

[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 88th 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 88th Ordinary General Meeting of Shareholders

Kurita Water Industries Ltd.

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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 88th Ordinary General Meeting of Shareholders to be held on Thursday, June 27, 2024.

This notice details the agenda proposals of the General Meeting of Shareholders and provides an overview of business operations of Kurita Group in the fiscal year ended March 31, 2024. We request that you read it.

The Company will mark the 75th anniversary of its foundation on July 13, 2024. We would like to express our profound gratitude to each and every person who has contributed to this milestone, including our shareholders, for which this achievement is owed entirely to their many years of support.

We look forward to your continued understanding and support in the future.

June 2024

Sincerely yours,

Hirohiko Ejiri
Director, President and Representative
Executive Officer

Corporate Philosophy

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

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

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June 7, 2024

(Electronic provision measures commencement date: May 31, 2024)

Dear Shareholders

Hirohiko Ejiri
Director, President and Representative
Executive Officer
Kurita Water Industries Ltd.
10-1, Nakano 4-chome, Nakano-ku, Tokyo

NOTICE OF CONVOCATION OF THE 88th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We express our deepest sympathies for all the people affected by the 2024 Noto Peninsula Earthquake, and wish for the earliest possible recovery and reconstruction.

We hereby provide notice that the 88th Ordinary General Meeting of Shareholders of Kurita Water Industries Ltd. (the “Company”) shall be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision of information that is the content of reference documents for the general meeting of shareholders, etc. (“Electronic Provision Measures Matters”), and such information is posted on the Company’s website shown below as “Notice of Convocation of the 88th Ordinary General Meeting of Shareholders.” Please access the Company’s website below to confirm the information.

The Company’s website (in Japanese):	https://ir.kurita.co.jp/shareholders_information/shareholder_meeting/index.html
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Electronic Provision Measures Matters are also posted on the website of Tokyo Stock Exchange (TSE), in addition to the Company’s website.

Please access the TSE website (TSE Listed Company Search) below, enter the issue name (Kurita Water Industries) or the securities code (6370) to search, and confirm the information by selecting “Basic information” and then “Documents for public inspection/PR information” in this order.

TSE website (TSE Listed Company Search) (in Japanese):	https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show
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If you do not attend the meeting in person, you can exercise your voting rights via the Internet or in writing. 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 Wednesday, June 26, 2024 (JST).

1. **Time and Date:** 10:00 a.m., Thursday, June 27, 2024 (JST) (Reception starts at 9:00 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 Committee for the 88th Fiscal Year (From April 1, 2023, to March 31, 2024)
 2. Reports on Non-Consolidated Financial Statements for the 88th Fiscal Year (From April 1, 2023, to March 31, 2024)
 - Agenda:**
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Election of Eight (8) Directors

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4. Other Matters Regarding the Convocation of the General Meeting of Shareholders:

- (1) Of the Electronic Provision Measures Matters, the following matters are posted on the Company's website in accordance with laws and regulations as well as the Company's Articles of Incorporation. Therefore, they are not described in the physical documents provided to shareholders who made requests for provision of physical documents. The Audit Committee and the Accounting Auditor audited the documents subject to audit that include following matters.
 - 1) "Principal offices" and "System to ensure appropriate operations and operational status" in the Business Report
 - 2) "Consolidated Statement of Changes in Equity" and "Notes to consolidated financial statements"
 - 3) "Non-consolidated Statement of Changes in Shareholders' Equity" and "Notes to non-consolidated financial statements"
- (2) 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.
- (3) If there is no indication of a vote for or against a specific proposal on the returned Voting Rights Exercise Form, it shall be deemed as an indication of approval to that proposal.

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- If you attend the meeting, we request that you submit the 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 Electronic Provision Measures Matters, such notice will be posted on the Company's website and the TSE website shown above, together with the matters before and after the corrections.
 - The result of resolution will be posted on the Company's website and disclosed through an extraordinary report after the closing of the General Meeting of Shareholders.

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. Assuming that a stable financial structure is maintained, the Company will strive to continuously increase dividends with a consolidated dividend payout ratio within the range of 30% to 50%, which the Company has maintained over the past five years.

The Company proposes that the year-end dividend for the current fiscal year be ¥42 per share, an increase of ¥3 per share from a year earlier.

The Company's annual dividend for the fiscal year under review would be ¥84 per share, including ¥42 per share distributed as an interim dividend, an increase of ¥3 per share from a year earlier, and the consolidated dividend payout ratio would be 32.3%.

(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	¥42
		Total amount of dividends	¥4,731,438,516
(3)	Effective Date of the Distribution of Surplus	June 28, 2024	

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	¥7,500,000,000
(2)	Item of surplus to be decreased and amount of decrease	Retained earnings brought forward	¥7,500,000,000

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Proposal No. 2: Election of Eight (8) Directors

The term of office of all eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of eight (8) Directors, including four (4) External Directors, in accordance with the determination of the Nominating Committee. The candidates for Directors are as follows:

No.	Name	Positions and Assignments in the Company	Record of attendances at the Board of Directors meetings	Record of attendances at the Nominating Committee meetings	Record of attendances at the Compensation Committee meetings	Record of attendances at the Audit Committee meetings	Number of years as Director (at the conclusion of this General Meeting of Shareholders)
1	Michiya Kadota	Chairperson of the Board of Directors Director and Chairman Member of the Nominating Committee Member of the Compensation Committee Reappointment	100% (15/15)	100% (8/8)	100% (5/5)	—	10 years
2	Hirohiko Ejiri	Member of the Nominating Committee Director President and Representative Executive Officer Member of the Compensation Committee Reappointment	100% (15/15)	87.5% (7/8)	100% (5/5)	—	8 years
3	Shuji Shirode	Executive General Manager of Corporate Control and Administration Division Chief Financial Officer (CFO) Director Managing Executive Officer Reappointment	100% (15/15)	—	—	—	3 years
4	Yukihiko Mutou	Member of the Audit Committee Director Reappointment	100% (15/15)	—	—	100% (12/12)	2 years
5	Kenjiro Kobayashi	Chairperson of the Audit Committee External Director Member of the Nominating Committee Reappointment External Independent	100% (15/15)	100% (8/8)	—	100% (12/12)	1 year
6	Keiko Tanaka	Chairperson of the Nominating Committee External Director Member of the Compensation Committee Reappointment External Independent	100% (15/15)	100% (8/8)	100% (5/5)	—	5 years
7	Masahiro Miyazaki	Chairperson of the Compensation Committee External Director Member of the Nominating Committee Reappointment External Independent	100% (15/15)	100% (8/8)	100% (5/5)	—	2 years
8	Yoshiko Takayama	Member of the Compensation Committee External Director Member of the Audit Committee Reappointment External Independent	100% (12/12)	—	100% (5/5)	100% (12/12)	1 year

Notes: 1. In accordance with the resolution of the 87th Ordinary General Meeting of Shareholders held on June 29, 2023, the Company made the transition from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc. as of the same date. Therefore, the attendance records of the Board of Directors meetings for Yukihiko Mutou and Kenjiro Kobayashi include their attendances

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as members of the Audit & Supervisory Board before the change in the institutional design. In addition, the attendance records of each committee meeting for Directors indicate their attendances after June 29, 2023.

2. Regarding the attendance records of the Nominating Committee meetings, Hirohiko Ejiri was absent from one of the Nominating Committee meetings, which were held eight times during the fiscal year ended March 31, 2024, due to the presence of special interest.
3. Yukihiro Mutou served as Director for one year before the transition to a Company with a Nominating Committee, etc., and therefore, a total of two years is recorded in the number of years as Director.
4. The attendance records of the Board of Directors meetings for Yoshiko Takayama indicate her attendance after she assumed office as Director on June 29, 2023.

New

New candidates for Director

Reappointment


Candidates for reappointment as Director


External


Candidates for External Director


Independent


Independent Officer as set forth under regulations of the Tokyo Stock Exchange, Inc.


Candidate No. 1	Michiya Kadota	Date of birth February 16, 1959 65 years old Male	Reappointment
	Brief personal history, positions and assignments in the Company		
Number of the shares of the Company held 23,000 shares	Apr. 1983 Joined Kurita Water Industries Ltd. Apr. 2006 General Manager of Business Process Reengineering Dept., Corporate Planning Division Apr. 2008 General Manager of Internal Auditing Dept. Apr. 2012 General Manager of Finance and Accounting Dept., Administrative Division Jun. 2013 Corporate Officer of the Company Jun. 2014 Director of the Company Jun. 2014 Executive General Manager of Administrative Division Apr. 2016 President and Representative Director of the Company Apr. 2023 Chairman and Representative Director of the Company		
Number of years as Director 10 years (at the conclusion of this General Meeting of Shareholders)	Jun. 2023 Director and Chairman of the Company (Current position)		
Record of attendances at the Board of Directors meetings 100% (15/15)	Significant positions concurrently held None		
Record of attendances at the Nominating Committee meetings 100% (8/8)	Reasons for deciding to make him a candidate for Director Mr. Michiya Kadota has a career mainly in the area of general affairs such as finance and accounting at the Company and assumed office as Representative Director in 2016. After the assumption of office, he engaged in a business process change and business model transformation through the provision of social value, establishment of a global business foundation, and promotion of corporate governance reforms. Based on his experience of leading the management of the Company, he strives to increase the effectiveness of the Board of Directors, through appropriate deliberations and discussions on the Company's direction over the medium- to long-term, support for risk-taking, progress of the management plan, etc. He has also fulfilled his responsibilities adequately as the member of the Nominating and Compensation Committees. He is well-versed in the Group, and the Company believes that he is an individual capable of continuously contributing to quality discussions at, and strengthening the supervisory function of, the Company's Board of Directors. The Company has therefore nominated him as a candidate for Director.		
Record of attendances at the Compensation Committee meetings 100% (5/5)			

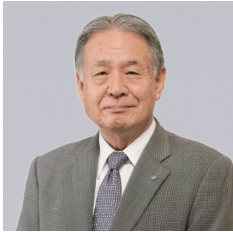
Candidate No. 2	Hirohiko Ejiri	Date of birth October 6, 1962 61 years old Male	Reappointment
 <p>Number of the shares of the Company held 17,800 shares</p> <p>Number of years as Director 8 years (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings 100% (15/15)</p> <p>Record of attendances at the Nominating Committee meetings*1 87.5% (7/8)</p> <p>Record of attendances at the Compensation Committee meetings 100% (5/5)</p> <p>*1 He was absent from one of the Nominating Committee meetings, which were held eight times during the fiscal year ended March 31, 2024, due to the presence of special interest.</p>	<p>Brief personal history, positions and assignments in the Company</p> <p>Apr. 1985 Joined Kurita Water Industries Ltd.</p> <p>Apr. 2005 President of Kurita Europe GmbH</p> <p>Apr. 2011 General Manager of Sales Dept. for Heavy Industries, Group II, Chemicals Division</p> <p>Jun. 2013 General Manager of Business Management Dept., Chemicals Division</p> <p>Apr. 2014 Corporate Officer of the Company</p> <p>Jun. 2014 Senior General Manager of Sales Group I, Chemicals Division</p> <p>Apr. 2016 Executive General Manager of Corporate Planning Division</p> <p>Jun. 2016 Director of the Company</p> <p>Apr. 2018 Executive General Manager of Engineering Division</p> <p>Apr. 2019 Managing Director of the Company</p> <p>Apr. 2020 Executive General Manager of Engineering Division and Chief Business Officer for Facilities Operation</p> <p>Jun. 2021 Executive Senior Managing Director and Representative Director of the Company</p> <p>Apr. 2022 Executive General Manager of Japan Sales Business Division and Chief Business Officer for Chemical Operation</p> <p>Apr. 2023 President and Representative Director of the Company</p> <p>Jun. 2023 Director, President and Representative Executive Officer of the Company (Current position)</p> <p>Dec. 2023 Executive General Manager of Regional Management Division</p> <p>Significant positions concurrently held None</p> <p>Reasons for deciding to make him a candidate for Director Mr. Hirohiko Ejiri has considerable insight in the market and onsite operations accumulated through his years of experience at the sales departments of the Water Treatment Chemicals business. After his assumption of office of Director in 2016, he led the initiative for expansion of the Kurita Group's business fields and transformation of revenue structure, as well as transformation of the production structure including utilization of DX. He assumed the office of President and Representative Executive Officer in 2023, and has promoted construction of a strong business, and creation of solutions that offer shared value with society, and new businesses, toward the achievement of the medium-term management plan. Having the candidate, who is well-versed in the Water Treatment business, double as a Director would continue to contribute to strengthening the supervisory function of the Company's Board of Directors, while enabling the status of business execution to be shared in an appropriate manner, and he also fulfills his responsibilities adequately as the member of the Nominating and Compensation Committees. The Company has therefore nominated him as a candidate for Director.</p>		

Candidate No. 3	Shuji Shirode	Date of birth October 5, 1959 64 years old Male	Reappointment
 <p>Number of the shares of the Company held 10,300 shares</p> <p>Number of years as Director 3 years (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings 100% (15/15)</p>	<p>Brief personal history, positions and assignments in the Company</p> <p>Jan. 2016 Joined Kurita Water Industries Ltd. Assistant to General Manager of Administrative Division</p> <p>Apr. 2018 Corporate 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>Apr. 2020 Chief Financial Officer (CFO) of the Company (Current position)</p> <p>Jun. 2021 Director of the Company (Current position)</p> <p>Jun. 2021 Executive General Manager of Corporate Control and Administration Division (Current position)</p> <p>Jun. 2023 Managing Executive Officer of the Company (Current position)</p> <p>Significant positions concurrently held None</p> <p>Reasons for deciding to make him a candidate for Director 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. As the officer in charge of finance (CFO) at the Company from 2020, he has focused on strengthening the foundations of the Group’s finance and accounting functions. He has also reviewed the Group’s growth strategies in terms of capital markets at the Board of Directors. The Company believes that he can continue to contribute to strengthening the supervisory function of the Board of Directors by utilizing his high expertise from serving concurrently as the officer in charge of finance (CFO), where he played a central role in execution, and as Director. The Company has therefore nominated him as a candidate for Director.</p>		

Candidate No. 4	Yukihiko Mutou	Date of birth June 19, 1959 65 years old Male	Reappointment
 <p>Number of the shares of the Company held 10,000 shares</p> <p>Number of years as Director 2 years^{*1} (at the conclusion of this General Meeting of Shareholders)</p> <p>*1 He served as Director for one year before the transition to a Company with a Nominating Committee, etc., and therefore, a total of two years is recorded.</p> <p>Record of attendances at the Board of Directors meetings 100% (15/15)^{*2}</p> <p>Record of attendances at the Audit Committee meetings 100% (12/12)</p> <p>*2 The record includes the attendance at the Board of Directors meetings as a member of the Audit & Supervisory Board before the transition to a Company with a Nominating Committee, etc.</p>	<p>Brief personal history, positions and assignments in the Company</p> <p>Oct. 1991 Joined Kurita Water Industries Ltd.</p> <p>Jun. 2005 General Manager of Finance and Accounting Dept., Administrative Division</p> <p>Apr. 2012 General Manager of Personnel and Labor Relations Dept., Administrative Division</p> <p>Apr. 2014 General Manager of General Affairs Dept., Administrative Division</p> <p>Apr. 2016 Corporate Officer of the Company</p> <p>Apr. 2018 Executive General Manager of Group Administrative Division</p> <p>Jun. 2018 Director of the Company</p> <p>Apr. 2019 Deputy Executive General Manager of Corporate Planning and Control Division</p> <p>Jun. 2019 Full-time member of the Audit & Supervisory Board</p> <p>Jun. 2023 Director of the Company (Current position)</p> <p>Significant positions concurrently held</p> <p>None</p> <p>Reasons for deciding to make him a candidate for Director</p> <p>Mr. Yukihiko Mutou has abundant knowledge and experience in the field of business management as he held important posts such as those at the finance, accounting and human resource departments at the Company. He assumed the post of Director of the Company in 2018 and a member of the Audit & Supervisory Board in 2019, and is well-versed in the fields of the Group's governance, internal audit and audits. He has also actively expressed his opinions on strengthening the management foundations at the Board of Directors, while fully performing his duties as a member of the Audit Committee. The Company believes that he is an individual capable of continuously utilizing his deep understanding of the Group and high expertise in the field of audit to strengthen the supervisory function of the Board of Directors and has therefore nominated him as a candidate for Director.</p>		

<p>Candidate No. 5</p>	<p>Kenjiro Kobayashi</p>	<p>Date of birth October 1, 1953 70 years old Male</p>	<table border="1"> <tr><td>Reappointment</td></tr> <tr><td>External</td></tr> <tr><td>Independent</td></tr> </table>	Reappointment	External	Independent
Reappointment						
External						
Independent						
 <p>Number of the shares of the Company held 5,000 shares</p> <p>Number of years as Director 1 year (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings 100% (15/15)*1</p> <p>Record of attendances at the Nominating Committee meetings 100% (8/8)</p> <p>Record of attendances at the Audit Committee meetings 100% (12/12)</p> <p>*1 The record includes the attendance at the Board of Directors meetings as an external member of the Audit & Supervisory Board before the transition to a Company with a Nominating Committee, etc.</p>	<p>Brief personal history, positions and assignments in the Company</p> <p>Apr. 1977 Joined Japan Development Bank (current Development Bank of Japan Inc.)</p> <p>Apr. 2002 General Manager of the New Business Division of Development Bank of Japan Inc.</p> <p>Jul. 2004 Managing Director of CITIC Provident Management Ltd.</p> <p>Jun. 2006 Executive Officer and General Manager of Corporate Strategy Planning Office of Johnson Diversey (current CxS Corporation)</p> <p>Apr. 2007 General Manager of Corporate Strategy Planning Division of Johnson Diversey (current CxS Corporation)</p> <p>Apr. 2008 General Manager in charge of the Co-Creation Business Promotion Project of City of Yokohama</p> <p>Nov. 2010 Representative Director and Executive Vice President of Japan Industrial Solutions Co., Ltd.</p> <p>May 2013 Director of Japan Industrial Solutions Co., Ltd.</p> <p>Jun. 2016 (Full-time) External Member of the Audit & Supervisory Board of the Company</p> <p>Jun. 2023 External Director of the Company (Current position)</p> <p>Significant positions concurrently held</p> <p>None</p> <p>Reasons for deciding to make him a candidate for External Director and a summary of expected roles</p> <p>Mr. Kenjiro Kobayashi has played an active role in different areas of the Kurita Group's businesses and has high expertise and a wealth of international experience in the areas of finance, corporate planning, new business development and M&A, etc. Based on this expertise and experience, he has expressed his opinions on growth strategies and financial strategies from a medium- to long-term perspective at the Board of Directors. He has also had appropriate discussions and deliberations on results of audits, visits for audits, and hearings on the execution of duties of the Company's officers as a chairperson of the Audit Committee. The Company believes that he is an individual capable of continuously increasing the rationality and transparency in the Kurita Group's management from an outside perspective and strengthening the supervisory function of the Board of Directors, and therefore nominated him as a candidate for External Director.</p> <p>Notes concerning the candidate for External Director</p> <ul style="list-style-type: none"> ● No special interest exists between the Company and Mr. Kobayashi. ● The Company has entered into an agreement with Mr. Kobayashi 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. Kobayashi is reappointed as an External Director of the Company. ● The Company has notified the Tokyo Stock Exchange, Inc. of the appointment of Mr. Kobayashi as an independent officer as set forth under regulations thereof. 					

Candidate No. 6	Keiko Tanaka	Date of birth May 24, 1960 64 years old Female	<input type="checkbox"/> Reappointment <input checked="" type="checkbox"/> External <input checked="" type="checkbox"/> Independent
 <p>Number of the shares of the Company held 1,200 shares</p> <p>Number of years as Director 5 years (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings 100% (15/15)</p> <p>Record of attendances at the Nominating Committee meetings 100% (8/8)</p> <p>Record of attendances at the Compensation Committee meetings 100% (5/5)</p>	<p>Brief personal history, positions and assignments in the Company</p> <p>Apr. 1984 Joined NISSAN MOTOR CO., LTD. Apr. 2011 Seconded to JATCO Ltd Apr. 2013 Treated as equivalent to Vice President, JATCO Ltd Sep. 2014 Retired from NISSAN MOTOR CO., LTD. and JATCO Ltd Oct. 2014 Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay Apr. 2018 Vice President, Nissan Financial Services Co., Ltd. Jun. 2019 External Director of the Company (Current position) Apr. 2020 Outside expert of Sustainability Committee of NH Foods Ltd. Apr. 2022 Corporate Vice President of Nissan Financial Services Co., Ltd.</p> <p>Significant positions concurrently held None</p> <p>Reasons for deciding to make her a candidate for External Director and a summary of expected roles 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, marketing, and HR management as well as an experience of having held the position of Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay. Based on this experience, she has actively expressed her opinions on corporate management and business administration in corporate groups with global operations at the Board of Directors. She also gave advice on group-wide human resource development, through appropriate discussions and deliberations on successor candidate development planning for president, etc. as a chairperson of the Nominating Committee. The Company believes that she is an individual capable of continuously expressing opinions from an outside perspective to increase the rationality and transparency of the Kurita Group's management and utilizing her expansive knowledge and international experience for strengthening the supervisory function of the Board of Directors, and therefore nominated her as a candidate for External Director.</p> <p>Notes concerning the candidate for External Director</p> <ul style="list-style-type: none"> ● No special interest exists between the Company and Ms. Tanaka. ● 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. ● 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. 		

Candidate No. 7	Masahiro Miyazaki	Date of birth April 13, 1954 70 years old Male	<input type="checkbox"/> Reappointment <input checked="" type="checkbox"/> External <input checked="" type="checkbox"/> Independent
 <p>Number of the shares of the Company held 600 shares</p> <p>Number of years as Director 2 years (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings 100% (15/15)</p> <p>Record of attendances at the Nominating Committee meetings 100% (8/8)</p> <p>Record of attendances at the Compensation Committee meetings 100% (5/5)</p>	<p>Brief personal history, positions and assignments in the Company</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 & 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 (current Hitachi High-Tech Corporation)</p> <p>Apr. 2015 Representative Executive Officer, President and Chief Executive Officer of Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation)</p> <p>Jun. 2015 Representative Executive Officer, President and Chief Executive Officer and Director of Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation)</p> <p>Apr. 2021 Advisor of Hitachi High-Tech Corporation</p> <p>Jun. 2022 External Director of the Company (Current position)</p> <p>Jun. 2023 Outside Director, Astellas Pharma Inc. (Current position)</p> <p>Significant positions concurrently held</p> <p>Outside Director, Astellas Pharma Inc.</p> <p>Reasons for deciding to make him a candidate for External Director and a summary of expected roles</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 mainly in the electronics industry, both in Japan and overseas. Based on this experience, he has actively expressed his opinions on growth strategies from a medium- to long-term perspective with aspects of appropriate risk-taking at the Board of Directors. He also revised the remuneration system through appropriate discussions and deliberations on performance evaluation of officers and remuneration details as a chairperson of the Compensation Committee. The Company believes that he is an individual capable of continuously increasing the rationality and transparency of the Kurita Group's management and strengthening the supervisory function of the Board 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>Notes concerning the candidate for External Director</p> <ul style="list-style-type: none"> ● Astellas Pharma Inc., at which Mr. Miyazaki serves as Outside Director, is one of the customers of the Company. However, because the transaction value with Astellas Pharma Inc. is less than 0.1% of consolidated net sales of the Company, it does not fall under a major customer. ● The Company has entered 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. 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. Miyazaki is reappointed as an External Director of the Company. ● The Company has notified the Tokyo Stock Exchange, Inc. of the appointment of Mr. Miyazaki as an independent officer as set forth under regulations thereof. 		

Candidate No. 8	Yoshiko Takayama	Date of birth August 9, 1956 67 years old Female	Reappointment External Independent
 <p>Number of the shares of the Company held 100 shares</p> <p>Number of years as Director 1 year (at the conclusion of this General Meeting of Shareholders)</p> <p>Record of attendances at the Board of Directors meetings 100% (12/12)</p> <p>Record of attendances at the Compensation Committee meetings 100% (5/5)</p> <p>Record of attendances at the Audit Committee meetings 100% (12/12)</p>	<p>Brief personal history, positions and assignments in the Company</p> <p>Apr. 1980 Joined Bank of America N.A. Dec. 1990 Vice President, Merrill Lynch & Co., Inc. Dec. 1997 Senior manager, Thomson Financial Investor Relations Dec. 1998 Asia-Pacific Regional Director, Thomson Financial Investor Relations Jun. 2001 Managing Director, J-Eurus IR Co., Ltd. Mar. 2003 Managing Director/Board Member, J-Eurus IR Co., Ltd Jun. 2010 Governor, International Corporate Governance Network Oct. 2010 Director, Japan Corporate Governance Network (Current position) Jun. 2015 Outside Director, AUTOBACS SEVEN Co., Ltd. Sep. 2015 Member of the Council of Experts Concerning the Follow-up of Japan’s Stewardship Code and Japan’s Corporate Governance Code, Financial Services Agency and Tokyo Stock Exchange, Inc. (Current position) Oct. 2015 Representative Directors, Japan Board Review Co., Ltd. Jan. 2022 Committee member representing Japan, ISO/PC 337, Guidelines for the promotion and implementation of gender equality, Japanese Standards Association (Current position) Apr. 2023 Vice Chairperson, J-Eurus IR Co., Ltd. (Current position) Apr. 2023 Director, Japan Board Review Co., Ltd. Jun. 2023 External Director of the Company (Current position) Jul. 2023 Representative Directors, Japan Board Review Co., Ltd. (Current position) Aug. 2023 External Member of the Governance Council, Ernst & Young ShinNihon LLC (Current position) Sep. 2023 Member of the “Committee for Studying Scoring Criteria for Selecting Enterprises as Nadeshiko Brands” operated by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, FY2023</p> <p>Significant positions concurrently held</p> <p>Vice Chairperson, J-Eurus IR Co., Ltd. Representative Directors, Japan Board Review Co., Ltd. External Member of the Governance Council, Ernst & Young ShinNihon LLC</p> <p>Reasons for deciding to make her a candidate for External Director and a summary of expected roles</p> <p>Ms. Yoshiko Takayama has abundant international experience in different areas of the Kurita Group’s businesses, as well as abundant experience and skills in the field of Investor Relations and high expertise related to corporate governance. Based on this experience, skills, and expertise, she has actively expressed her opinions on sustainability management and engagement with capital markets at the Board of Directors. She also identified issues for increasing corporate value and submitted reports to the Board of Directors, through appropriate discussions and deliberations on initiatives for materiality as a chairperson of the Sustainability Advisory Council, while explaining sustainability management to stakeholders. The Company believes that she is an individual capable of continuously increasing the rationality and transparency of the Kurita Group’s management and strengthening the supervisory function of the Board of Directors, and therefore nominated her as a candidate for External Director.</p> <p>Notes concerning the candidate for External Director</p> <ul style="list-style-type: none"> ● There were no transactions between the Company and J-Eurus IR Co., Ltd., at which Ms. Takayama serves as Vice Chairperson, Japan Board Review Co., Ltd., at which she serves as Representative Directors, and Ernst & Young ShinNihon LLC, at which she serves as External Member of the Governance Council, respectively. ● The Company has entered into an agreement with Ms. Takayama 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. Takayama is reappointed as an External Director of the Company. ● The Company has notified the Tokyo Stock Exchange, Inc. of the appointment of Ms. Takayama as an independent officer as set forth under regulations thereof. 		

[Translation for Reference and Convenience Purposes Only]

- 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.

<Reference> Corporate Governance

1. Corporate governance policies and organizational structure

(1) Corporate governance policies

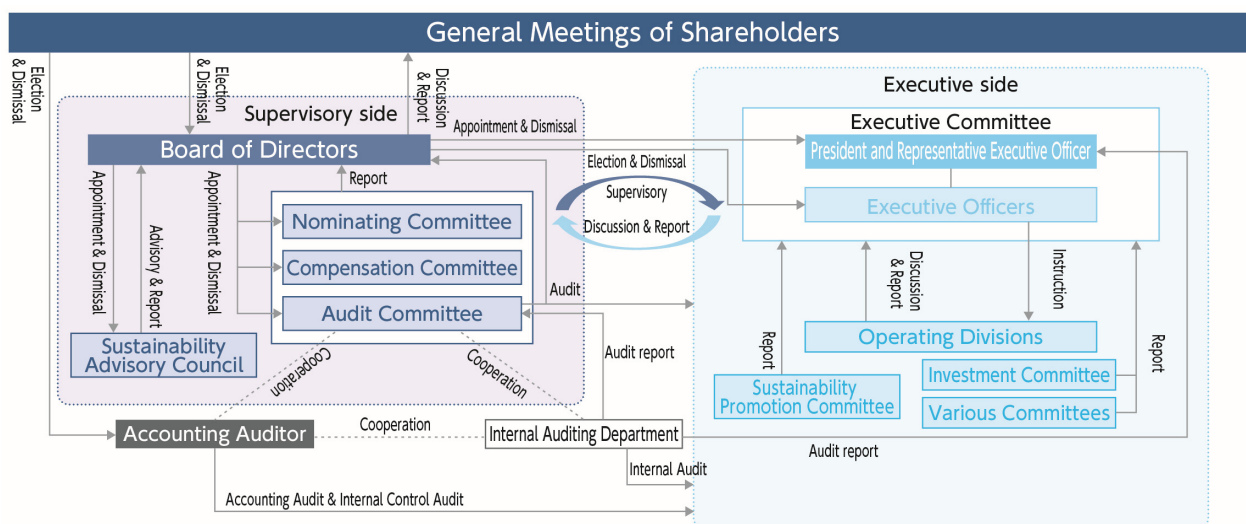
Kurita Water Industries Ltd. and its consolidated subsidiaries (hereinafter the “Kurita Group,” and Kurita Water Industries Ltd. on a non-consolidated basis shall be hereinafter referred to as the “Company”) aim to contribute broadly to society through corporate activities in the fields of water and 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)

(2) Corporate governance organizational structure

In order to further enhance the Group’s sustainable growth and corporate value, the Company decided to operate as a Company with a Nominating Committee, etc. for the purpose of establishing a more effective and transparent corporate governance system by strengthening management supervision and business execution functions. Through a system that clearly separates management supervision and execution, in management supervision, the Board of Directors focuses on supervision with the perspective of various stakeholders. In management execution, utilize knowledge and appropriate monitoring functions on the supervisory side and adopt a structure for decision-making on business execution.



[Translation for Reference and Convenience Purposes Only]

2. Skills Matrix of Directors and Committees Directors Are to Enter

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. 2 is approved and adopted as originally proposed, the Directors, the skills matrix, and the committees the Directors are to enter will be as follows.

Name	Corporate governance and management			Leveraging diversity ▶ Making full use of water knowledge ▶ Creating social value						Committees the Directors are to enter		
	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	Nominating	Compensation	Audit
Michiya Kadota	●	●	●	●	●	●			●	○	○	
Hirohiko Ejiri	●			●	●	●	●	●	●	○	○	
Shuji Shirode	●	●			●				●			
Yukihiko Mutou	●	●	●	●								○
Kenjiro Kobayashi (External)	●	●			●					○		◎
Keiko Tanaka (External)	●		●	●	●					◎	○	
Masahiro Miyazaki (External)	●	●	●		●					○	◎	
Yoshiko Takayama (External)	●	●			●						○	○

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

For the committees the Directors are to enter, ◎ indicates the candidate scheduled to assume the position of committee chair.

○ indicates the candidate scheduled to assume the position of committee member.

(Notes)

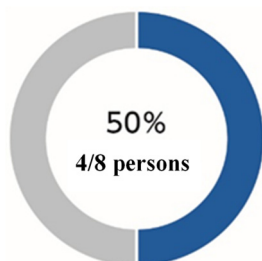
*1 The "diversity" means the variety of elements that form "diverse points of contact with sites" that are the source of the Kurita Group's competitiveness, such as contact points with customers, business fields, business development areas / countries, and technology fields, in addition to human resources.

*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 important for the Board of Directors, whose role it is to supervise management, and therefore consider them to be essential skills for the Company's directors.

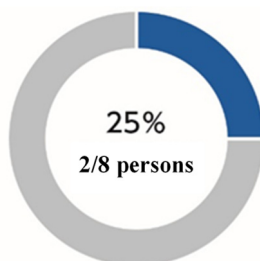
[Translation for Reference and Convenience Purposes Only]

<Ratio of Directors at the Board of Directors if Proposal No. 2 is approved and adopted as originally proposed>

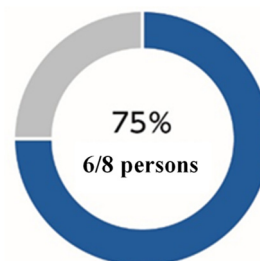
Ratio of External Directors:



Ratio of female Directors:



Ratio of Non-executive Directors:



3. 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.

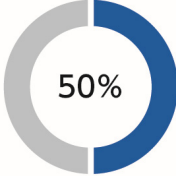
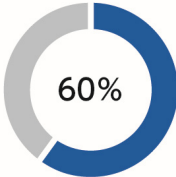
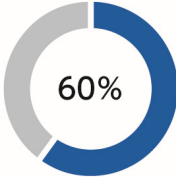
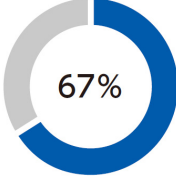
*4 The term “a lot of money or property” means money and other property that are equivalent to 10 million yen or more per year, other than remuneration for officers.

*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.

The policies and procedures for nominating candidates for Director are described in the Company’s Corporate Governance Policies. For more information, refer to the Company’s website.
(https://ir.kurita.co.jp/en/corporate_governance/governance_policies/index.html)

4. Results of corporate governance initiatives

(1) Results of activities of the Board of Directors and each committee

Board of Directors	Chairperson Michiya Kadota (Director and Chairman)	Meetings held 15 times
<p>Roles</p> <ul style="list-style-type: none"> Setting the major direction of the Company, mainly through determining basic policies of management Objective supervision through the nomination of top management (executive officers including the president) Support for appropriate risk taking by top management Determination of matters required by law to be exclusively decided by the Board of Directors, and other designated matters <p>Main matters discussed</p> <ul style="list-style-type: none"> Business plan Status of initiatives for materiality Policies for activities of engagement with capital markets Revisions of the Corporate Governance Policies and the Basic Policies for Constructing an Internal Control System 		<p>Ratio of External Directors</p>  <p>50%</p>
Nominating Committee	Chairperson Keiko Tanaka (Independent External Director)	Meetings held 8 times
<p>Roles</p> <ul style="list-style-type: none"> Determining the content of proposals to be submitted to the General Meeting of Shareholders for the election and dismissal of directors Determining candidates for the successor to the President and Executive Officer and their development plans, and determining candidates for successors to executive officers and their development plans <p>Main matters discussed</p> <ul style="list-style-type: none"> Deciding policies and procedures for nominating directors Selection of candidates for the successor to the President and successors to executive officers and corporate officers 		<p>Ratio of External Directors</p>  <p>60%</p>
Compensation Committee	Chairperson Masahiro Miyazaki (Independent External Director)	Meetings held 5 times
<p>Roles</p> <ul style="list-style-type: none"> Determining the details of individual remuneration of directors and executive officers Determining policies for determining the details of individual remuneration, etc. for directors and the executive officers, and determining individual performance assessment for executive officers <p>Main matters discussed</p> <ul style="list-style-type: none"> Establishing and revising internal regulations for remuneration of officers, and remuneration, etc. of corporate officers Determining individual remuneration amounts for directors, executive officers, and corporate officers 		<p>Ratio of External Directors</p>  <p>60%</p>
Audit Committee	Chairperson Kenjiro Kobayashi (Independent External Director)	Meetings held 12 times
<p>Roles</p> <ul style="list-style-type: none"> Auditing execution of duties by directors and the executive officers Creation of audit reports, and determining the content of proposals to be submitted to the General Meeting of Shareholders for the election and dismissal of the accounting auditor <p>Main matters discussed</p> <ul style="list-style-type: none"> Establishment of Audit Standards of the Audit Committee, development of audit plan, status of audits by selected members of the Audit Committee Established policy on determining dismissal or refusal to reappoint the Accounting Auditor 		<p>Ratio of External Directors</p>  <p>67%</p>

[Translation for Reference and Convenience Purposes Only]

(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 ten holdings (some of which were partially sold) in fiscal 2023.

(3) Evaluation of Effectiveness of the Board of Directors

In order to further strengthen corporate governance and enhancing medium- to long-term corporate value through the effective functioning of the Board of Directors, the Company conducts an annual analysis and evaluation of the effectiveness of the Board of Directors. In the fiscal year ended March 31, 2024, we took into account the Company's transition to a Company with a Nominating Committee, etc., and set as the target period for the focus of our evaluation, the period after the change in the institutional design from June 2023 through March 2024, and from a continuity perspective, we also reviewed the period from January 2023 through June 2023.

The evaluation results for all the Directors in the fiscal year ended March 31, 2024 were favorable, and indicated that the effectiveness of the Board of Directors had been maintained. While it was confirmed that the changes in institutional design have contributed to improving the effectiveness of the Board of Directors, it was also found that there is room for improvement in discussions considering the perspectives of diverse stakeholders and in supervising management challenges from a medium- to long-term perspective. Currently, the Board of Directors is discussing the identified issues and measures to be taken to address them. Details of the evaluation results will be disclosed in the upcoming corporate governance report, integrated report, etc.

(Notice of Convocation of the 88th Ordinary General Meeting of Shareholders)

Business Report

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

1. Group Overview of Operations

(1) Operations and results

During the fiscal year ended March 31, 2024, the global economy experienced increasing uncertainty, a reflection of the prolonged war in Ukraine and growing tensions over the Middle East crisis. Despite this, signs of an economic recovery continued to emerge, although there was evidence of weakness in some areas due to price hikes and interest rate increases.

Looking at the market conditions surrounding the Group, production activities in Japan's manufacturing industry showed a tendency towards recovery due to increasing consumer spending following the normalization of social activities, which resulted from the COVID-19 pandemic being downgraded to a Class 5 infectious disease. The removal of constraints on the supply of raw materials also played a role in the recovery of production. However, the recovery slowed down in the second half of the fiscal year, chiefly due to weak semiconductor-related demand and production stoppages at certain auto manufacturers. Capital investment held firm. Overseas, the U.S. economy remained firm, but European economies saw sluggish growth due to rising prices, especially energy prices, and interest-rate hikes. The Chinese economy's rebound was weak, mainly due to the prolonged slump in the real estate market, while other Asian regions showed signs of recovery.

In this environment, the Group has begun implementing a five-year medium-term management plan named PSV-27 (Pioneering Shared Value 2027). The basic policy is to refine human resources, technologies and business processes to create value that exceeds expectations from stakeholders through overwhelming speed and problem-solving ability. In the electronics industry, the Group utilized, throughout the value chain, its water knowledge, which it had acquired and visualized by leveraging digital technology and analyzing the data accumulated primarily in the water supply service business. The Group brought together in a single organization three functions—sales, production, and development—to offer solutions that help customers solve their problems in the areas of environmental impact reduction, including water saving, greenhouse gas emission reduction, and recycling waste, as well as productivity improvements. In the general industry, the Group identified, in a centralized manner, the trends and needs of customers involved in various types of business and stepped up initiatives to expand the CSV (creating shared value) business*¹ globally, offering solutions that create value shared with society. Overseas, the Group acquired stock of four companies, Arcade Group companies including Arcade Engineering GmbH in Germany. As a result, the Group obtained manufacturing bases and a supply chain for its water treatment facilities business for the electronics industry in Europe, and worked to build a business foundation.

As a result, total consolidated orders for the Kurita Group in the fiscal year ended March 31, 2024 amounted to 390,152 million yen (up 4.2% year on year), and net sales amounted to 384,825 million yen (up 11.7% year on year). Business profit*² was 42,055 million yen (up 9.0% year on year), operating profit was 41,232 million yen (up 41.9% year on year), profit before tax was 41,686 million yen (up 38.3% year on year), and profit attributable to owners of parent was 29,189 million yen (up 45.0% year on year).

During the fiscal year, other income of 1,968 million yen and other expenses of 2,791 million yen were posted. Other income increased 404 million yen from the previous fiscal year, chiefly due to foreign exchange gains posted at European subsidiaries. Other expenses decreased 8,304 million yen, chiefly reflecting the absence of a goodwill impairment loss of 7,646 million yen related to Kurita America, Inc. posted in the previous fiscal year. The other income and expenses significantly boosted operating profit, profit before tax, and profit attributable to owners of parent.

Although the business profit margin was 10.9% (down 0.3 percentage points year on year), ROE was 9.3% (up 2.2 percentage points year on year), with an improvement owing to profit growth. ROIC (Return on Invested Capital) was 7.2% (down 0.8 percentage points year on year), due to progress of capital expenditures for water supply services, and an increase in DX investments.

(Notes) 1. CSV (Creating Shared Value) business is defined as products, technologies, and business models that greatly contribute to water saving, greenhouse gas emission reduction, and recycling waste or reduction of resource input, compared to previous levels.

[Translation for Reference and Convenience Purposes Only]

2. 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

The Group changed its reportable segments to Electronics Industry and General Industry, starting from the fiscal year ended March 31, 2024.

Year-on-year comparisons are based on figures for the same period of the previous fiscal year which have been reclassified to conform to the new segments.

Electronics Industry

Orders for recurring contract-based services increased chiefly due to the contribution of an ultrapure water supply contract that began in the previous fiscal year, and orders for maintenance exceeded the high level recorded in the previous fiscal year. However, orders for water treatment facilities decreased due to the absence of orders for large-scale projects posted in the previous fiscal year. Orders for precision tool cleaning fell, reflecting the impact of lower capacity utilization at customers' plants in Japan and the U.S. associated with the deterioration in semiconductor market conditions. As a result, total Group orders for the Electronics Industry segment amounted to 165,805 million yen (down 2.4% year on year).

Total Group net sales for the Electronics Industry segment amounted to 172,698 million yen (up 15.7% year on year). While net sales of precision tool cleaning decreased, net sales of water treatment facilities rose sharply due to progress with the construction of already ordered large-scale projects and net sales of recurring contract-based services and maintenance also grew. In terms of profits, business profit amounted to 19,938 million yen (down 8.3% year on year), and operating profit amounted to 20,202 million yen (down 3.3% year on year), reflecting a decrease in sales of precision tool cleaning and a deterioration in the cost of sales ratio in facility projects.

General Industry

Orders for water treatment chemicals declined given lower capacity utilization at customers' plants, mainly in China. Orders for water treatment facilities rose mainly due to the addition of Arcade Engineering GmbH and its group companies as new consolidated subsidiaries. Orders for recurring contract-based services, engineering cleaning, and maintenance also increased. As a result, total Group orders for the General Industry segment amounted to 224,346 million yen (up 9.8% year on year).

Total Group net sales for the General Industry segment amounted to 212,127 million yen (up 8.6% year on year). Decline in sales of water treatment chemicals was offset by the addition of new consolidated subsidiaries and recognition of revenue from the order backlog in the water treatment facilities business and maintenance business, as well as growth in recurring contract-based services and engineering cleaning, resulting in growth in net sales.

In terms of profits, business profit amounted to 22,103 million yen (up 30.8% year on year), reflecting higher sales and efforts to improve profitability, including product mix optimization and cost-cutting. Operating profit rose significantly to 21,030 million yen (up 155.1% year on year), reflecting the absence of a goodwill impairment loss of 7,646 million yen related to Kurita America, Inc. posted in the previous fiscal year.

(3) Status of capital expenditure

The Kurita Group carried out capital expenditure amounting to a total of 38,916 million yen (down 7,712 million yen year on year).

The amount consists of capital expenditure in the Electronics Industry segment for the ultrapure water supply business of 31,949 million yen, and in the General Industry segment of 6,967 million yen.

(4) Status of financing

The Company procured 12,000 million yen in long-term borrowings from financial institutions in the fiscal year under review, for the purpose of appropriation for operating funds.

(5) Significant company reorganization

1) Company split with Land Solution Inc.

The Company implemented a company split in which Land Solution Inc., a consolidated subsidiary of the Company, succeeded to the Company's soil and groundwater remediation business on April 1, 2023.

2) Acquisition of shares in European companies manufacturing and selling water treatment facilities

The Company acquired shares in four companies that consist of Arcade Engineering GmbH in Germany and its affiliated companies, through Kurita Europe GmbH, a consolidated subsidiary of the Company, on July 3, 2023.

(6) Changes in assets and profit and loss

[The Kurita Group]

	Classification	85th Fiscal Year 2020	86th Fiscal Year 2021	87th Fiscal Year 2022	88th Fiscal Year 2023
		IFRS	IFRS	IFRS	IFRS
Profit and Loss	Orders (Million yen)	262,341	315,240	374,268	390,152
	Net sales (Million yen)	267,749	288,207	344,608	384,825
	Business profit (Million yen)	29,470	32,944	38,589	42,055
	Operating profit (Million yen)	31,529	35,734	29,058	41,232
	Profit before tax (Million yen)	29,150	30,079	30,151	41,686
	Profit attributable to owners of parent (Million yen)	19,088	18,471	20,134	29,189
	Basic earnings per share (Yen)	169.94	164.38	179.14	259.70
Assets	Total assets (Million yen)	424,928	469,981	501,538	557,407
	Total equity (Million yen)	257,837	277,862	295,759	333,411
	Equity attributable to owners of parent per share (Yen)	2,252.86	2,419.58	2,615.42	2,947.73
Number of Companies	Consolidated subsidiaries	67	70	69	72
	Equity method affiliates	5	5	5	3

(Notes) 1. 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.

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2. 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.
3. Treasury stock includes about 274 thousand shares of treasury stock for the stock compensation plan that is introduced to officers of the Company and certain officers of major domestic Group companies, held by Custody Bank of Japan, Ltd. (Trust Account).

(7) Issues to be addressed

The Group started the medium-term management plan Pioneering Shared Value 2027 (PSV-27) from the fiscal year ended March 31, 2024. In the PSV-27 plan, we have placed sustainability in the core of management strategy, and we will strengthen our initiatives to link the enhancement of value for society and our customers with the improvement of the Kurita Group's economic value.

In the fiscal year ended March 31, 2024, the first year of the PSV-27 plan, we strengthened our efforts in the electronics industry, thereby gaining orders of water supply services from new customers and building a business foundation in Europe by acquiring the stock of Arcade Group companies including Arcade Engineering GmbH in Germany. Additionally, the entire Group was committed to developing the CSV business. In Japan, in order to accelerate the CSV business we decided to merge sales companies of the Group and launched businesses that contribute to a circular economy society, and we received the first order for the used diaper separation and treatment system. Kurita America, Inc., which had issues in profitability, has promoted transformation including withdrawals from unprofitable businesses under the new management structure, and improvement is proceeding in its profitability. Furthermore, in order to promote innovation to resolve social issues, we reviewed structures and frameworks to realize innovation. In order to strengthen the foundation as a technology-driven company, we conducted integrative analyses of intellectual property and markets, and began to utilize the IP landscape, a way in which the thereby-obtained data is exploited for management strategies. Moreover, in order to strengthen the Group management foundations, we proceed with the recruiting activity including hiring of experienced personnel, and human resource development.

In the fiscal year ending March 31, 2025, the second year of the PSV-27 plan, we need to pave a strong way for achieving the plan. To this end, we will work on the following five key initiatives, as the Group's issues to be addressed.

1) Strengthen business foundation and promote global expansion in the electronics industry

We aim to construct electronics business strategies under the framework of global four areas (Japan, Asia, North and South America, EMEA), as well as to diversify water supply services and to expand our customer base. Furthermore, we will promote a production process reform to ensure the achievement of reductions in lead time and construction cost, while continuing developing service businesses.

2) Improve profitability through the CSV business

We will expand CSV businesses with stronger group-wide collaboration, while constructing operational processes in an agile way to create new CSV businesses, as well as launching projects that accelerate these initiatives as group-wide efforts. In addition, we will aim to improve profitability by reducing low-profitable businesses.

3) Promote innovation to resolve social issues

We will establish a highly efficient development base and operate such base, by having processes reviewed for the creation of innovation carried out in the fiscal year ended March 31, 2024. Furthermore, we will enhance the linkage in R&D functions within the Group, construct and develop competitive superiority based on technological perspectives.

4) Strengthen foundation as a technology-driven company

We will continue to recruit and nurture human resources from various fields who support the Company as a technology-driven company, and utilize the big data of intellectual properties to determine our directions of innovations and businesses. We will also acquire rights of "water knowledge" and ensure competitive superiority in developmental technologies and business models.

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5) Further strengthen the Group management foundations

We will introduce platforms for talent management to promote the aggregation and exploitation of human resources data, while making integrative visualization of financial and non-financial data that lead to enhancing corporate value. Furthermore, we specify initiatives with high priority for achieving the PSV-27 plan and construct frameworks to manage such initiatives.

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(8) Principal businesses (As of March 31, 2024)

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 businesses in each business segment of the Kurita Group are as follows:

Segment	Principal business
Electronics Industry	Manufacture and sale of water treatment facilities, recurring contract-based services, water supply services, manufacture and sale of water treatment chemicals, precision tool cleaning services, maintenance of water treatment facilities, operation and maintenance of water treatment facilities
General Industry	Manufacture and sale of water treatment facilities, recurring contract-based services, water supply services, manufacture and sale of water treatment chemicals, maintenance of water treatment facilities, engineering cleaning, operation and maintenance of water treatment facilities, soil and groundwater remediation, environmental analysis (water quality, soil), software services

(9) Principal offices (As of March 31, 2024)

The Company	Head Office	10-1, Nakano 4-chome, Nakano-ku, Tokyo
	Osaka Office	3-9, Hommachi 4-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)
Kurita Innovation Hub (Akishima-shi, Tokyo)		
Engineering Center (Mitaka-shi, Tokyo)		
Subsidiary	Japan	Kurita Chemical Manufacturing Ltd. (Ibaraki and others)
		Kuritz 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) 1. As of March 31, 2024, the Company had 17 sales branch offices, but on April 1, 2024, the Tohoku Office became the Sendai Sales Branch, the Nagoya Office became the Nagoya Sales Branch, the Hiroshima Office became the Hiroshima Sales Branch, and the Iwakuni Sub-Branch became the Iwakuni Sales Branch. As a result, the Company has no branch office and 21 sales branch offices as of April 1, 2024.
2. Hansu Technical Service Ltd. and Hansu Co., Ltd. merged, changing its name to KURITA HANSU Water Industries Ltd. on April 1, 2024.

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(10) Important subsidiaries (As of March 31, 2024)

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 31.6	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	100	Precision tool cleaning services Cleaning and certification of clean rooms Manufacture and sale of equipment
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	Precision tool cleaning services
Kurita Chemical Manufacturing Ltd.	JPY 50	100	Manufacture of water treatment chemicals

(Note) Hansu Technical Service Ltd. and Hansu Co., Ltd. merged, changing its name to KURITA HANSU Water Industries Ltd. on April 1, 2024.

(11) Employees (As of March 31, 2024)

[The Kurita Group]

Number of employees	Year-on-year change
7,981	+197

[The Company]

Number of employees	Year-on-year change	Average age	Average length of service
1,625	+1	43.1	17 years and 4 months

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(12) Main lenders and outstanding borrowings (As of March 31, 2024)

Main lenders	Outstanding borrowings
MUFG Bank, Ltd.	7,652 million yen
Resona Bank, Limited	6,200 million yen
Sumitomo Mitsui Trust Bank, Limited	5,600 million yen

- (Notes)
1. The borrowing amounts above include the borrowings from overseas subsidiaries of the lenders.
 2. Although the Company has concluded commitment line contracts with a maximum loan amount of 20,000 million yen with two financial institutions with which it has transactions, the Company had no outstanding borrowings based on this contract as of March 31, 2024.

(13) Important matters concerning the Kurita Group

1) Transition to a Company with a Nominating Committee, etc.

In accordance with the resolution of the 87th Ordinary General Meeting of Shareholders held on June 29, 2023, the Company made the transition from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc. as of the same date.

2) Reorganization of domestic sales companies

The Company has merged domestic sales companies, etc., consolidated subsidiaries of the Company, changing the tradenames of the surviving companies, effective April 1, 2024. The details are as follows:

New company name	Kurita East Japan Co., Ltd.	Kurita West Japan Co., Ltd.
Surviving company	Kurita Kanto Ltd.	Kurita Kansai Ltd.
Merged companies	Kurita BMS Co., Ltd., Kurita Hokkaido Ltd., Kurita Kitakantou Co., Ltd., Kurita Buil-Tech Co., Ltd. (four companies)	Kurita Tokai Ltd., Kurita Hokuriku Ltd., Kurita Meiki Ltd., Kurita Sanyo Ltd., Kurita Kyushu Ltd. (five companies)

3) Reorganization of overseas consolidated subsidiaries in South Korea

Hansu Technical Service Ltd. and Hansu Co., Ltd., consolidated subsidiaries of the Company, merged, with Hansu Technical Service Ltd. being as a surviving company, changing its name to KURITA HANSU Water Industries Ltd., effective April 1, 2024.

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2. Stock of the Company (As of March 31, 2024)

(1) Total number of issuable shares

531,000,000 shares

(2) Total number of issued shares

116,200,694 shares (including 3,547,396 shares of treasury stock)

(3) Number of shareholders

23,261 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)	16,753	14.87
Custody Bank of Japan, Ltd. (Trust Account)	6,963	6.18
Nippon Life Insurance Company	5,979	5.30
BANK PICTET AND CIE (EUROPE) AG, SUCCURSALE DE LUXEMBOURG REF UCITS	2,038	1.80
CLEARSTREAM BANKING S.A.	1,774	1.57
CACEIS BANK, LUXEMBOURG BRANCH/UCITS CLIENTS ASSETS	1,728	1.53
MUFG Bank, Ltd.	1,686	1.49
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS AVFC LENDING 15.315 PCT NON TREATY ACCOUNT	1,621	1.43
GOVERNMENT OF NORWAY	1,592	1.41
KBC BANK NV-UCITS CLIENTS NON TREATY	1,545	1.37

- (Notes)
1. Treasury stock held by the Company is omitted from the above table.
 2. 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.
 3. Treasury stock does not include about 274 thousand shares of treasury stock for the stock compensation plan that is introduced to officers of the Company and certain officers of major domestic Group companies, held by Custody Bank of Japan, Ltd. (Trust Account).

(5) Shares delivered to Directors and Executive Officers 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)	17,848	1
Executive Officer	11,910	1

(6) Other important matters regarding stock

- 1) Holdings of the Company stock by means of a trust pertaining to the performance-linked stock compensation plan

As of March 31, 2024, 274,899 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 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 Executive Officers of the Company (As of March 31, 2024)

(1) Directors and Executive Officers

1) Directors

Name	Position	Responsibility	Important concurrent positions
Michiya Kadota	Director	Chairperson of the Board of Directors Member of the Nominating Committee Member of the Compensation Committee	
Hirohiko Ejiri	Director	Member of the Nominating Committee Member of the Compensation Committee	
Shuji Shirode	Director		
Yukihiko Mutou	Director	Member of the Audit Committee	
Kenjiro Kobayashi	External Director	Chairperson of the Audit Committee Member of the Nominating Committee	
Keiko Tanaka	External Director	Chairperson of the Nominating Committee Member of the Compensation Committee	
Masahiro Miyazaki	External Director	Chairperson of the Compensation Committee Member of the Nominating Committee	Outside Director, Astellas Pharma Inc.
Yoshiko Takayama	External Director	Member of the Nominating Committee Member of the Audit Committee	Vice Chairperson, J-Eurus IR Co., Ltd. Representative Directors, Japan Board Review Co., Ltd. External Member of the Governance Council, Ernst & Young ShinNihon LLC

- (Notes)
- In accordance with the resolution of the 87th Ordinary General Meeting of Shareholders held on June 29, 2023, the Company made the transition from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc. as of the same date.
 - With the transition to a Company with a Nominating Committee, etc., Kenjiro Kobayashi, Yukihiko Mutou, and Toshiaki Tada retired from Members of the Audit & Supervisory Board at the conclusion of the 87th Ordinary General Meeting of Shareholders held on June 29, 2023.
 - At the conclusion of the 87th Ordinary General Meeting of Shareholders held on June 29, 2023, Yasuo Suzuki, Katsuya Amano, Yoshio Yamada, Ryoko Sugiyama, Kenichiro Kamai retired from the office of Directors, and Yukihiko Mutou, Kenjiro Kobayashi, Yoshiko Takayama have been newly appointed as the office of Directors.
 - Kenjiro Kobayashi, Keiko Tanaka, Masahiro Miyazaki, and Yoshiko Takayama are External Directors of the Company under Item 15, Article 2 of the Companies Act.
 - The Company has registered External Directors Kenjiro Kobayashi, Keiko Tanaka, Masahiro Miyazaki, and Yoshiko Takayama as independent officers with the Tokyo Stock Exchange, Inc.
 - Member of the Audit Committee Yukihiko 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 the Company.

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7. Member of the Audit Committee 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.
8. To ensure audit levels, Kenjiro Kobayashi and Yukihiro Mutou have been selected as full-time members of the Audit Committee.

2) Executive Officers

Name	Position	Responsibility and important concurrent positions
Hirohiko Ejiri	President and Representative Executive Officer	Executive General Manager of Regional Management Division
Shuji Shirode	Managing Executive Officer	Executive General Manager of Corporate Control and Administration Division, and Chief Financial Officer (CFO)
Katsuya Amano	Executive Officer	Executive General Manager of Electronics Industry Division and Chief Business Officer for Electronics Industry
Kunihiro Kuse	Executive Officer	Executive General Manager of Engineering Division
Jordi Verdés Prieto	Executive Officer	Head of EMEA & Americas Region, Regional Management Division

- (Notes)
1. In accordance with the resolution of the 87th Ordinary General Meeting of Shareholders held on June 29, 2023, the Company made the transition from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc. as of the same date. The Company also appointed Executive Officers at the Board of Directors' meeting held on the same date. Yasuo Suzuki, who was appointed as Senior Managing Executive Officer at the same date, resigned from the office as of December 25, 2023. At the time of his retirement, his responsibilities and important concurrent positions were Executive General Manager of Regional Management Division and Chief Business Officer for General Industries.
 2. Hirohiko Ejiri and Shuji Shirode concurrently serve as Directors.
 3. No Executive Officers have important concurrent positions.
 4. Responsibilities of Executive Officers were changed as of April 1, 2024, as follows:

Name	Position	Responsibility and important concurrent positions
Hirohiko Ejiri	President and Representative Executive Officer	
Kunihiro Kuse	Executive Officer	Executive General Manager of Engineering Division, and Chief Technology Officer (CTO)
Jordi Verdés Prieto	Executive Officer	Executive General Manager of EMEA & Americas Regional Management Division

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

The Company has entered into an agreement with External Directors Kenjiro Kobayashi, Keiko Tanaka, Masahiro Miyazaki, and Yoshiko Takayama 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

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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, Corporate Officers, and employees with managerial positions of the Company and its subsidiaries.

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

- 1) Total amount of remuneration, etc. for the fiscal year under review
Before the transition to a Company with a Nominating Committee, 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	6 (excluding External Directors)	64 million yen	–	–	64 million yen
	4 (External Directors)	13 million yen	–	–	13 million yen
	Total 10	78 million yen	–	–	78 million yen
Member of the Audit & Supervisory Board	3 (including two external members of the Audit & Supervisory Board)	20 million yen	–	–	20 million yen
Of whom, external officers	6	25 million yen	–	–	25 million yen

- (Notes) 1. In accordance with the resolution of the 87th Ordinary General Meeting of Shareholders held on June 29, 2023, the Company made the transition from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc. as of the same date. The above presents remuneration of Directors and members of the Audit & Supervisory Board who were in office before the transition.
2. 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). 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 “2) 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.

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3. 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.
4. In addition to the above-stated remuneration paid to Directors, 31 million yen of short-term incentive remuneration for the previous fiscal year has been paid to Directors (excluding External Directors), and 17,848 shares of long-term incentive remuneration and 32 million yen, equivalent to a certain proportion of shares sold and converted to cash, have been granted to one Director (excluding External Directors) who retired from office at the conclusion of the 87th Ordinary General Meeting of Shareholders held on June 29, 2023.

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After the transition to a Company with a Nominating Committee, etc.

Classification	Number of payees	Total amount by type of remuneration, etc.			
		Fixed remuneration, etc.	Performance-linked remuneration, etc.		Total
			Short-term incentive remuneration (monetary compensation)	Long-term incentive remuneration (stock compensation)	
Directors	2 (excluding External Directors)	107 million yen	–	–	107 million yen
	4 (External Directors)	58 million yen	–	–	58 million yen
	Total 6	166 million yen	–	–	166 million yen
Executive Officers	6	174 million yen	78 million yen	110 million yen	363 million yen
Of whom, external officers	4	58 million yen	–	–	58 million yen

(Notes) 1. The above-stated paid amounts and number of payees include one Executive Officer who resigned in the fiscal year under review. In addition to the above-stated remuneration paid to Executive Officers, 11,910 shares of long-term incentive remuneration and 21 million yen, equivalent to a certain proportion of shares sold and converted to cash, have been granted to one Executive Officer who resigned from office in the fiscal year under review.

2. Directors who concurrently serve as Executive Officers are not paid remuneration as Directors. Accordingly, remuneration of two persons who concurrently serve as Directors and Executive Officers is included in the Executive Officers' section.

3. 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, 2024, and these amounts are provided above. Additionally, the above-stated fixed remuneration, etc. amount of Directors (excluding External Directors) includes the amount related to the granting of share delivery points for one Director as non-performance-linked stock compensation as a part of fixed remuneration, which was recorded as provisions, etc. as of March 31, 2024.

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

Before the transition to a Company with a Nominating Committee, etc. on June 29, 2023, during the period from April 1, 2023 to June 29, 2023, performance-linked remuneration and non-monetary compensation relating to the fiscal year under review are not recorded. In the fiscal year under review, short-term incentive remuneration and long-term incentive remuneration were paid to Directors (excluding External Directors) as performance-linked remuneration relating to the fiscal year ended March 31, 2023.

Short-term incentive remuneration relating to the fiscal year ended March 31, 2023 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. We apply three environmental indicators, consisted of degree of achievement in water saving, CO₂ emissions reduction, and waste reduction for customers tied to the CSV business, as the evaluation perspective for remuneration related to other contributions, with the aim of accelerating business operations with social value as the starting point and enhancing corporate value through the realization of social value. The amount of short-term 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%.

For long-term incentive remuneration, the Company applies 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.

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.

After the transition to a Company with a Nominating Committee, etc. on June 29, 2023, short-term incentive remuneration and long-term incentive remuneration are paid to Executive Officers 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 Executive Officer, remuneration related to other contributions, and an environmental impact coefficient. The performance indicator used for remuneration linked to consolidated performance is year-on-year change in return on invested capital (ROIC). For remuneration linked to the results of operations overseen by each Executive Officer, the applied performance indicators are the differences between the actual results and plan targets for consolidated operating profit margin and consolidated business profit margin, etc. For remuneration related to other contributions, we apply creation of new recurring contract-based services businesses and CSV businesses, results of orders received, and 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, as the evaluation perspective. We set an environmental impact coefficient that assesses average value of degree of achievement in each indicator of water saving, avoided GHG emissions, and increase in resource recovery or reduction of resource input, through CSV business, with the aim of accelerating business operations with social value as the starting point and enhancing corporate value through the realization of social value. The amount of short-term incentive remuneration is calculated by calculating a payment rate that fluctuates depending on the level of achievement of performance indicators for remuneration linked to consolidated performance, remuneration linked to the results of operations overseen by each Executive Officer, remuneration related to other contributions, and by multiplying the obtained payment rate by a coefficient that corresponds to the level of achievement of the environmental impact coefficient, and multiplying a base amount by position relating to short-term incentive remuneration by the obtained amount.

Furthermore, of the indicators used for short-term incentive remuneration, the performance indicator for remuneration linked to consolidated performance, which applies to all Executive Officers eligible for performance-linked remuneration, uses four levels based on year-on-year change in return on invested capital (ROIC). The result of return on invested capital (ROIC) in the fiscal year under review was 7.2%, below 8.0% from the previous fiscal year, which falls under the third evaluation level from the top out of four evaluation levels.

Additionally, the average value of the level of attainment for targets of water saving, avoided GHG emissions, and increase in resource recovery or reduction of resource input, through CSV business, which are evaluation indicators for an environmental impact coefficient, was below 100%, and the environmental impact coefficient is in the lowest evaluation level out of three evaluation levels.

For long-term incentive remuneration, the Company has a performance-linked stock compensation plan, whereby points are granted to Executive Officers in accordance with business performance and position during their time in office, and a number of shares of the Company's stock with restriction on transfer equivalent to the number of points granted are annually delivered to the Executive Officer (However, for Executive Officers who are non-resident in Japan, the stock without transfer restrictions are delivered, subject to resolution of the Compensation Committee, in consideration for laws, regulations, and taxation in countries of residence). Long-term incentive remuneration uses consolidated return on equity attributable to owners of parent (ROE), and total shareholder return (TSR) as the performance indicators. The amount of long-term incentive remuneration is calculated by multiplying a payment rate that fluctuates depending on the level of achievement of consolidated return on equity attributable to owners of parent (ROE), by a coefficient that corresponds to the level of achievement of total shareholder return (TSR), and multiplying a base amount by position relating to long-term incentive remuneration by the obtained amount. The result of consolidated return on equity attributable to owners of parent (ROE) of 9.3%, and total shareholder return (TSR) in the fiscal year under review were below the TOPIX growth rate, with the TSR coefficient falling under the lowest evaluation level out of three evaluation levels. Remuneration of Executive Officers who are non-resident in Japan is handled in a different way from the Company's internal regulations on officers' remuneration, subject to determination of the Compensation Committee, in consideration of remuneration levels and customs in countries of residence.

The reason for selecting return on invested capital (ROIC), consolidated operating profit margin, consolidated return on equity attributable to owners of parent (ROE), total shareholder return (TSR), 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.

Part of fixed remuneration of Directors (excluding External Directors and Directors who are Audit Committee members) is non-performance-linked stock compensation, whereby points are granted to Directors in accordance with position, and a number of shares of the Company's stock with restriction on transfer equivalent to the number of points granted are annually delivered to the Director.

Furthermore, trends in performance indicators, including the fiscal year under review, are provided in "1. (1) Operations and results."

3) Matters related to policies for determining the contents of individual remuneration of Directors and Executive Officers

The Company's basic policy regarding the determination of remuneration for Directors and Executive Officers is as follows.

Basic policy regarding the determination of remuneration for Directors and Executive Officers

1. The remuneration paid to Directors and Executive Officers is designed to attract and retain talented people with diverse skills, experience, etc., to help realize the corporate philosophy.
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.

The Company resolves on matters related to policies for determining the contents of individual remuneration of Directors and Executive Officers at the Compensation Committee meeting.

The remuneration system for the Company's Directors consists only of fixed remuneration, as Directors focus on supervising. In addition, in order for Directors to share the risks of share price fluctuations with the shareholders, part of fixed remuneration of Directors (excluding External Directors and Directors who are Audit Committee members) is paid by non-performance-linked stock compensation. Along with this, a portion of fixed remuneration of External Directors, and Directors who are Audit Committee members is appropriated for the Directors' Shareholding Scheme for the purchase of the Company's shares. The remuneration system for the Company's Executive Officers consists of fixed remuneration and incentive remuneration that reflects performance. The fixed remuneration is a fixed amount by position, etc. for the Directors and Executive Officers. Non-performance-linked compensation that is applied to Directors (excluding External Directors and Directors who are Audit Committee members) gives a system, whereby points are granted to Directors in accordance with position, and a number of shares of the Company's stock with restriction on transfer equivalent to the number of points are annually delivered to the Director. The incentive remuneration is intended to motivate Executive Officers to continuously improve the Kurita Group's business results, and to enhance corporate value through the realization of social 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, the evaluation of each individual's performance of his or her duties, and the level of attainment of environmental indicators and targets tied to the Kurita Group's materiality, and long-term incentive remuneration, whereby points are granted to Executive Officers in accordance with business performance and position during their time in office, and a number of shares of the Company's stock with restriction on transfer equivalent to the number of points granted are annually delivered to the Executive Officer (However, for Executive Officers who are non-resident in Japan, if special handlings are required according to laws, regulations, and taxation, or due to other special circumstances, the Company may deliver the stock without transfer restrictions, subject to resolution of the Compensation Committee). Additionally, in the event of a rational judgment that the application of the Company's internal regulations on officers' remuneration is difficult due to laws and regulations in countries of residence, and other reasons, the Company may handle the remuneration in a different way from the internal regulations, subject to determination of the Compensation Committee.

The Compensation Committee consists of the five members with three External Directors, the Director and Chairman who is non-executive; and the Director, President and Executive Officer; and an External Director Masahiro Miyazaki serves as a chairperson. The above-stated "Basic policy regarding the determination of remuneration for Directors and Executive Officers" is provided by the Company's internal regulations on officers' remuneration, which correspond to policies for individual remuneration, etc. of Directors and Executive Officers that are resolved by the Compensation Committee. Individual remuneration of Directors

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and Executive Officers is calculated based on the Company's internal regulations on officers' remuneration. Therefore, the Compensation Committee has judged that the contents of individual remuneration for the fiscal year under review are in line with these policies.

(5) External Directors

- 1) The important concurrent positions that External Directors hold at other companies are described in the aforementioned “(1) Directors and Executive Officers.” No special interest exists between the Company and the other companies, etc. at which Masahiro Miyazaki and Yoshiko Takayama hold concurrent positions.
- 2) Principal activities of External Directors

Name	Position	Record of attendances at the Board of Directors and Committees meetings	Principal activities and an outline of duties performed by External Directors in relation to their expected roles
Kenjiro Kobayashi	External Director	Board of Directors 15/15 (100%)	Mr. Kobayashi has actively expressed his opinions on growth strategies and financial strategies from a medium- to long-term perspective at the Board of Directors, by utilizing high expertise and a wealth of international experience in the areas of finance, corporate planning, new business development and M&A, etc. He also conducts daily audits as a chairperson and full-time member of the Audit Committee, and expresses his opinions in the Audit Committee meetings and other important meetings, mainly based on his expert perspective in finance and accounting.
		Nominating Committee 8/8 (100%)	
		Audit Committee 12/12 (100%)	
Keiko Tanaka	External Director	Board of Directors 15/15 (100%)	Ms. Tanaka has actively expressed her opinions on corporate management and business administration in corporate groups with global operations at the Board of Directors, based on a great deal of knowledge on public relations, marketing, and HR management as well as international experience. She also gave advice on group-wide human resource development, through appropriate discussions and deliberations on successor candidate development planning for president, etc., as a chairperson of the Nominating Committee.
		Nominating Committee 8/8 (100%)	
		Compensation Committee 5/5 (100%)	

Name	Position	Record of attendances at the Board of Directors and Committees meetings	Principal activities and an outline of duties performed by External Directors in relation to their expected roles
Masahiro Miyazaki	External Director	Board of Directors 15/15 (100%)	Mr. 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 mainly in the electronics industry, both in Japan and overseas. Based on this experience, he has actively expressed his opinions on growth strategies from a medium-to long-term perspective with aspects of appropriate risk-taking at the Board of Directors meetings. He also revised the remuneration system through appropriate discussions and deliberations on performance evaluation of officers and remuneration details, as a chairperson of the Compensation Committee.
		Nominating Committee 8/8 (100%)	
		Compensation Committee 5/5 (100%)	
Yoshiko Takayama	External Director	Board of Directors 12/12 (100%)	Ms. Takayama has expressed her opinions mainly in terms of corporate governance in the Board of Directors meetings, Audit Committee meetings and other important meetings, based on her international experience, as well as abundant experience in the field of Investor Relations, and high expertise related to corporate governance. She also appropriately discussed and deliberated initiatives for materiality, as a chairperson of the Sustainability Advisory Council, while explaining sustainability management to stakeholders.
		Nominating Committee 5/5 (100%)	
		Audit Committee 12/12 (100%)	

- Notes: 1. In accordance with the resolution of the 87th Ordinary General Meeting of Shareholders held on June 29, 2023, the Company made the transition from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc. as of the same date. Therefore, the attendance records of each committee meeting indicate their attendances after June 29, 2023. The attendance records of the Board of Directors meetings for Kenjiro Kobayashi include his attendances as an external member of the Audit & Supervisory Board before the transition to a Company with a Nominating Committee, etc. Additionally, Kenjiro Kobayashi attended all meetings of the Audit & Supervisory Board held before the transition.
2. The attendance records of the Board of Directors meetings for Yoshiko Takayama indicate her attendance after she assumed office as Director on June 29, 2023.

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	84 million yen
Sum of the amount of money and other material advantage to be paid by the Company and its subsidiaries to Accounting Auditor	104 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. “Sum of the amount of money and other material advantage to be paid by the Company and its subsidiaries to Accounting Auditor” includes the amount payable for non-audit services, namely, the preparation of certificates.
 3. The Audit Committee has furnished its consent with respect to amount of remuneration paid by the Company for the fiscal year under review, 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.
 4. Among the Company’s significant subsidiaries, overseas subsidiaries 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 Committee 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 Committee, the Accounting Auditor will be dismissed.

Moreover, the Audit Committee 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, to be submitted to general meetings of shareholders, particularly if the Audit Committee finds it difficult for the Accounting Auditor to execute its duties appropriately.

(4) Administrative order for the suspension of operations imposed on the Accounting Auditor in the past two years

1) Subject of administrative order

Grant Thornton Taiyo LLC

2) Contents of administrative order

Suspension of operations related to the conclusion of new contracts for a period of three months (from January 1, 2024 to March 31, 2024, excluding the renewal of audit contracts and new contracts associated with the listing of companies with whom an audit contract exists)

3) Grounds for administrative order

Two certified public accountants, who are partners of Grant Thornton Taiyo LLC, neglected considerable care in auditing other company’s amendment report, etc., and attested the financial documents containing material misstatements as if they contained no material misstatements.

System to ensure appropriate operations and operational status

With the transition to a Company with a Nominating Committee, etc. as of June 29, 2023, the Company revised the Kurita Group's Basic Policies for Constructing an Internal Control System at the Board of Directors meeting held on the same date. Basic Policies for Constructing an Internal Control System as of March 31, 2024 are as follows.

1 System to ensure that the execution of the duties of Executive Officers and employees conforms with laws, regulations, and the Articles of Incorporation

- (1) The Company and its consolidated subsidiaries (the "Group Companies"). will comply with laws and regulations in accordance with social ethics and have specified actions based on compliance with laws, regulations, and social ethics as a prerequisite for corporate activities to construct transparent and fair relationships with shareholders, customers, employees, local communities, and trade partners at all places in which business activities are conducted. We have also established the Kurita Group Code of Conduct and Code of Ethics (fairness, transparency, integrity, safety and compatibility), with which officers, etc. (collective term for Directors, Executive Officers, Corporate Officers, and other personnel equivalent to them and Directors, members of the Audit & Supervisory Board, and personnel equivalent to them of the Group Companies; the same applies hereinafter) and employees of the Company and the Group Companies should comply, irrespective of differences in 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 Sustainability Committee, which is chaired by the Executive General Manager of the Sustainability Division, who is a Corporate Officer. In this Committee, the members set out policies and important measures for integrity activities*, and convey them to all employees through the divisions, and a committee, etc. of each Group Company. The responsible Executive Officer or Corporate Officer will regularly report the status of activities and their results to the Board of Directors to continuously raise the compliance level. If the Chairperson of this Committee determines that there is a serious problem or a doubt related to compliance, the Chairperson will immediately report it to the President and Representative Executive Officer and the Chairperson of the Audit Committee, and then formulate and implement remedial actions and preventive measures. The President and Representative Executive Officer and the Chairperson of this Committees will report these events to the Board of Director or the Audit Committee whenever appropriate.

*The term "integrity activities" involve activities related to compliance.

- (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 placed under the direct control of the President and Representative Executive Officer in the organizational structure and conducts internal audits based on audit plans approved by the Audit Committee and the President and Representative Executive Officer. The General Manager of Internal Auditing Department shall report audit results to the Audit Committee and the President and Representative Executive Officer periodically or after each audit, depending on the type of audit. Moreover, the General Manager of Internal Auditing Department shall, where there is an emergency or special measures are deemed to be required during audits, immediately report to a member of the Audit Committee, and where necessary, to the President and Representative Executive Officer.
- (4) The Company establishes the Operational Regulations for Whistle-Blower Protection Systems as a mechanism for the officers, etc. and 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 establishes 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, advices on 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 Corporate Accounting Department in the Corporate Control and Administration 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 the Tokyo Stock Exchange, 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) The Kurita Group views sustainability as corporate activities within the natural environment and social systems, and the pursuit of sustainable growth taking into account the impact of corporate activities on the environment and social systems, and vice versa. It positions sustainability at the core of business management. Under the corporate vision of “Pioneering ‘new value for water’ to contribute to the realization of a sustainable society,” we identified material issues toward the realization of a sustainable society as eight issues of materiality, taking account of global issues related to sustainability, and set metrics and targets. Initiatives on these issues have been led by the Sustainability Committee, which is an organization placed on the executive side, and the Board of Directors has been overseeing its activities.
- (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 Sustainability Committee holds meetings regularly to check the state of progress of key measures and issues. 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. In addition, the Sustainability Advisory Council is placed on the supervisory (Board of Directors) side. The Sustainability Advisory Council has been examining Kurita’s approach to sustainability management in the best interests of varied stakeholders including shareholders, based on a medium- to long-term perspective, while being consulted by, and submitting reports to the Board of Directors.
- (d) The Company established the Kurita Group Code of Conduct, the Corporate Governance Policies, the Basic Policies for Constructing an Internal Control System, 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 former CSR Policy was renewed as the Kurita Group’s materiality, which was resolved by the Board of Directors, with eight issues of materiality included in the Medium-term Management Plan PSV-27. Under the frameworks of operation and supervision described in (a) above, the Company has been conducting activities related to sustainability. Additionally, 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 integrity 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 Operational Regulations for Whistle-Blower Protection Systems and have set up consultation desk and reporting desk operated by outside organizations.

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- (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) The Company reviews its corporate governance policies regularly (at least once a year) or as necessary. During the fiscal year under review, we reviewed the Corporate Governance Policies, with the transition to a Company with a Nominating Committee, etc.

2 System to store and manage information about the execution of the duties of Executive Officers

Information about the execution of the duties of Executive Officers is stored and managed in documents (including electromagnetic records) by appointing a responsible person in charging of managing it and setting the storage period, etc., in accordance with the Document Regulations and the Confidential Information Management Regulations. The Directors 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 by the Executive General Manager of the Corporate Control and Administration Division. The Executive General Manager of the Corporate Control and Administration Division 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 becomes apparent, the Executive General Manager of the Corporate Control and Administration Division 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 Executive Officer. 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 Executive Officer, the Executive General Manager of the Corporate Control and Administration Division, and the Board of Directors or the Audit Committee.
- (2) In regards to serious risks, the Chairperson of the Sustainability Committee will be the responsible official for risks related to compliance, and the Chairperson of the Headquarters Health and Safety Committee will be the responsible official for risks related to health, safety, and occupational accidents. 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 Control and Administration Division, the Chairpersons of the Committees, and the Executive General Managers of the divisions regularly report the status of activities to promote risk management and integrity to the Board of Directors.
- (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, corporate 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, pandemics, or geopolitical risks. During the fiscal year under review, the Company conducted proper documentation both in Japan and abroad in line with the framework of ISO 22301, an international standard that defines the BCM, and provided safety report drills and e-learning courses to all employees for the purpose ensuring employee safety, while expanding business continuity plans for each group company. Furthermore, the Company established a dedicated organization to address tightening of regulations against PFAS* in Japan and overseas, and has been analyzing risks and business opportunities and taking action based on this analysis.

*A generic term for organic fluorine compounds with roughly 10,000 types. Although they have been used in various products and uses, for their characteristics of higher resistance to water, oil, stains, etc., there have been worries about harmfulness to humans due to environmental persistence and bioaccumulation, and some PFAS have already been regulated by international treaties for manufacture, use, import and export.

- (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 and the Executive Committee have been regularly receiving reports regarding the promotion status of risk management and integrity activities, and the Board of Directors and the Audit Committee 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 Executive Officers

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

- (1) The Board of Directors specifies the operations delegated to the Executive Officers and the responsible officials of organizations with the rank equivalent to or higher than Executive General Manager of a division.
- (2) The Board of Directors determines policies for formulating a corporate vision, a medium-term management plan, and a business plan for a single fiscal year, and the Executive Officers formulate a business plan for a single fiscal year in accordance with the said policies and set out the targets, policies, and focused measures for each organization. The Board of Directors receives reports from the Executive Officers on monthly and quarterly business performance in relation to the consolidated and non-consolidated targets of the Company and the business departments and supervises the performance.
- (3) The Board of Directors entrusts the Executive Officers to make decisions on operational execution excluding matters to be resolved by the Board of Directors. In addition, the final decision application system is set up, in line with the Executive Committee and the Final Decision and Examination Regulations, as a system to complement the decision-making.
- (4) The Executive Committee consists of the President and Representative Executive Officer and Executive Officers and Corporate Officers appointed by the President and Representative Executive Officer. The committee meets twice a month in principle, and on a temporary basis when necessary. In the Executive Committee, the members make decisions related to the management of the Company and the Group Companies, conduct a monthly and quarterly check of whether targets have been achieved and the status of implementation of policies and measures, and give each Executive Officer and Corporate Officer instructions to correct deviations. The members of the Audit Committee may attend the Executive Committee.

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- (5) The decision to establish, revise, or abolish the Final Decision and Examination Regulations is made by the Board of Directors. For the Executive Officers and Corporate 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, 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 Executive Officer, and Executive Officers and Corporate Officers appointed by the President and Representative Executive Officer. The committee has been meeting twice a month in principle, and on a temporary basis when necessary. The members of the Audit Committee selected by the Audit Committee 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 Group Companies perform operations appropriately by the following systems and the frameworks that are in place.

- (1) The Company and 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 Group Companies is controlled by the Corporate Control and Administration Division. In addition, an Executive Officer, Corporate Officer, and 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 Group Companies dispatch a (non-standing) director and (non-standing) member of the Audit & Supervisory Board to monitor the management of the Board of Directors, business performance, settlement of accounts, and risks. If a decision needs to be made as the Group Companies, the decision is made 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, the Board of Directors, or the Executive Committee of the Company.
- (4) In regards to the Group Companies' efforts related to integrity, the Sustainability Committee of the Company sets out policies and priority measures, and a committee, etc. of each Group Company formulates and implements specific measures. In addition, the system for ensuring the accuracy of the financial reporting by the Group is considered and established as part of the approaches stated in Article 1, Paragraph 5.
- (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 Executive Officer 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 Control and Administration Division.
- (b) In regards to the Group Companies' efforts related to integrity, the Sustainability Committee of the Company has set out policies and priority measures, and a committee, etc. of each Group Company has formulated and been implementing specific measures.

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- (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) The members of the Audit Committee selected by the Audit Committee have been conducting audits and surveys with respect to the Company and the Group Companies in accordance with audit policies and audit plans, etc. established by the Audit Committee.

6 Matters related to an employee assigned to assist the Audit Committee in fulfilling its duties, matters related to the independence of the employee from the Executive Officers, and matters related to ensuring the effectiveness of instructions issued to the employee

- (1) The Secretariat to the Audit Committee is set up as an organization that assists the Audit Committee in fulfilling its duties, and an employee, etc. is appointed as its full-time staff member. The Audit Committee may instruct a certain employee, etc. who belongs to the Internal Auditing Department to assist the Committee.
- (2) The employee, etc. who assists the Audit Committee in fulfilling its duties provides assistance independent of the Executive Officers. In addition, the opinions of the members of the Audit Committee are respected regarding personnel changes and evaluations, etc. of the employee, etc.
- (3) The employee, etc. who assists the Audit Committee in fulfilling its duties may regularly attend places where opinions are exchanged between the President and Representative Executive Officer and the accounting auditor within the company of a member of the Audit Committee.

Outline of operational status

The Secretariat to the Audit Committee was set up as an organization that assists the Audit Committee in fulfilling its duties, and an employee, etc. was appointed as its full-time staff member. In addition, the General Manager of Internal Auditing Department supports the Audit Committee in audit work as the Secretariat to the Audit Committee, and the Audit Committee gives instructions to specific employees in the Internal Auditing Department to assist audit work as necessary.

7 System for reporting to the Audit Committee

- (1) In order to regularly confirm that the Executive Officers, Corporate Officers, and employees of the Company perform operations appropriately, the members of the Audit Committee may attend the Executive Committee and the Sustainability Committee, etc.
- (2) The members of the Audit Committee selected by the Audit Committee (hereinafter, the “selected members of the Audit Committee”) 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 Executive Officers and Corporate Officers of the Company report important matters related to the execution of duties to the Audit Committee or the members of the Audit Committee whenever appropriate through the Board of Directors meetings and other important meetings.
- (4) The officers, etc. and employees of the Company and the Group Companies immediately report matters which may cause significant damage to the operations or financial standing of the Group, matters which are important for internal audits and risk management, matters related to a grave breach of laws, regulations, or the articles of incorporation, and other matters which are important for complying with corporate ethics, laws, and regulations, to the respective departments in charge within the Company. The departments in charge report the details of the reported matter to the Audit Committee or a member of the Audit Committee.
- (5) The selected members of the Audit Committee may request officers, etc. and employees of the Company and the Group Companies to report matters related to the execution of their duties and operations, and those who were requested to do so shall immediately submit the report. The selected members of the Audit Committee may also request the accounting auditor to report the status of accounting audits and other necessary matters, and the accounting auditor makes a report related to accounting as needed.

[Translation for Reference and Convenience Purposes Only]

- (6) The Company prohibits those who made a report to a department in charge, the Audit Committee or the members of the Audit Committee in accordance with the provisions of the above paragraph (4) from being treated unfavorably on the grounds of making a report, and makes this fact fully known to officers, etc. and employees of the Company and Group Companies.

Outline of operational status

- (a) The selected members of the Audit Committee have been attending the Board of Directors meetings and other important meetings such as those of Executive Committee and Sustainability Committee, and has been performing audits of Executive Officers, Corporate Officers, and employees with respect to their execution of duties.
- (b) The Executive Officers and Corporate Officers of the Company have been reporting important matters related to the execution of duties to the members of the Audit Committee or the Audit Committee whenever appropriate, through the Board of Directors meetings and other important meetings.
- (c) The Corporate 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 Corporate 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 Committee or the Audit Committee when necessary. In addition, the departments in charge also make the necessary reports at the request of selected members of the Audit Committee.
- (d) In accordance with the Operational Regulations for Whistle-Blower Protection Systems, 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 Committee

- (1) The Audit Committee and the President and Representative Executive Officer exchange opinions regularly. Where the Audit Committee has requested an exchange of opinions, the Executive Officers and other requested personnel provide full cooperation.
- (2) The Audit Committee 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 Audit Committee, 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 Audit Committee holds discussions and exchange opinions with the Internal Auditing Department and the accounting auditor when necessary.
- (4) The Audit Committee allocates expenses that are deemed necessary for the execution of duties in advance. However, the Audit Committee may charge the Company postmortem for expenses it spent on urgent or provisional matters.

Outline of operational status

- (a) The Audit Committee has been regularly holding meetings for exchanging opinions with the President and Representative Executive Officer of the Company in order to facilitate mutual understanding and further develop relationships of trust.
- (b) The Audit Committee establishes standards for appointing, dismissing, and refusing to reappoint the Accounting Auditor, and nominates a candidate for the Accounting Auditor.
- (c) The Audit Committee has 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.

[Translation for Reference and Convenience Purposes Only]

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)

[Translation for Reference and Convenience Purposes Only]

Consolidated Financial Statements

Consolidated Statement of Financial Position (As of March 31, 2024)

(Million yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	228,018	Current liabilities	118,620
Cash and cash equivalents	54,009	Trade payables and contract liabilities	50,489
Trade receivables and contract assets	137,494	Bonds and borrowings	19,097
Securities, deposits with a maturity of over three months	5,945	Accounts payable - other and accrued expenses	31,008
Finished products	8,279	Income taxes payable	5,423
Work in process	1,663	Provisions	2,399
Raw materials and supplies	11,127	Other	10,202
Other	9,499		
Non-current assets	329,388	Non-current liabilities	105,375
Property, plant and equipment	190,973	Bonds and borrowings	58,714
Buildings and structures	47,781	Lease liabilities	18,774
Machinery, equipment and vehicles	82,205	Retirement benefit liability	17,527
Land	6,916	Other financial liabilities	1,406
Construction in progress	47,130	Other	8,952
Other	6,939	Total liabilities	223,995
Right-of-use assets	22,898	Equity	
Intangible assets	88,486	Equity attributable to owners of parent	331,261
Goodwill	71,001	Share capital	13,450
Software	6,666	Capital surplus	(361)
Customer and technology related assets	10,187	Treasury shares	(10,869)
Other	631	Other components of equity	30,383
Investments and other assets	27,030	Financial assets measured at fair value through other comprehensive income	5,104
Investment securities	9,696	Cash flow hedge	134
Investments accounted for using equity method	1,422	Exchange differences on translation of foreign operations	25,144
Deferred tax assets	8,340	Retained earnings	298,658
Other	7,571	Non-controlling interests	2,150
		Total equity	333,411
Total assets	557,407	Total liabilities and equity	557,407

(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, 2023 to March 31, 2024)

(Million yen)

Account item	Amount
Net sales	384,825
Cost of sales	252,983
Gross profit	131,841
Selling, general and administrative expenses	89,786
Other income	1,968
Other expenses	2,791
Operating profit	41,232
Finance income	1,439
Finance costs	1,127
Share of profit of investments accounted for using equity method	141
Profit before tax	41,686
Income tax expense	12,099
Profit for the period	29,586
Profit attributable to non-controlling interests	396
Profit attributable to owners of parent	29,189

(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, 2023 to March 31, 2024)

(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, 2023	13,450	(608)	(10,638)	9,678	222
Profit for the period					
Other comprehensive income				15,397	(88)
Total comprehensive income for the period	–	–	–	15,397	(88)
Purchase of treasury shares			(356)		
Dividends					
Share-based payment transactions		247	125		
Transfer from other components of equity to retained earnings					
Other				68	
Total transactions with owners	–	247	(231)	68	–
Balance as of March 31, 2024	13,450	(361)	(10,869)	25,144	134

	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, 2023	4,231	–	14,132	277,639	293,975	1,784	295,759	
Profit for the period				29,189	29,189	396	29,586	
Other comprehensive income	1,614	192	17,116		17,116	84	17,200	
Total comprehensive income for the period	1,614	192	17,116	29,189	46,306	481	46,787	
Purchase of treasury shares					(356)		(356)	
Dividends				(9,105)	(9,105)	(112)	(9,218)	
Share-based payment transactions					373	(2)	370	
Transfer from other components of equity to retained earnings	(741)	(192)	(934)	934	–		–	
Other			68		68		68	
Total transactions with owners	(741)	(192)	(865)	(8,171)	(9,020)	(115)	(9,135)	
Balance as of March 31, 2024	5,104	–	30,383	298,658	331,261	2,150	333,411	

(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, 2024)

(Million yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	82,568	Current liabilities	75,734
Cash and deposits	11,005	Accounts payable – trade	16,406
Notes receivable – trade	5,521	Commercial papers and borrowings	18,000
Accounts receivable – trade	29,232	Accounts payable – other and accrued expenses	16,619
Contract assets	25,491	Income taxes payable	996
Finished products	947	Contract liabilities	4,114
Work in process	804	Deposits received	16,180
Raw materials	3,313	Provision for bonuses	1,165
Short-term loans receivable	1,448	Other	2,251
Other	4,804	Non-current liabilities	76,364
Allowance for doubtful accounts	(1)	Bonds payable and borrowings	58,000
Non-current assets	327,363	Lease obligations	904
Property, plant and equipment	159,919	Net defined benefit liability	11,220
Buildings and structures	37,964	Other	6,240
Machinery, equipment and vehicles	69,800	Total liabilities	152,099
Land	3,980	Net assets	
Leased assets	997	Shareholders' equity	253,484
Construction in progress	43,530	Common stock	13,450
Other	3,646	Capital surplus	11,488
Intangible fixed assets	9,852	Legal capital surplus	11,488
Software	5,874	Retained earnings	239,414
Technology-related assets	3,881	Legal retained earnings	2,919
Other	96	Other retained earnings	236,495
Investments and other assets	157,591	Reserve for advanced depreciation of non-current assets	773
Investment securities	8,976	General reserve	217,980
Shares of subsidiaries and associates	99,171	Retained earnings brought forward	17,741
Investments in capital of subsidiaries and associates	34,482	Treasury stock	(10,869)
Long-term loans receivable	1,896	Valuation and translation adjustments	4,348
Deferred tax assets	7,547	Unrealized gains (losses) on available-for-sale securities	5,159
Other	5,644	Deferred gains (losses) on hedges	2
Allowance for doubtful accounts	(127)	Revaluation reserve for land	(813)
Total assets	409,931	Total net assets	257,832
		Total liabilities and net assets	409,931

(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, 2023 to March 31, 2024)

(Million yen)

Account item	Amount
Net sales	147,463
Cost of sales	106,935
Gross profit	40,528
Selling, general and administrative expenses	33,739
Operating profit	6,788
Non-operating income	13,904
Interest and dividend income	7,411
Other	6,493
Non-operating expenses	1,093
Interest expense	202
Other	890
Ordinary profit	19,600
Extraordinary income	900
Gain on sales of investment securities	900
Income before income taxes	20,500
Income taxes - current	4,001
Income taxes - deferred	(727)
Net income	17,227

(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, 2023 to March 31, 2024)

(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	11,475	2,919	773	208,980	22,006	234,680	
Change during the period								
Provision of general reserve					9,000	(9,000)	–	
Dividend from surplus						(9,124)	(9,124)	
Net income						17,227	17,227	
Purchase of treasury stock								
Disposal of treasury stock		12						
Decrease by absorption-type company split						(3,367)	(3,367)	
Net change in items other than shareholders' equity during the period								
Total change during the period	–	12	–	–	9,000	(4,265)	4,734	
Balance as of the end of the fiscal year	13,450	11,488	2,919	773	217,980	17,741	239,414	

[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	(10,638)	248,967	3,836	(1)	(813)	3,020	251,988
Change during the period							
Provision of general reserve		–					–
Dividend from surplus		(9,124)					(9,124)
Net income		17,227					17,227
Purchase of treasury stock	(356)	(356)					(356)
Disposal of treasury stock	125	138					138
Decrease by absorption-type company split		(3,367)					(3,367)
Net change in items other than shareholders' equity during the period			1,323	4		1,327	1,327
Total change during the period	(231)	4,516	1,323	4	–	1,327	5,843
Balance as of the end of the fiscal year	(10,869)	253,484	5,159	2	(813)	4,348	257,832

(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 17, 2024

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

Koichiro Watanabe

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, 2023 through March 31, 2024.

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, 2024, 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.

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 Committee to oversee the Executive Officers' and 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 and the Audit Committee 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.

The Audit Committee is responsible for overseeing the Executive Officers' and 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 Committee 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 Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with it all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, countermeasures to eliminate obstruction factors to our independence or related safeguards in order to eliminate or reduce obstruction factors to allowable levels.

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 17, 2024

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
Koichiro Watanabe
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 88th fiscal year from April 1, 2023 through March 31, 2024.

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, 2024 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.

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 Committee to oversee the Executive Officers' and 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 and the Audit Committee for the Financial Statements, Etc.

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.

The Audit Committee is responsible for overseeing the Executive Officers' and 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 Company'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 Company 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 Committee 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 Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with it all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, countermeasures to eliminate obstruction factors to our independence or related safeguards in order to eliminate or reduce obstruction factors to allowable levels.

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 Committee's Audit Report

Audit Report

The Audit Committee has conducted audit on the Executive Officers' and Directors' performance of their duties during the 88th fiscal year (from April 1, 2023 to March 31, 2024), and hereby reports the methods and results of audit as follows:

1. Method and Contents of Audit

Concerning the content of the Board of Directors resolution relating to matters raised in Sub-items (b) and (e) under Item 1, Paragraph 1, Article 416 of the Companies Act and the system that has been established pursuant to that resolution (internal control system), the Audit Committee received reports from the Directors, Executive Officers and employees and other relevant personnel on its establishment and operational status, sought explanations as necessary and made opinions. In addition to this, the Audit Committee implemented the audit using the following method.

- (1) The Audit Committee 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 group governance systems as priority audit items. In accordance with the audit standards and the division of duties determined by the Audit Committee, and in cooperation with the Internal Auditing Department of the Company, the Audit Committee has attended the Board of Directors meetings and other important meetings, received reports from the Directors and Executive Officers regarding the status of performance of their duties, and requested them to provide explanation when needed. The Audit Committee 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, the Audit Committee also facilitated communication and information exchange with Directors, members of the Audit & Supervisory Board and employees, visited subsidiaries when needed, and examined the status of business operations and financial position of the subsidiaries and their officers. As for internal controls for financial reporting, we received reports from Accounting Auditor and Internal Auditing Department about the status of evaluation and audit of the internal controls, and requested explanations as necessary.
- (2) The Audit Committee 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, the Audit Committee 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), and requested explanations as necessary. With respect to a disposition against the Accounting Auditor by the Financial Services Agency on December 26, 2023, the Audit Committee received a report regarding a business improvement plan submitted by the Accounting Auditor to the Financial Services Agency on January 31, 2024 and requested explanations as needed.

Based on the above method, the Audit Committee 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 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 profit or loss, the consolidated statement of changes in equity and the notes to 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 and Executive Officers.
- (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 and Executive Officers. 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, 2024

Kurita Water Industries Ltd.	Audit Committee
Chairperson of the Audit Committee	Kenjiro Kobayashi
Full-time member of the Audit Committee	Yukihiko Mutou
Full-time member of the Audit Committee	Yoshiko Takayama

- (Notes) 1. Kenjiro Kobayashi and Yoshiko Takayama are External Directors as prescribed in Item 15, Article 2 and Paragraph 3, Article 400 of the Companies Act.
2. At the conclusion of the 87th Ordinary General Meeting of Shareholders held on June 29, 2023, the Company made the transition from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc. The status of the Company from April 1, 2023 to the conclusion of the Ordinary General Meeting of Shareholders held on June 29, 2023, is based on information taken over from the Audit & Supervisory Board Members and the Audit & Supervisory Board.