of individual remuneration for the fiscal year under review are in line with these policies.

The allocation of remuneration to each member of the Audit & Supervisory Board shall be decided through discussions among members of the Audit & Supervisory Board.

- 2) Matters related to resolutions at General Meetings of Shareholders concerning the remuneration of Directors and members of the Audit & Supervisory Board

At the 85th Ordinary General Meeting of Shareholders held on June 29, 2021, a resolution was passed to retroactively revise the amount of remuneration for Directors at a maximum of an annual 800 million yen (including 100 million yen for External Director) at the 77th Ordinary General Meeting of Shareholders held on June 27, 2013. The number of Directors as of the conclusion of the said Ordinary General Meeting of Shareholders was nine (including one External Director). The amount of remuneration for Directors does not include the employee salaries paid to the Directors who concurrently serve as employees. Additionally, at the 80th Ordinary General Meeting of Shareholders held on June 29, 2016, a resolution was made to pay performance-linked stock compensation (long-term incentive remuneration) to Directors (excluding External

Directors) from a separate fund from the above remuneration. The overview of the details of this resolution is provided in “4) Matters related to performance-linked remuneration, etc. and non-monetary remuneration, etc.” The number of Directors (excluding External Directors) as of the conclusion of the said Ordinary General Meeting of Shareholders was nine.

At the 72nd Ordinary General Meeting of Shareholders held on June 27, 2008, a resolution was passed to set the amount of remuneration for members of the Audit & Supervisory Board at a maximum of an annual 110 million yen. The number of members of the Audit & Supervisory Board as of the conclusion of the said Ordinary General Meeting of Shareholders was three.

3) Total amount of remuneration of Directors and members of the Audit & Supervisory Board, etc.

Classification	Number of payees	Total amount by type of remuneration, etc.			
		Fixed remuneration	Performance-linked remuneration, etc.		Total
			Short-term incentive remuneration (monetary compensation)	Long-term incentive remuneration (stock compensation)	
Directors	7 (excluding External Directors)	208 million yen	96 million yen	83 million yen	388 million yen
	4 (External Directors)	41 million yen	–	–	41 million yen
	Total 11	250 million yen	96 million yen	83 million yen	429 million yen
Member of the Audit & Supervisory Board	3 (including two external members of the Audit & Supervisory Board)	81 million yen	–	–	81 million yen
Of whom, external officers	6	89 million yen	–	–	89 million yen

- (Notes)
- The above table includes three Directors (including one External Director) who retired from office at the conclusion of the 85th Ordinary General Meeting of Shareholders held on June 29, 2021.
  - Remunerations for the Directors do not include the employee salaries paid to the Directors who concurrently serve as employees.
  - The Company recorded the estimate of money to be paid for short-term incentive remuneration and the amount related to the granting of share delivery points for long-term incentive remuneration as provisions, etc. as of March 31, 2022, and these amounts are provided above.
  - In addition to the above-stated remuneration paid to Directors, 95 million yen of short-term incentive remuneration for the previous fiscal year has been paid to Directors, and 20,826 shares of long-term incentive remuneration and 47 million yen, equivalent to a certain proportion of shares sold and converted to cash, have been granted to two Directors who retired from office at the conclusion of the 85th Ordinary General Meeting of Shareholders held on June 29, 2021.

4) Matters related to performance-linked remuneration, etc. and non-monetary remuneration, etc.

Short-term incentive remuneration and long-term incentive remuneration are paid to Directors (excluding External Directors) as performance-linked remuneration.

Short-term incentive remuneration consists of remuneration linked to consolidated performance, remuneration linked to the results of operations overseen by each Director, and remuneration related to other contributions.



The performance indicator used for remuneration linked to consolidated performance is the level of attainment of the consolidated operating profit target. For remuneration linked to the results of operations overseen by each Director, the applied performance indicators are the differences between the actual results and plan targets for consolidated return on equity attributable to owners of parent (ROE), consolidated business profit margin, etc. For remuneration related to other contributions, the applied performance indicators include the implementation of large investment projects, e.g. strengthening the corporate structure, M&A, etc., which are not reflected in performance for the relevant fiscal year. In the fiscal year under review, three environmental indicators, consisted of water saving, CO<sub>2</sub> reduction, and waste reduction, were applied on a trial basis to the evaluation of operating division directors, with the aim of accelerating business operations with social value as the starting point and enhancing corporate value through the realization of social value, and in fiscal year 2022, these indicators will be extended to all Directors subject to performance-linked remuneration. The amount of short-term incentive remuneration is calculated by multiplying an amount equivalent to 1/12 of fixed remuneration by a predetermined coefficient that fluctuates depending on the level of achievement of performance indicators for each type of remuneration.

Furthermore, of the indicators used for short-term incentive remuneration, the performance indicator for remuneration linked to consolidated performance, which applies to all Directors eligible for performance-linked remuneration, uses four levels based on 10% increments in the level of attainment of the consolidated operating profit target, above and below a level of attainment of 100%. In the fiscal year under review, the second-best evaluation level out of four evaluation levels was achieved for the level of attainment of the consolidated operating profit target.

For long-term incentive remuneration, the Company has introduced a performance-linked stock compensation plan, whereby points are granted to Directors in accordance with business performance and position during their time in office, and a number of shares of the Company's common stock equivalent to the number of points accumulated are delivered to the Director upon retirement. In terms of the number of points to be granted to each Director, one point is equivalent to one share of the Company, and the maximum number of points that the Company may grant to Directors in a single fiscal year is 80,000. Long-term incentive remuneration uses profit attributable to owners of parent as the performance indicator. In the fiscal year under review, the third evaluation level from the top out of five evaluation levels was achieved for results.

The reason for selecting consolidated operating profit, consolidated business profit margin, profit attributable to owners of parent, etc. as the performance indicators for performance-linked remuneration is because they are management indicators that directly reflect the results of business performance, while also being significant indicators for equity markets.

Furthermore, trends in performance indicators, including the fiscal year under review, are provided in "1. (5) Changes in assets and profit and loss."

**(5) External Directors and external members of the Audit & Supervisory Board**

- 1) The important concurrent positions that External Directors and external members of the Audit & Supervisory Board hold at other companies are described in the aforementioned "(1) Directors and members of the Audit & Supervisory Board." No special interest exists between the Company and the other companies, etc. at which Ryoko Sugiyama, Keiko Tanaka and Toshiaki Tada hold concurrent positions.

2) Principal activities of External Directors and external members of the Audit & Supervisory Board

Name	Position	Principal activities and an outline of duties performed by External Directors in relation to their expected roles
Ryoko Sugiyama	External Director	<p>Ms. Sugiyama attended 12 Board of Directors meetings (attendance rate: 100%) held during the fiscal year under review.</p> <p>She poses questions and expresses her opinions over the course of deliberations on proposals and confirmations of matters reported from an outsider's perspective in general, drawing on her career background acting as an external director, etc. at several listed companies in addition to an expert on the environment and waste.</p> <p>In addition, she attended all six meetings of the Nomination and Remuneration Advisory Council and all three meetings of the Successor Planning Committee as a chairperson, where she fulfilled her responsibilities from an objective and neutral standpoint.</p>
Keiko Tanaka	External Director	<p>Ms. Tanaka attended all 12 Board of Directors meetings (attendance rate: 100%) held during the fiscal year under review.</p> <p>She is active in business segments different from those of the Kurita Group and poses questions and expresses her opinions over the course of deliberations on proposals and confirmations of matters reported from an outsider's perspective in general, based on her extensive knowledge about PR, marketing, etc. and global experience.</p> <p>In addition, she attended all six meetings of the Nomination and Remuneration Advisory Council and all three meetings of the Successor Planning Committee, where she fulfilled her responsibilities from an objective and neutral standpoint.</p>
Kenichiro Kamai	External Director	<p>Mr. Kamai attended all 9 Board of Directors meetings (attendance rate: 100%) held after he assumed the Director at the 85th Ordinary General Meeting of Shareholders held on June 29, 2021.</p> <p>He is active in business segments different from those of the Kurita Group and poses questions and expresses his opinions over the course of deliberations on proposals and confirmations of matters reported from an outsider's perspective in general, based on his expertise in the DX / development and management experience in several companies.</p> <p>In addition, he attended all four meetings of the Nomination and Remuneration Advisory Council and all three meetings of the Successor Planning Committee, where he fulfilled his responsibilities from an objective and neutral standpoint.</p>

Name	Position	Principal activities and an outline of duties performed by External Directors in relation to their expected roles
Kenjiro Kobayashi	External member of the Audit & Supervisory Board	<p>Mr. Kobayashi attended all 12 Board of Directors meetings and all 11 Audit &amp; Supervisory Board meetings (each attendance rate: 100%) held during the fiscal year under review.</p> <p>He conducts daily audits as a full-time member of the Audit &amp; Supervisory Board, and expresses his opinions in the Board of Directors meetings, Audit &amp; Supervisory Board meetings and other important meetings, in part based on his expert perspective in finance and accounting.</p> <p>In addition, he attended all six meetings of the Nomination and Remuneration Advisory Council and all three meetings of the Successor Planning Committee, where he fulfilled his responsibilities from an objective and neutral standpoint.</p>
Toshiaki Tada	External member of the Audit & Supervisory Board	<p>Mr. Tada attended all 12 Board of Directors meetings and all 11 Audit &amp; Supervisory Board meetings (each attendance rate: 100%) held during the fiscal year under review.</p> <p>He expressed his opinions from his professional standpoint as an attorney at law.</p>

#### 4. Accounting Auditor

##### (1) Name of Accounting Auditor

Grant Thornton Taiyo LLC

##### (2) Remuneration to Accounting Auditor for the fiscal year under review

Classification	Amount of remuneration
Amount of Remuneration paid by the Company for the fiscal year under review	68 million yen
Sum of the amount of money and other material advantage to be paid by the Company and its subsidiaries to Accounting Auditor	79 million yen

- (Notes)
1. The amount of remuneration listed above in the row “Amount of Remuneration paid by the Company for the fiscal year under review” has been determined on the basis of the audit agreement entered into between the Company and the Accounting Auditor. The above paid amount is the total of payments since the remuneration from audits pursuant to the Companies Act and Financial Instruments and Exchange Act are not clearly divided or cannot be practically divided.
  2. The Audit & Supervisory Board has furnished its consent with respect to remuneration, etc. of the Accounting Auditor, upon having conducted requisite validation of the audit plan of the Accounting Auditor, evaluations of results of prior fiscal year audits, status of executing duties, and rationale used for calculating quotations for remuneration.
  3. Among the Company’s significant subsidiaries, Kurita Europe GmbH, Kurita Water Industries (Dalian) Co., Ltd., Kurita Water Industries (Suzhou) Ltd., Hansu Technical Service Ltd. and Hansu Co., Ltd. are audited by Certified Public Accountants or audit corporations (including persons or entities with equivalent qualifications overseas) other than the Company’s Accounting Auditor.

##### (3) Policy on decision to dismiss or not reappoint Accounting Auditor

Where the Audit & Supervisory Board deems the Accounting Auditor corresponds to the provisions of each Item of Paragraph 1, Article 340 of the Companies Act based on the agreement of all members of the Audit & Supervisory Board, the Accounting Auditor will be dismissed.

Moreover, the Audit & Supervisory Board evaluates the Accounting Auditor in terms of its auditing frameworks, independence and expertise, and if deemed necessary, determines the content of proposals calling for the dismissal or non-reappointment of the Accounting Auditor, particularly if the Audit & Supervisory Board finds it difficult for the Accounting Auditor to execute its duties appropriately. Meanwhile, the Board of Directors submits such proposals to general meetings of shareholders, pursuant to such decision by the Audit & Supervisory Board.

**5. System to ensure that the execution of the duties of Directors conforms with laws, regulations, and the Articles of Incorporation and other systems to ensure appropriate operations**

The Kurita Group's Basic Policies for Constructing an Internal Control System are as follows.

**(1) System to ensure that the execution of the duties of Directors and employees conforms with laws, regulations, and the Articles of Incorporation**

- 1) The Company and its consolidated subsidiaries (the "Group Companies") comply with laws and regulations in accordance with social ethics and the construction of transparent and fair relationships with shareholders, customers, employees, local communities, and trade partners at all places in which business activities are conducted, and have specified actions based on compliance with laws, regulations, and social ethics as a prerequisite for corporate activities. We have established five Core Values (fairness, transparency, integrity, safety and compatibility) that officers and employees should emphasize, and the Kurita Group Code of Conduct with which officers and employees should comply, transcending differences in their language, custom and cultural background, to fully enforce actions based on compliance with laws, regulations and social ethics in our daily business activities. In addition, the Company and the Group Companies will stand up to antisocial forces that potentially pose a threat to social order and safety with a resolute attitude, and work to fight off the unjustified claims of antisocial forces in a determined manner.
- 2) The Company sets up the E&S (Environmental & Social) Committee, which is chaired by the Director, and the Group E&S Committee, which is also chaired by the same Director and whose members are the representatives of the Group Companies. In these Committees, the members set out policies and important measures for compliance activities, and convey them to all employees through the divisions and the department committees of the Group Companies. The Company will also work continuously to raise the compliance level by regularly reporting the status of activities and their results to the Board of Directors. If the Chairman of these Committees determines that there is a serious problem or a doubt related to compliance, the Chairman will immediately report it to the President and Representative Director, and then formulate and implement remedial actions and preventive measures. The President and Representative Director or the Chairman of these Committees will report these events to the Board of Directors and the Audit & Supervisory Board whenever appropriate.
- 3) The Company establishes the Internal Auditing Department to conduct internal audits on matters such as those related to compliance activities. The Internal Auditing Department is directly under the President and Representative Director and conducts audits upon approval of the audit plan by the Board of Directors or the President and Representative Director. The General Manager of the Internal Auditing Department shall report audit results to the Board of Directors or the President and Representative Director periodically or on a case-by-case basis, depending on the type of audit. The General Manager of the Internal Auditing Department shall also immediately report to the Board of Directors or the President and Representative Director any emergency or special action deemed necessary at the time of the audit.
- 4) The Company establishes the Public Interest Whistle-Blower Protection Regulations as a mechanism for the employees of the Company and the Group Companies to directly provide information about legally doubtful conducts, etc. In conjunction with these regulations, the Company also establishes the Compliance Counselling Counter. The Company also works to ensure the fairness and transparency of the management of the Company and the Group Companies by regularly reporting the status of the operation of the contact for Public Interest Whistle-Blowing to the Board of Directors.
- 5) The Company develops and operates the "Internal Control Reporting System" in accordance with the Financial Instruments and Exchange Act to ensure the accuracy of the financial reporting of the Company and the Group Companies. Monitoring, recommendations for improvement, and support for improvement for the operation of the System are implemented, with the Internal Auditing Department as the responsible department. In addition, the Accounting Department in the Corporate Planning and Control Division shares responsibility for monitoring, recommendations for improvement, and support for improvement related to the "operations process control inside the Company" and the "account settlement and financial reporting process control of consolidated subsidiaries from a company-wide perspective."

- 6) In response to the “Corporate Governance Code” set forth in the Securities Listing Regulations of Tokyo Stock Exchange, Inc., the Company establishes policies for corporate governance and strengthens its corporate governance, with the aim of realizing transparent, fair, prompt, and decisive decision-making and more effective management supervision of the Company and the Group Companies.

*Outline of operational status*

- (a) Having defined the objective of initiatives on CSR as “creating and maximizing shared value for the Kurita Group and society” and “identifying, preventing and mitigating possible adverse impacts by the Kurita Group,” the Company identified seven material issues (primary focused area) related to CSR and formulated and verified the appropriateness of the ideal vision for 2030 and the approach to adhere to, and has been implemented the CSR Policy determined by the Board of Directors.
- (b) The Company is operating the Regulation for Responding to Anti-social Forces that prescribes matters relating to an organizational structure and other approaches to cutting any relations with anti-social forces.
- (c) The E&S Committee holds meetings regularly to check the state of progress of key measures and issues. In addition, important provision of information and reports are conducted so that the Board of Directors is able to oversee the Company’s measures to address climate change issues.
- (d) The Company established the Kurita Group Code of Conduct, the Corporate Governance Policies, the Basic Policies for Constructing an Internal Control System, the CSR Policy, the Kurita Group BCM Policy (Business Continuity Management), the Kurita Group Human Rights Policy, the Kurita Group Anti-Bribery Policy and Kurita Group Antitrust Policy as its basic policies. The Internal Auditing Department conducted management control monitoring related to the establishment, awareness promotion, and operation of frameworks and systems for deploying the basic policies in the Group Companies and it checked for any important inadequacies.
- (e) The Company and the Group Companies have been implementing surveys on conduct in relation to compliance on an annual basis. They have been drawing on questionnaire results to monitor progress with respect to improvements, pinpointing issues, and then reflecting those findings in activity policies for the subsequent fiscal year. During the fiscal year under review, internal discussions were held based on past cases to reassess actions in the workplace.
- (f) The Company and the Group Companies have been operating whistle-blowing system of internal control. They have accordingly established the Public Interest Whistle-Blower Protection Regulations (name was changed to the “Operational Regulations for Whistle-Blower Protection Systems” on April 1, 2022) and have set up consultation desk and reporting desk operated by outside organizations.
- (g) With respect to internal controls for financial reporting, a team dedicated to such tasks from the Internal Auditing Department has been engaging in monitoring in accordance with fiscal year plans, and the Accounting Department in the Corporate Planning and Control Division has also been taking on some responsibility in that regard. The Company has also been monitoring the effectiveness of respective controls.
- (h) During the fiscal year under review, the Company reviewed its corporate governance policies to reflect the revision of the Corporate Governance Code.

**(2) System to store and manage information about the execution of the duties of Directors**

Information about the execution of the duties of Directors is recorded and stored in documents or electromagnetic media in accordance with the Document Regulations and the Confidential Information Management Regulations established by the Board of Directors. The Directors and members of the Audit & Supervisory Board may inspect these documents, etc. when necessary.

*Outline of operational status*

Original copies of the document of such information are being stored in vaults, and duplicates are being kept in locked document cabinets under stringent control. Access rights have been set for electromagnetic media. In addition, the Company has stipulated that those who have been granted permission to view documents must follow certain procedures in that regard, under the Company’s regulations.

**(3) Regulations and other systems for managing the risk of loss**

- 1) Risks pertaining to the Company and the Group Companies are monitored and risk management is promoted, with the Executive General Manager of the Corporate Planning and Management Office acting as the officer in charge. The Executive General Manager of the Corporate Planning and Management Office regularly analyzes and assesses the risks of the Company and the Group Companies, and makes efforts to prevent the occurrence of risks through continuous monitoring. If a risk that may have a material impact on management arises, the Executive General Manager of the Corporate Planning and Management Office will appoint a responsible official, draw up a system to address the risk, and immediately issue a command after gaining the approval of the President and Representative Director. The responsible official will immediately implement countermeasures and report the impact of the risk, the status of correcting the risk, and the measures for preventing the risk to the President and Representative Director and the Executive General Manager of the Corporate Planning and Management Office.
- 2) In regards to serious risks, the Chairman of the E&S Committee will be the responsible official for risks related to compliance, and the Chairman of the Headquarters Health and Safety Committee will be the responsible official for risks related to health, safety, and disasters. Risks that are directly related to daily business activities are addressed by the executive general managers of the divisions, who acts as the responsible official. Other day-to-day risks related to quality, the environment, information security, and export regulations, etc. are addressed by their respective departments.
- 3) The Executive General Manager of the Corporate Planning and Management Office, the Chairmen of the Committees, and the executive general managers of the divisions regularly report the status of activities to promote risk management and compliance to the Board of Directors, and report the occurrence and result of material risks to the Board of Directors and the Audit & Supervisory Board whenever appropriate.
- 4) The status of the implementation of risk management and improvements is monitored, with the Internal Auditing Department acting as the responsible department.

*Outline of operational status*

- (a) The Company and the Group Companies have adopted risk management systems whereby risk is categorized either as “Group-wide risk” which must be addressed by the entire Kurita Group such as in the event of an earthquake or other disaster, or as “business risk” which derives directly from daily business affairs. The Company and the Group Companies have also been conducting review on an annual basis of risk maps. The risk maps indicate probabilities of risks materializing, profile the impact and magnitude of impact that a risk event would pose, and assess the significance of such situations. To such ends, the Company and the Group Companies have been striving to prevent risk from materializing by implementing prevention measures, and otherwise have been preparing themselves to address unforeseen circumstances by establishing action plans for risk events. In addition, the Kurita Group implements the “Kurita Group BCM Policy (Business Continuity Management)” which sets out the Kurita Group’s principles on response measures for officers, executive officers, and employees in handling emergencies that pose a risk to the continuity of the Kurita Group’s businesses such as major earthquakes, storm and flood damage, or pandemics. During the fiscal year under review, the Company conducted proper documentation in line with the framework of ISO 22301, an international standard that defines the BCM, and conducted safety confirmation drills and web-based disaster drills for all employees.
- (b) The Company and the Group Companies have established legal violation risk maps, and accordingly engage in practices that involve identifying major risks of legal violation and regularly monitoring implementation of initiatives in that regard.
- (c) The Board of Directors has been regularly receiving reports regarding the promotion status of risk management and compliance activities, and the Board of Directors and the Audit & Supervisory Board have been receiving reports whenever appropriate with respect to the occurrence and materializing of significant risk events.
- (d) The status of the implementation of risk management and improvements is monitored, with the Internal Auditing Department acting as the responsible department.

**(4) System to ensure the efficient execution of duties by the Directors**

The Company will improve the efficiency of the execution of duties of the Directors based on the following management control system and mechanism.

- 1) The Board of Directors specifies the operations delegated to the Directors, the executive officers, and the responsible officials of organizations (managerial personnel with the rank higher than Senior General Manager, Head of Osaka Office or Head of an Office).
- 2) The Board of Directors formulates a long-term vision, a medium-term management plan, and a business plan for a single fiscal year, and sets out the targets, policies, and focused measures for each organization. The Board of Directors also implements monthly and quarterly business controls in relation to the consolidated and non-consolidated targets of the Company and the business departments.
- 3) The final decision application system is set up, in line with the Executive Committee and the Final Decision and Examination Regulations, as a decision-making system to complement the resolutions made at the Board of Directors meetings.
- 4) The Executive Committee makes decisions and conducts a review of matters resolved at the Board of Directors meetings to facilitate the decision-making progress when necessary. The Executive Committee consists of the President and Representative Director, Directors with a rank of Managing Director or above, the Executive General Manager of the Corporate Planning and Management Office, and the Directors and executive officers appointed by the President and Representative Director. The committee meets twice a month in principle, and on a temporary basis when necessary. In the Executive Committee, the members deliberate matters related to the management of the Company and the Kurita Group, conduct a monthly and quarterly check of whether targets have been achieved and the status of implementation of policies and measures, and give the Directors and the executive officers in charge instructions to correct deviations. The members of the Audit & Supervisory Board may attend the Executive Committee.
- 5) The decision to establish, revise, or abolish the Final Decision and Examination Regulations is made by the Board of Directors. For the Directors and the executive officers to conduct their duties more efficiently, internal regulations conforming to the Final Decision and Examination Regulations are established and implemented.

*Outline of operational status*

- (a) To enable the Board of Directors to better provide strategic direction that contributes to the Kurita Group's sustainable growth, make decisions on important matters related to operational execution, and exercise supervisory functions over the execution of duties, the Company reviewed and is operating the Final Decision and Examination Regulations when necessary.
- (b) The Executive Committee has been making judgments and decisions on matters that have been delegated to it by the Board of Directors, and has been conducting review with respect to agenda items for meetings of the Board of Directors. Executive Committee members include the President and Representative Director, Directors with a rank of Managing Director or above, the Executive General Manager of the Corporate Planning and Management Office, and the Directors and executive officers appointed by the President and Representative Director. The committee has been meeting twice a month in principle, and on a temporary basis when necessary. The full-time members of the Audit & Supervisory Board have been attending meetings of the Executive Committee.

**(5) System to ensure the accuracy of operations in a corporate group consisting of the Company and its subsidiaries**

The Company and the Group Companies perform operations appropriately by the following systems and the frameworks that are in place.

- 1) The Company and the Group Companies set a medium-term management plan and a business plan for a single fiscal year based on a unified outline for formulating plans.
- 2) The overall management of the Group Companies is controlled by the Corporate Planning and Management Office. In addition, an officer and a department of the Company in charge of each Group Company are



appointed to regularly determine the status of the business performance achieved and the status of risk management based on the medium-term management plan and the business plan for a single fiscal year, and to provide the Group Companies with guidance.

- 3) A Board of Directors is set up in each Group Company, and the Company or the Group Companies dispatch a (non-standing) Director and (non-standing) member of the Audit & Supervisory Board to monitor the management, business performance, settlement of accounts, and risks. If a decision needs to be made as the Kurita Group, the Executive Committee of the Company deliberates the matter and makes the decision in accordance with “7. Matters related to subsidiaries and associates in Japan and overseas,” an appendix 1 of the Final Decision and Examination Regulations of the Company, or the Board of Directors or the Executive Committee of the Company makes the decision.
- 4) In regards to the Group Companies’ efforts related to compliance, the Group E&S Committee stated in Paragraph 2, Article 1 of the Basic Policies for Constructing an Internal Control System sets out policies and implements specific measures. In addition, the system for ensuring the accuracy of the financial reporting by the Kurita Group is considered and established as part of the approaches stated in Paragraph 5, Article 1 of such Policies.
- 5) The Group Companies report the status of their management, sales activities, manufacturing, and risk management, etc. to the Company regularly, such as on a monthly or quarterly basis.

#### *Outline of operational status*

- (a) The Company and the Group Companies have set a medium-term management plan and a business plan for a single fiscal year based on a unified outline for formulating plans. Meanwhile, the President and Representative Director of the Company has been holding management plan review sessions with respective Group Companies annually, and has been making decisions on general matters with respect to the fiscal year and plans for the subsequent fiscal year. The overall management of Group Companies is controlled by the Corporate Planning and Management Office.
  - (b) The Group E&S Committee, the Group Health and Safety Committee, and other such bodies have been regularly providing an understanding of circumstances with respect to compliance and safety and health management of Group Companies, and have been providing necessary guidance in that regard.
  - (c) In order to strengthen governance at the Group Companies, the Company improves the systems and structures provided by the Company, and the Board of Directors accurately evaluates operational status and aims to improve effectiveness.
  - (d) Members of the Audit & Supervisory Board 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 & Supervisory Board.
- (6) Matters related to an employee if a member of the Audit & Supervisory Board requests the assignment of the employee to assist him/her, matters related to the independence of the employee from the Directors, and matters related to ensuring the effectiveness of instructions issued to the employee**
- 1) The Audit & Supervisory Board of the Company may appoint a full-time assistant. If a full-time assistant is not appointed, a member of the Audit & Supervisory Board may instruct a certain employee who belongs to the Internal Auditing Department to assist his/her auditing work as necessary.
  - 2) The employee who assists the auditing work of the member of the Audit & Supervisory Board in accordance with the instruction described in the preceding paragraph provides assistance independent of the Directors and within the necessary scope of assistance. In addition, the opinions of the member of the Audit & Supervisory Board are respected regarding personnel changes and evaluations, etc. of the employee.
  - 3) The employee who assists the auditing work of the member of the Audit & Supervisory Board may regularly attend places where opinions are exchanged between the Representative Director and the Accounting Auditor within the company of the member of the Audit & Supervisory Board.

*Outline of operational status*

The Audit & Supervisory Board of the Company has no full-time assistant. However, to help members of the Audit & Supervisory Board perform sufficient audit work, the General Manager of Internal Auditing Department supports the Audit & Supervisory Board in audit work as the secretariat of the Audit & Supervisory Board, and members of the Audit & Supervisory Board give instructions to specific employees in the Internal Auditing Department to assist audit work as necessary.

**(7) System for the Directors and employees of the Company and Group Companies to report to the Audit & Supervisory Board, and other systems for reporting to the Audit & Supervisory Board**

- 1) In order to regularly confirm that the Directors, executive officers and employees of the Company perform operations appropriately, the members of the Audit & Supervisory Board are required to attend the Board of Directors meetings. They may also attend the Executive Committee and the E&S Committee, etc.
- 2) The members of the Audit & Supervisory Board of the Company may inspect documents, etc. necessary for their auditing work at any time, irrespective of the provisions of the Document Regulations, the Confidential Information Management Regulations, and other regulations.
- 3) The Directors of the Company report important matters related to the execution of duties to the members of the Audit & Supervisory Board or the Audit & Supervisory Board whenever appropriate through the Board of Directors meetings and other important meetings.
- 4) The executive officers and employees of the Company and the Directors, the members of the Audit & Supervisory Board, and the employees of the Group Companies report matters stipulated in laws and regulations as well as cases of compliance violations, cases in dispute, the occurrence of material risks, and matters related to accounting and the settlement of accounts, etc. to the respective departments in charge within the Company. The departments in charge report the details of reports from the executive officers and employees of the Company and the Directors, the members of the Audit & Supervisory Board and employees of Group Companies to the members of the Audit & Supervisory Board or the Audit & Supervisory Board when necessary. In addition, the departments in charge also make necessary reports at the request of a member of the Audit & Supervisory Board.
- 5) The Company prohibits those who made a report to a department in charge, a member of the Audit & Supervisory Board, or the Audit & Supervisory Board in accordance with the provisions of the preceding paragraph from being treated unfavorably on the grounds of making a report, and makes this fact fully known to the Directors, executive officers and employees of the Company and the Directors and employees of the Group Companies.

*Outline of operational status*

- (a) Each member of the Audit & Supervisory Board has been attending the Board of Directors meetings and other important meetings such as those of Executive Committee and E&S Committee, and has been performing audits of Directors with respect to their execution of duties.
- (b) The Directors of the Company have been reporting important matters related to the execution of duties to the members of the Audit & Supervisory Board or the Audit & Supervisory Board whenever appropriate, through the Board of Directors meetings and other important meetings.
- (c) The executive officers and employees of the Company, and the Directors, members of the Audit & Supervisory Board and the employees of the Group Companies report on the matters stipulated in laws and regulations as well as cases of compliance violations, cases in dispute, the occurrence of material risks, and matters related to accounting and the settlement of accounts, etc. to the departments in charge within the Company. The departments in charge report on the details of the reports from the executive officers and employees of the Company, and the Directors, members of the Audit & Supervisory Board and employees of Group Companies to the members of the Audit & Supervisory Board or the Audit & Supervisory Board when necessary. In addition, the departments in charge also make the necessary reports at the request of a member of the Audit & Supervisory Board.

[Translation for Reference and Convenience Purposes Only]

- (d) In accordance with the Public Interest Whistle-Blower Protection Regulations (renamed to the “Operational Regulations for Whistle-Blower Protection Systems” on April 1, 2022), the Company and the Group Companies have prohibited the unfair treatment of those who have reported information set forth in the previous paragraph, on the ground of having made such a report.

**(8) Other systems to ensure the effective auditing of the Audit & Supervisory Board**

- 1) A meeting for the President and Representative Director and the members of the Audit & Supervisory Board or the Audit & Supervisory Board to exchange opinions is held regularly.
- 2) The Audit & Supervisory Board establishes standards for appointing, dismissing, and refusing to reappoint the Accounting Auditor, and nominates a candidate for the Accounting Auditor. The Company and the Group Companies secure sufficient amount of time for the Accounting Auditor to conduct a high-quality audit. The members of the Audit & Supervisory Board, the Internal Auditing Department, and the Accounting Auditor promote a cooperation by mutually checking each other’s audit plans and sharing their concerns.
- 3) The members of the Audit & Supervisory Board or the Audit & Supervisory Board hold discussions and exchange opinions with the Internal Auditing Department and the Accounting Auditor when necessary.
- 4) The Audit & Supervisory Board allocates expenses that are deemed necessary for the execution of duties in advance. However, the Audit & Supervisory Board may charge the Company postmortem for expenses it spent on urgent or provisional matters.

*Outline of operational status*

- (a) Members of the Audit & Supervisory Board have been regularly holding meetings for exchanging opinions with the President and Representative Director of the Company in order to facilitate mutual understanding and further develop relationships of trust.
- (b) The Audit & Supervisory Board establishes standards for appointing, dismissing, and refusing to reappoint the Accounting Auditor, and nominates a candidate for the Accounting Auditor.
- (c) Members of the Audit & Supervisory Board have been holding discussions and exchanging opinions with the Internal Auditing Department whenever appropriate, and have also been taking steps to promote cooperation with the Accounting Auditor by mutually checking each other’s audit plans and regularly exchanging opinions through forums such as briefing sessions for reporting on settlement of accounts and audit results.

Basic Policies for Constructing an Internal Control System are made available to the public via the following URL on the Company’s website on the Internet upon revision by resolution of the Board of Directors.

([https://ir.kurita.co.jp/en/corporate\\_governance/internal\\_control\\_system/index.html](https://ir.kurita.co.jp/en/corporate_governance/internal_control_system/index.html))

[Translation for Reference and Convenience Purposes Only]

## Consolidated Financial Statements

### Consolidated Statement of Financial Position (As of March 31, 2022)

(Million yen)

Account item	Amount	Account item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>178,396</b>	<b>Current liabilities</b>	<b>113,927</b>
Cash and cash equivalents	45,730	Trade payables and contract liabilities	31,609
Trade receivables and contract assets	106,853	Bonds and borrowings	8,180
Securities, deposits with a maturity of over three months	2,757	Accounts payable - other and accrued expenses	34,628
Finished products	6,640	Income taxes payable	8,663
Work in process	1,029	Provisions	1,529
Raw materials and supplies	5,462	Derivative liabilities	19,613
Other	9,922	Other	9,702
<b>Non-current assets</b>	<b>291,585</b>	<b>Non-current liabilities</b>	<b>78,191</b>
<b>Property, plant and equipment</b>	<b>161,034</b>	Bonds and borrowings	30,953
Buildings and structures	43,298	Lease liabilities	14,862
Machinery, equipment and vehicles	69,817	Retirement benefit liability	18,144
Land	6,849	Derivative liabilities	959
Construction in progress	34,581	Other	13,271
Other	6,488	<b>Total liabilities</b>	<b>192,119</b>
<b>Right-of-use assets</b>	<b>19,042</b>	<b>Equity</b>	
<b>Intangible assets</b>	<b>81,084</b>	<b>Equity attributable to owners of parent</b>	<b>271,914</b>
Goodwill	62,992	<b>Share capital</b>	<b>13,450</b>
Software	5,454	<b>Capital surplus</b>	<b>(3,076)</b>
Customer and technology related assets	12,210	<b>Treasury shares</b>	<b>(10,694)</b>
Other	426	<b>Other components of equity</b>	<b>12,161</b>
<b>Investments and other assets</b>	<b>30,424</b>	<b>Financial assets measured at fair value through other comprehensive income</b>	<b>8,627</b>
Investment securities	17,078	<b>Cash flow hedge</b>	<b>40</b>
Investments accounted for using equity method	1,191	<b>Exchange differences on translation of foreign operations</b>	<b>3,493</b>
Deferred tax assets	6,071	<b>Retained earnings</b>	<b>260,073</b>
Other	6,083	<b>Non-controlling interests</b>	<b>5,948</b>
<b>Total assets</b>	<b>469,981</b>	<b>Total equity</b>	<b>277,862</b>
		<b>Total liabilities and equity</b>	<b>469,981</b>

(Note) Figures are rounded down to the nearest millions of yen.

[Translation for Reference and Convenience Purposes Only]

## Consolidated Statement of Profit or Loss

(From April 1, 2021 to March 31, 2022)

(Million yen)

Account item	Amount
<b>Net sales</b>	<b>288,207</b>
<b>Cost of sales</b>	<b>183,928</b>
<b>Gross profit</b>	<b>104,278</b>
<b>Selling, general and administrative expenses</b>	<b>71,334</b>
<b>Other income</b>	<b>6,119</b>
<b>Other expenses</b>	<b>3,329</b>
<b>Operating profit</b>	<b>35,734</b>
<b>Finance income</b>	<b>601</b>
<b>Finance costs</b>	<b>6,176</b>
<b>Share of loss of investments accounted for using equity method</b>	<b>(80)</b>
Profit before tax	30,079
Income tax expense	10,454
<b>Profit for the period</b>	<b>19,624</b>
Profit attributable to non-controlling interests	1,153
<b>Profit attributable to owners of parent</b>	<b>18,471</b>

(Note) Figures are rounded down to the nearest millions of yen.

[Translation for Reference and Convenience Purposes Only]

## Consolidated Statement of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(Million yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Exchange differences on translation of foreign operations	Cash flow hedges
Balance as of April 1, 2021	13,450	(2,212)	(10,787)	(4,469)	(91)
Profit for the period					
Other comprehensive income				7,962	131
Total comprehensive income for the period	–	–	–	7,962	131
Purchase of treasury shares			(5)		
Dividends					
Share-based payment transactions		57	98		
Changes in ownership interests in subsidiaries		(1,115)			
Increase (decrease) by business combination					
Transfer from other components of equity to retained earnings					
Put options granted to non-controlling shareholders		193			
Other					
Total transactions with owners	–	(864)	93	–	–
Balance as of March 31, 2022	13,450	(3,076)	(10,694)	3,493	40

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total				
Balance as of April 1, 2021	13,060	–	8,500	244,138	253,089	4,748	257,837
Profit for the period				18,471	18,471	1,153	19,624
Other comprehensive income	520	415	9,030		9,030	852	9,883
Total comprehensive income for the period	520	415	9,030	18,471	27,501	2,005	29,507
Purchase of treasury shares					(5)		(5)
Dividends				(7,865)	(7,865)	(943)	(8,809)
Share-based payment transactions					155	23	179
Changes in ownership interests in subsidiaries					(1,115)	(268)	(1,384)
Increase (decrease) by business combination					–	357	357
Transfer from other components of equity to retained earnings	(4,954)	(415)	(5,369)	5,369	–		–
Put options granted to non-controlling shareholders					193		193
Other				(41)	(41)	26	(14)
Total transactions with owners	(4,954)	(415)	(5,369)	(2,536)	(8,677)	(805)	(9,483)
Balance as of March 31, 2022	8,627	–	12,161	260,073	271,914	5,948	277,862

(Note) Figures are rounded down to the nearest millions of yen.

[Translation for Reference and Convenience Purposes Only]

## Non-Consolidated Financial Statements

### Non-Consolidated Balance Sheet (As of March 31, 2022)

(Million yen)

Account item	Amount	Account item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>80,568</b>	<b>Current liabilities</b>	<b>66,339</b>
Cash and deposits	12,594	Accounts payable – trade	12,512
Notes receivable – trade	5,278	Commercial papers	5,000
Accounts receivable – trade	28,265	Accounts payable – other and accrued expenses	25,207
Contract assets	23,853	Income taxes payable	5,360
Finished products	680	Contract liabilities	2,393
Work in process	308	Deposits received	12,780
Raw materials	598	Provision for bonuses	1,256
Short-term loans receivable	1,773	Other	1,827
Other	7,216	<b>Non-current liabilities</b>	<b>53,679</b>
Allowance for doubtful accounts	(1)	Bonds payable	30,000
<b>Non-current assets</b>	<b>282,150</b>	Lease obligations	1,034
<b>Property, plant and equipment</b>	<b>136,039</b>	Net defined benefit liability	12,005
Buildings and structures	35,914	Other	10,639
Machinery, equipment and vehicles	59,667	<b>Total liabilities</b>	<b>120,019</b>
Land	4,123	<b>Net assets</b>	
Leased assets	1,159	<b>Shareholders' equity</b>	<b>235,384</b>
Construction in progress	31,244	<b>Common stock</b>	<b>13,450</b>
Other	3,928	<b>Capital surplus</b>	<b>11,446</b>
<b>Intangible fixed assets</b>	<b>10,029</b>	Legal capital surplus	11,446
Software	4,799	<b>Retained earnings</b>	<b>221,181</b>
Technology-related assets	5,158	Legal retained earnings	2,919
Other	70	Other retained earnings	218,262
<b>Investments and other assets</b>	<b>136,081</b>	Reserve for advanced depreciation of non-current assets	773
Investment securities	16,245	General reserve	190,980
Shares of subsidiaries and associates	74,807	Retained earnings brought forward	26,507
Investments in capital of subsidiaries and associates	30,580	<b>Treasury stock</b>	<b>(10,694)</b>
Long-term loans receivable	4,648	<b>Valuation and translation adjustments</b>	<b>7,315</b>
Deferred tax assets	4,632	Unrealized gains (losses) on available-for-sale securities	8,127
Other	5,274	Deferred gains (losses) on hedges	1
Allowance for doubtful accounts	(106)	Revaluation reserve for land	(813)
<b>Total assets</b>	<b>362,718</b>	<b>Total net assets</b>	<b>242,699</b>
		<b>Total liabilities and net assets</b>	<b>362,718</b>

(Note) Figures are rounded down to the nearest millions of yen.

[Translation for Reference and Convenience Purposes Only]

## Non-Consolidated Statement of Income

(From April 1, 2021 to March 31, 2022)

(Million yen)

Account item	Amount
<b>Net sales</b>	<b>122,064</b>
<b>Cost of sales</b>	<b>82,267</b>
<b>Gross profit</b>	<b>39,797</b>
<b>Selling, general and administrative expenses</b>	<b>29,889</b>
<b>Operating profit</b>	<b>9,907</b>
<b>Non-operating income</b>	<b>8,360</b>
Interest and dividend income	3,982
Other	4,378
<b>Non-operating expenses</b>	<b>1,799</b>
Interest expense	107
Other	1,692
<b>Ordinary profit</b>	<b>16,469</b>
<b>Extraordinary income</b>	<b>15,628</b>
Gain on sale of fixed assets	3,973
Gain on sales of investment securities	7,250
Gain on extinguishment of tie-in shares	4,404
<b>Extraordinary losses</b>	<b>888</b>
Loss on valuation of shares of subsidiaries and associates	300
Impairment loss on fixed assets	588
<b>Income before income taxes</b>	<b>31,208</b>
Income taxes	
Current	8,515
Deferred	(1,596)
<b>Net income</b>	<b>24,289</b>

(Note) Figures are rounded down to the nearest millions of yen.



[Translation for Reference and Convenience Purposes Only]

## Non-Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity							
	Common stock	Capital surplus	Retained earnings					Total retained earnings
		Legal capital surplus	Legal retained earnings	Other retained earnings				
				Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward		
Balance as of the beginning of the fiscal year	13,450	11,428	2,919	773	187,480	11,527	202,700	
Change during the period								
Provision of general reserve					3,500	(3,500)	–	
Dividend from surplus						(7,883)	(7,883)	
Net income						24,289	24,289	
Purchase of treasury stock								
Disposal of treasury stock		17						
Reversal of revaluation reserve for land						2,073	2,073	
Net change in items other than shareholders' equity during the period								
Total change during the period	–	17	–	–	3,500	14,980	18,480	
Balance as of the end of the fiscal year	13,450	11,446	2,919	773	190,980	26,507	221,181	

[Translation for Reference and Convenience Purposes Only]

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance as of the beginning of the fiscal year	(10,787)	216,793	12,655	–	1,260	13,915	230,709
Change during the period							
Provision of general reserve		–					–
Dividend from surplus		(7,883)					(7,883)
Net income		24,289					24,289
Purchase of treasury stock	(5)	(5)					(5)
Disposal of treasury stock	98	115					115
Reversal of revaluation reserve for land		2,073					2,073
Net change in items other than shareholders' equity during the period			(4,527)	1	(2,073)	(6,600)	(6,600)
Total change during the period	93	18,590	(4,527)	1	(2,073)	(6,600)	11,990
Balance as of the end of the fiscal year	(10,694)	235,384	8,127	1	(813)	7,315	242,699

(Note) Figures are rounded down to the nearest millions of yen.

## Audit Report

### Accounting Auditor's Audit Report on the Consolidated Financial Statements

#### Report of Independent Auditor

May 20, 2022

The Board of Directors

Kurita Water Industries Ltd.

Grant Thornton Taiyo LLC

Tokyo Office

Tetsuo Shibaya

Designated and Engagement Partner (Seal)  
Certified Public Accountant

Makio Wada

Designated and Engagement Partner (Seal)  
Certified Public Accountant

Kenta Nishimura

Designated and Engagement Partner (Seal)  
Certified Public Accountant

#### *Opinion*

Pursuant to Paragraph 4, Article 444 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, the important matters that are the basis for the preparation of the consolidated financial statements, and other notes to consolidated financial statements of Kurita Water Industries Ltd. (the "Company") applicable to the fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the consolidated financial statements above are in conformity with the accounting standards with omission of a part of disclosure items required by the designated International Financial Reporting Standards ("IFRS"), as stipulated in the provisions of the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, and present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of March 31, 2022, and their financial performance for the year then ended.

#### *Basis for Audit Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Matter to Be Emphasized*

As described in "Significant Subsequent Events" in the notes to the consolidated financial statements, the Company decided on May 20, 2022 (conditional resolution date) to issue second series of unsecured bonds with a pay-in date of May 26, 2022 in accordance with a resolution of the Board of Directors' meeting held on November 30, 2021.

This matter does not impact our opinion.

*Other Statements*

Other statements consist of the business report and related supplementary schedules. Management is responsible for the preparation and disclosure of other statements. It is also the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board to oversee the Directors' performance of duties within the maintenance and operation of the reporting process for the other statements.

Our audit opinion on the consolidated financial statements does not include the other statements, and we express no opinion on them.

Our responsibilities in the audit of the consolidated financial statements are to read the other statements in full and, in the course of reading the other statements, to consider whether there are material differences between the other statements and the consolidated financial statements or our knowledge obtained during the audit, and to take note of any indication of material errors in the other statements besides such material differences.

If, based on the audit work performed, we determine that there are material errors in the other statements, we are required to report those facts.

We have no matters to report with respect to the other statements.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in conformity with the accounting standards with omission of a part of disclosure items required by the designated IFRS, as stipulated in the provisions of the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and for disclosing, as necessary, matters related to going concern, in accordance with the accounting standards with omission of a part of disclosure items required by the designated IFRS, as stipulated in the provisions of the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting in preparing the consolidated financial statements.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.

- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with the accounting standards with omission of a part of disclosure items required by the designated IFRS, as stipulated in the provisions of the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

*Conflicts of Interest*

We or engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act.

## Accounting Auditor's Audit Report on the Non-Consolidated Financial Statements

### Report of Independent Auditor

May 20, 2022

The Board of Directors

Kurita Water Industries Ltd.

Grant Thornton Taiyo LLC  
Tokyo Office  
Tetsuo Shibaya  
Designated and Engagement Partner (Seal)  
Certified Public Accountant  
Makio Wada  
Designated and Engagement Partner (Seal)  
Certified Public Accountant  
Kenta Nishimura  
Designated and Engagement Partner (Seal)  
Certified Public Accountant

#### *Opinion*

Pursuant to Item 1, Paragraph 2, Article 436 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity, the notes to non-consolidated financial statements and the related supplementary schedules of Kurita Water Industries Ltd. (the "Company") (hereinafter, the "financial statements, etc.") applicable to the 86th fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations pertaining to these financial statements, etc., applicable to the fiscal year ended March 31, 2022 in accordance with accounting principles generally accepted in Japan.

#### *Basis for Audit Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Matters to Be Emphasized*

1. As described in "Significant Subsequent Events" in the notes to the non-consolidated financial statements, the Company decided at a Board of Directors' meeting held on April 27, 2022 to underwrite a capital increase of its wholly owned subsidiary, Kurita America Holdings, Inc.
2. As described in "Significant Subsequent Events" in the notes to the non-consolidated financial statements, the Company decided on May 20, 2022 (conditional resolution date) to issue second series of unsecured bonds with a pay-in date of May 26, 2022 in accordance with a resolution of the Board of Directors' meeting held on November 30, 2021.

These matters do not impact our opinion.

*Other Statements*

Other statements consist of the business report and related supplementary schedules. Management is responsible for the preparation and disclosure of other statements. It is also the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board to oversee the Directors' performance of duties within the maintenance and operation of the reporting process for the other statements.

Our audit opinion on the financial statements, etc. does not include the other statements, and we express no opinion on them.

Our responsibilities in the audit of the financial statements, etc. are to read the other statements in full and, in the course of reading the other statements, to consider whether there are material differences between the other statements and the financial statements, etc. or our knowledge obtained during the audit, and to take note of any indication of material errors in the other statements besides such material differences.

If, based on the audit work performed, we determine that there are material errors in the other statements, we are required to report those facts.

We have no matters to report with respect to the other statements.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements, Etc. and the Related Supplementary Schedules*

Management is responsible for the preparation and fair presentation of the financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the financial statements, etc., with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

*Auditor's Responsibility for the Audit of the Financial Statements, Etc.*

Our responsibilities are to obtain reasonable assurance about whether the financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the financial statements, etc. or, if the notes to the financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate whether the presentation of the financial statements, etc. and notes to the financial statements, etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the financial statements, etc., including the related notes thereto, and whether the financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

*Conflicts of Interest*

We or engagement partners have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.



## The Audit & Supervisory Board's Audit Report

### Audit Report

With respect to the Directors' performance of their duties during the 86th fiscal year (from April 1, 2021 to March 31, 2022), the Audit & Supervisory Board has prepared this audit report, as the agreed opinion of all members of the Audit & Supervisory Board formed as a result of their deliberations, based on the audit reports prepared by each member of the Audit & Supervisory Board, and hereby reports as follows:

#### 1. Method and Contents of Audit by Members of the Audit & Supervisory Board and the Audit & Supervisory Board

The Audit & Supervisory Board stipulated auditing policies and the audit plan for the fiscal year under review, designated the status of the establishment and operation of internal control systems (including internal controls for financial reporting) and risk management systems as priority audit items, received reports from each member of the Audit & Supervisory Board about the implementation status and results of the audit, received reports from the Directors and Accounting Auditors about the status of performing such duties, and requested explanations as necessary.

In accordance with the auditing standards for members of the Audit & Supervisory Board determined by the Audit & Supervisory Board, and in compliance with auditing policies and the audit plan, each member of the Audit & Supervisory Board made efforts to collect information and establish auditing circumstances through communication with Directors, the Internal Auditing Department and other employees, and conducted the audit by the following methods.

- (1) Each member of the Audit & Supervisory Board has attended the Board of Directors meetings and other important meetings, received reports from the Directors and employees about the status of performance of their duties, and requested them to provide explanation when needed. Each member of the Audit & Supervisory Board has reviewed important authorized documents and examined the status of business operations and financial position of the Company and its principal offices. As for subsidiaries, each member of the Audit & Supervisory Board also facilitated communication and information exchange with Directors and employees, visited subsidiaries when needed, and examined the status of business operations and financial position of the subsidiaries and their principle officers.
- (2) Each member of the Audit & Supervisory Board verified the resolutions adopted by the Board of Directors regarding the establishment of a system for ensuring that the Directors' duties, as stated in the Business Report, are executed in conformity of laws and regulations, and the Articles of Incorporation of the Company, and the establishment of a system necessary to ensure proper business operations of a stock company set forth in Paragraphs 1 and 3 of Article 100 of the Regulation for Enforcement of the Companies Act. Each member of the Audit & Supervisory Board also received reports from Directors and employees on the status of the establishment and operation of the system (internal control system) established in accordance with such resolutions adopted by the Board of Directors, and requested explanations as necessary and expressed his/her opinions. As for internal controls for financial reporting, we received reports from the Directors and Accounting Auditor about the status of evaluation and audit of the internal controls, and requested explanations as necessary.
- (3) Each member of the Audit & Supervisory Board audited whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of its performance of duties, and requested explanations as necessary. In addition, each member of the Audit & Supervisory Board was notified by the Accounting Auditor that it had established a "System to ensure that the performance of the duties of the Accounting Auditors was properly conducted" (the matters set forth in the items of Article 131 of the Regulation on Corporate Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and requested explanations as necessary.

Based on the above method, the Audit & Supervisory Board has examined the Business Report and the supplementary schedules, the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity and the notes to the non-consolidated financial statements) and the supplementary schedules, as well as the consolidated financial statements (the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements) for the fiscal year under review.

## 2. Results of Audit

### (1) Results of Audit of Business Report, etc.

- (a) We acknowledge that the Business Report and the related supplementary schedules fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (b) We acknowledge that there is no misconduct or material fact in violation of the applicable laws or regulations and the Articles of Incorporation of the Company with regard to the performance of duties by Directors.
- (c) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We also acknowledge that there are no matters warranting special mention, neither regarding content provided in the Business Report on the internal control systems, nor regarding the performance of duties by Directors. As for internal controls for financial reporting, we received reports from Grant Thornton Taiyo LCC stating that the internal controls were functioning effectively Company-wide as of the date on which this report was prepared, and furthermore that there were no deficiencies warranting disclosure with respect to the internal controls in business processes.

### (2) Results of Audit of Financial Statements and Related Supplementary Schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditor Grant Thornton Taiyo LLC, are appropriate.

### (3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor Grant Thornton Taiyo LLC, are appropriate.

May 27, 2022

Kurita Water Industries Ltd.

Audit & Supervisory Board

Full-time member of the Audit & Supervisory Board

Kenjiro Kobayashi

(External member of the Audit & Supervisory Board)

Full-time member of the Audit & Supervisory Board

Yukihiko Mutou

External member of the Audit & Supervisory Board

Toshiaki Tada