

# Pioneering “new value for water”

# KURITA GROUP
# Integrated Report 2026

Fiscal year ended March 31, 2026

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# Editorial Policy

## Editorial Policy

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

## Reporting Scope

The Report covers Kurita Water Industries Ltd., 61 consolidated subsidiaries, and 3 equity-method affiliates (2 subsidiaries and 1 affiliate). However, the following companies and sites are excluded from the scope of environmental data:

- Companies that have not yet commenced environmental improvement activities
- Companies with no business operations and therefore no environmental impact
- Subsidiaries that share the same site as their parent company (included in the parent company's data)
- Sites where environmental impact data cannot be calculated, such as those located in leased office spaces within tenant buildings

### Copyrights and Trademarks, etc.

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### Disclaimer

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

## Reporting Period

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

* The Report also includes certain information on initiatives undertaken outside the reporting period.

## Supplementary Information

- In the Report, "the Company" refers to Kurita Water Industries Ltd. "Group companies" refer primarily to the consolidated subsidiaries of the Company and, in some cases, include equity-method affiliates. "Kurita Group," "the Group," and "Kurita" refer collectively to the Company and its Group companies.
- In principle, the Report is published annually and provides updates on the Kurita Group's annual activities. The information contained herein is current as of the date of publication.
- Any revisions or corrections to information disclosed for previous reporting periods are indicated in notes on the relevant pages.
- The Report has been prepared with reference to guidelines such as GRI Standard Index, SASB Standard Reference Tables and the Governance Guidelines on Intellectual Capital and Intangible Assets.
- 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.
- Following the execution of a share transfer agreement for Pentagon Technologies Group, Inc., the company's business has been classified as discontinued operation. Accordingly, the figures for the fiscal years ended March 31, 2026 and March 31, 2025 are presented on a continuing operations basis.

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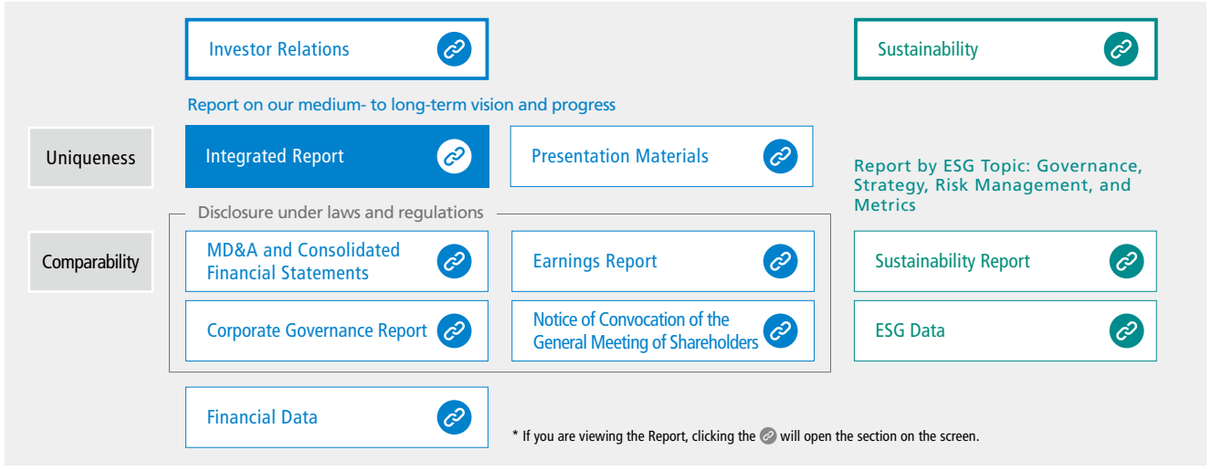
## Information Disclosure System on the Company's Website

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## What is Kurita

# Better Industry, Better Planet.

**We harness the power of water to find answers to the challenges faced by industry and society.**

**Through our "Holistic Optimization Approach,"
which flexibly combines chemicals, facility engineering, and maintenance services,
we deliver solutions tailored to each customer,
winning the trust from more than 55,000 customers worldwide.**

**Since our founding in 1949, our pursuit has remained the same:
to achieve both our customers' business growth and a better global environment.
We aim to create a virtuous cycle—
where the more industry advances, the more the Earth is revitalized.**

**Through the evolution of Kurita Water Intelligence,
which is all the knowledge, experience, and technology
gained through pursuing the power of water,
we strive toward a better future—for both industry and the Earth.**

**We aspire to be a company that people everywhere can say,
"The world is better because Kurita is a part of it."**



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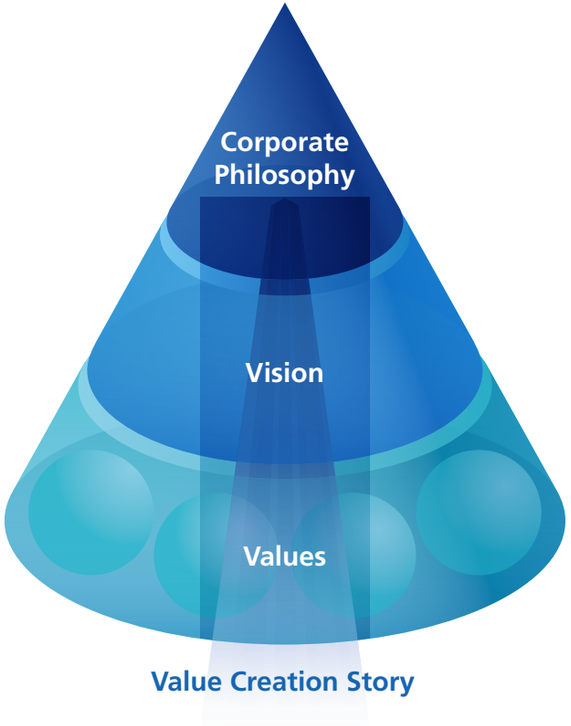
# Kurita Group's Philosophy System

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




## Corporate Philosophy

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

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

*The corporate philosophy was set out in 1989 to mark the 40th founding anniversary of the Company.
*The Kurita Group Philosophy System clearly states that all of the Group's activities are aimed at achieving the Corporate Philosophy.

## Vision

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

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

## Values

### Deepen understanding of frontline sites (Gemba)

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

### Elevate and connect expertise

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

### Exceed expectations

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

### Maintain unwavering integrity

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

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



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# Kurita Group's Materiality

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

## Materiality Identification Process

### Step 1
Identification of Sustainability Issues

Kurita comprehensively selects sustainability issues across 37 themes as materiality candidates, referencing international rules*1, laws and regulations, disclosure standards*2 and issues identified through stakeholder engagement*3.

*1 International rules: SDGs, Ten Principles of the UN Global Compact, OECD Guidelines for Multinational Enterprises, World Economic Forum's Global Risks Report
*2 Laws, regulations and disclosure standards: GRI Standards, GHG Protocol, SASB Standards, EU Taxonomy, SFDR, CSRD, TCFD, TNFD, etc.
*3 Stakeholder engagement: Responses to surveys by customers,, results of supplier surveys, results of employee engagement surveys, information meetings for shareholders and investors, responses to ESG surveys, social contribution activities, etc.

### Step 2
Creation of Materiality Matrix

E&S Committee*4 members, External Directors, Audit & Supervisory Board members*4, and the E&S Committee*4 Secretariat were surveyed to assess the degree of positive and negative impact (probability and scale of impact) from two perspectives:
(1) Impact of sustainability issues on the Kurita Group's corporate value (financial materiality)
(2) Social and environmental impact of the Kurita Group's initiatives in response to sustainability issues (impact materiality)
The results of the survey were organized in a matrix along two axes: (1) above on the X-axis/horizontal axis, and (2) above on the Y-axis/vertical axis. Themes with a significant impact in both the X and Y axes were selected as materiality candidates. The candidates were grouped into seven main themes and five sub-themes covering common issues in multiple areas of materiality.

*4 Refers to the organizations and titles in place before June 29, 2023, when the Articles of Incorporation were partially amended. E&S Committee is the former name of the current Sustainability Committee.

### Step 3
Confirmation of Adequacy and Selection of Materiality

Materiality candidates selected in Step 2 were submitted to the Executive Committee and then to the Board of Directors*5 for input. The committee responsible for reviewing the medium-term management plan, which is mainly comprised of members of the Executive Committee, then confirmed the adequacy of the materiality candidates in parallel with the formulation of the medium-term management plan, finalized the Group's eight material issues and categorized them into "basic themes" that should serve as the foundation for management and business activities, and "shared value themes" that lead to the creation of shared value with society. These material issues were then approved by the Board of Directors as the "Kurita Group's Materiality."

*5 Title and institutional name prior to the amendment of the Articles of Incorporation. Refers to the titles and organizational structure before June 29, 2023, when the Articles of Incorporation were amended to redefine the role of the Board of Directors as a supervisory body.

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

### Shared value themes
- Solve issues related to water resources
- Contribute to the realization of a decarbonized society
- Contribute to building a circular economy society

### Basic themes
- Develop and disseminate innovative products, technologies, and business models
- Strategic development and utilization of human resources
- Provide highly safe and quality products and services
- Conduct business activities respecting human rights
- Conduct fair business activities



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Materiality

# History of Value Creation

Founded in 1949 to sell water treatment chemicals for boilers, the Kurita Group started out providing "value" to customers by supporting the safe and efficient operation of their facilities. Since then, the Group has steadfastly focused on providing this value to customers, contributing to the development of industry and society by solving issues related to water and the environment. The Group will continue to build on this progress by providing stakeholders with new value, aiming to realize its corporate philosophy, "Study the properties of water, master them, and we will create an environment in which nature and humanity are in harmony."

Changes in Society and Value Provided by Kurita

Business

Scope of Business Base

## *1949~1970*
## Supporting industrial development through Kurita's foundational spirit of value creation

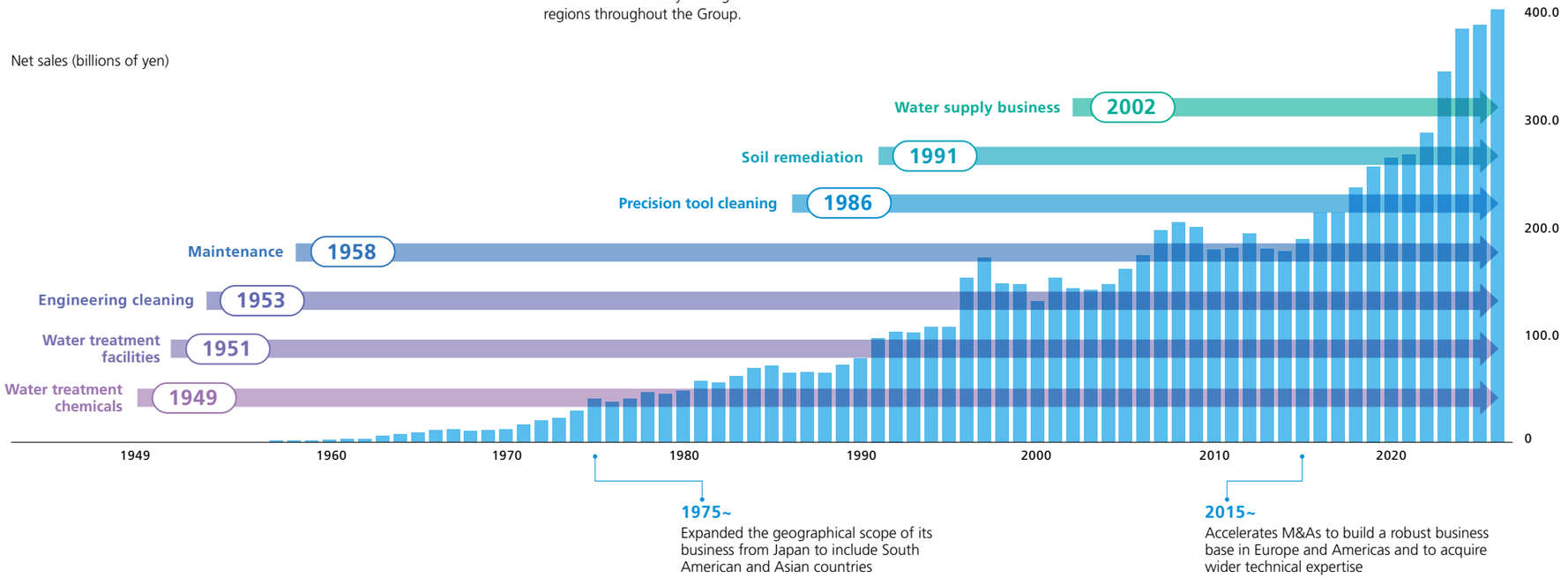
Our founder introduced a groundbreaking business model to Japan's boiler water treatment field, which had relied heavily on individual experience, by combining data-driven optimization with systematic performance verification. This belief in "providing a value that only Kurita is capable of providing" remains an integral part of the Kurita Group's DNA today. Building on this foundation, the company went on to support the development of Japan's industries, such as petrochemicals and oil refining, paper and pulp, and steelmaking, through its water treatment technologies and solutions.

## *1970~2010*
## The Group's work with water and environment contributed to the solution of industrial issues

Along with further economic growth, serious pollution was observed throughout Japan. In this situation, Kurita worked hard to remedy pollution issues caused by industrial and domestic wastewater, thus establishing its position as an environmental company.
In 1980s, the company's ultrapure water technology successfully met the growing demand of the electronics industry for more sophisticated water treatment technology. At its 40th anniversary in 1989, Kurita officially defined its corporate philosophy and expanded the scope of business together with Group companies, sharing its mission of creating shared value with the society through its work in water- and environment-related regions throughout the Group.

## *2010~Present*
## Business development contributing to solving social issues and expanding regions for providing value

As social issues such as loss of biodiversity, climate change, and resource shortages intensified, companies began to place greater importance on environmental and social sustainability. More actively than ever, Kurita drives and expands its CSV business, a category of work that, among the scope of our high social-value water treatment businesses, can most powerfully accelerate water savings, GHG emissions reduction and resource recovery or resource input reduction. We will utilize our new business bases and wider technological expertise obtained through M&As to provide greater value to businesses and people all over the world.



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# Value Creation Story

The Kurita Group's "Value Creation Story" serves as a roadmap for realizing our corporate philosophy and corporate vision while achieving sustainable growth together with society. By leveraging "Kurita Water Intelligence", which is built through the broad collection and accumulation of issues, insights, and information obtained from our many points of contact with customers' sites, we create and provide solutions that transform society and industries. Through these efforts, we strive to maximize customer value and contribute to the realization of a sustainable society.

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

Medium-Term Management Plan Pioneering Shared Value 2027 (PSV-27plan) P.15

## Major Trends Facing the Kurita Group

- Advances in Digital Technology and Innovation Acceleration
- Fresh Water Scarcity and Uneven Water Distribution
- Damage to Social Infrastructure Caused by Climate Change and Shifts in Energy Policy
- Shortage and Destabilization of Resources
- Disruption to Supply Chains
- Heightened Safety Awareness
- Changes in Demographic Structure

## Management Capital of the Kurita Group P.7

**Financial Capital**
- Equity attributable to owners of parent
- Interest-bearing debt

**Human Capital**
- Diverse workforce

**Intellectual Capital**
- R&D (personnel, bases, investment)
- Number of patents held
- Synergies generated through global cross-organizational projects

**Manufactured Capital**
- Property, plant and facility
- Global network of production sites

**Natural Capital**
- Water resources
- Energy resources

**Social and Relationship Capital**
- Inclusion in ESG Indexes
- Corporate citizenship initiatives, cooperation with external organizations
- Supply chain
- Business activities in accordance with international standards and regulations

Addressing water-related issues faced by diverse industries and society in an agile manner
**Technology Development Capability**

Thanks to personnel who address social issues in a sincere manner
**Identifying True Issues**

**Kurita Water Intelligence**
Information, data and experience related to water treatment in industry and society

Optimized for the characteristics of each industry and region as well as social issues
**Diverse Solutions**

Integrating water treatment chemicals, water treatment facilities, maintenance services and related businesses
**Operation of Wide-Ranging Businesses**

Based on accurate prediction of value provision
**Diverse Business Models**

Diverse Points of Contact with Sites

Changing society and industries with "Kurita Water Intelligence"

Maximizing Customer Value

## PSV-27 Plan Management Targets

**Financial Indicators**
- Net sales **¥470.0 billion**
- Business profit margin **16%**
- Return on equity (ROE) **12% or more**
- Return on Invested Capital(ROIC) **10% or more**

**High Profitability and Sustainable Growth**

**Main Non-Financial Indicators**
- Amount of water savings through CSV business **250 million $m^3$**
- Avoided GHG emissions through CSV business **3,000 thousand tons or more**
- Rate of increase in resource recovery or reduction of resource input through CSV business **300%**

(compared to FY ended March 31, 2023)

All non-financial indicators P.24

Winning the trust of customers and society and building a sustainable society

Corporate Vision

Corporate Philosophy



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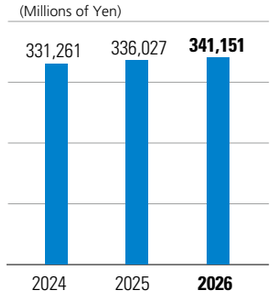
# At a Glance

(Fiscal years ended March 31)

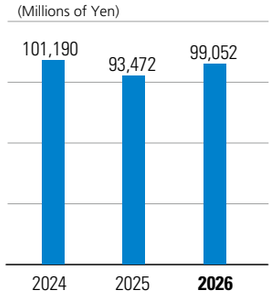
## Management Capital of the Kurita Group

### Financial Capital

Equity Attributable to Owners of Parent*1



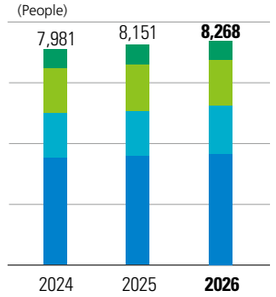

Interest-Bearing Debt



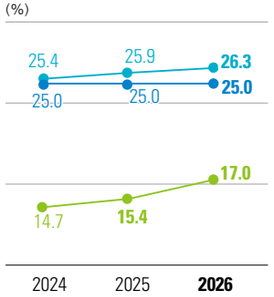

* Interest-bearing debt = Bonds and borrowings + Lease liabilities

### Human Capital

Number of Employees by Region*1



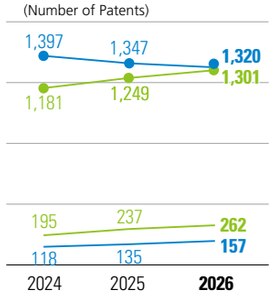

Ratio of Female Directors and Employees*2



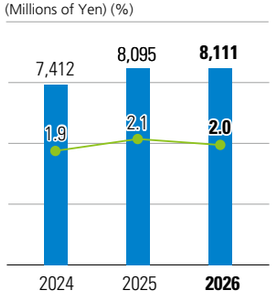

* As of December 1st of each fiscal year

### Intellectual Capital

Number of Patents*1

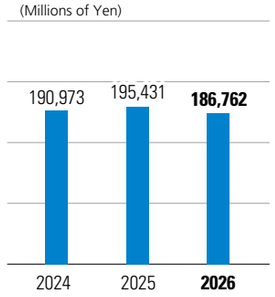



R&D Expenses and Ratio of R&D Expenses to Net Sales*1

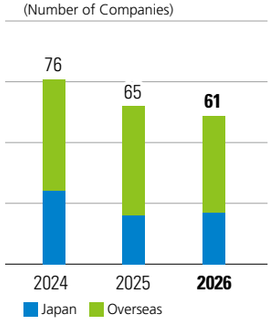



### Manufactured Capital

Property, Plant and Facility*1

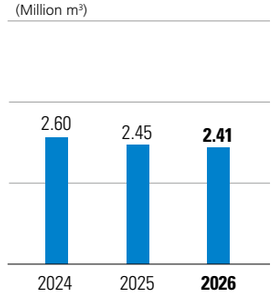



Group Network*1



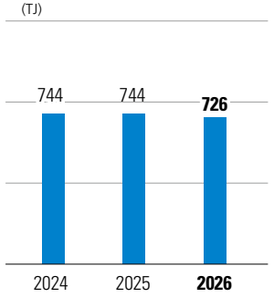

### Natural Capital

Water withdrawal*2




*Water withdrawal excluding ultrapure water supply business sites

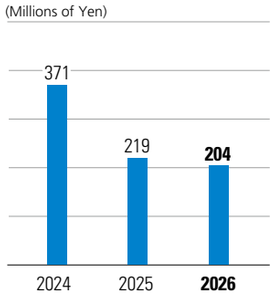
Energy Consumption*1




* The past performance figures are revised due to the inclusion of companies that have newly started environmental improvement activities, the reflection of the results of confirming the electricity contract status at each site, and errors in the aggregation method.

### Social and Relationship Capital

Expenditure on Corporate Citizenship Initiatives*1




*1 Figures for the fiscal year ended March 31, 2026 exclude discontinued operations.
*2 Figures include discontinued operations.



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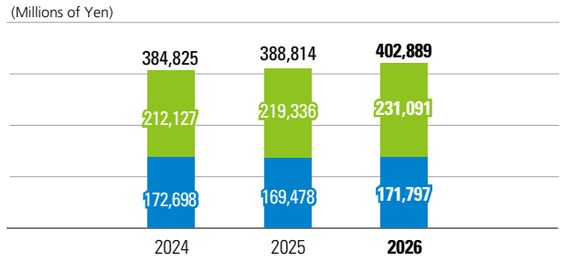
(Fiscal years ended March 31)

## PSV-27 Plan Management Indicators

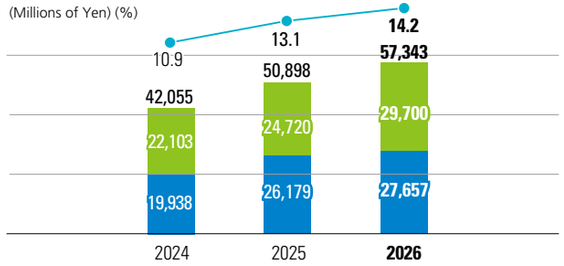
### Net Sales




Electronics Industry segment　General Industry segment

In the Electronics Industry segment, net sales increased due to higher maintenance sales, particularly in Asia. In the General Industry segment, net sales also increased due to progress on previously received facility orders in Japan and the expansion of the CSV business.

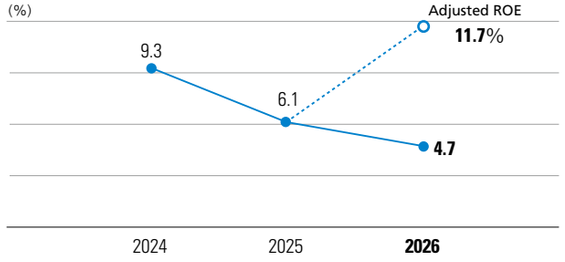
### Business Profit and Business Profit Margin




Electronics Industry segment (Millions of Yen)　General Industry segment (Millions of Yen)
Business profit margin (%)

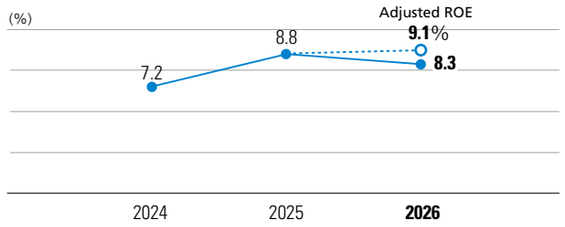
Profit increased and the business profit margin improved due to higher sales, the expansion of CSV business, and improved profitability of the water treatment facilities business in the Electronics Industry segment.
Business profit = Net sales – Cost of sales – Selling, general and administrative expenses

### Return on Equity (ROE)




ROE declined due to the recording of impairment losses on fixed assets of Pentagon Technologies Group, Inc., which has been classified as discontinued operations.
-ROE = Profit attributable to owners of parent ÷ Equity attributable to owners of parent (average) × 100
Profit after tax = Business profit - Income tax expense
-Adjusted ROE is calculated excluding discontinued operations.

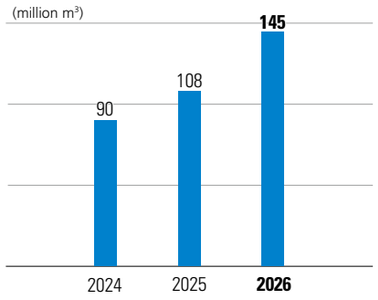
### Return on Invested Capital (ROIC)



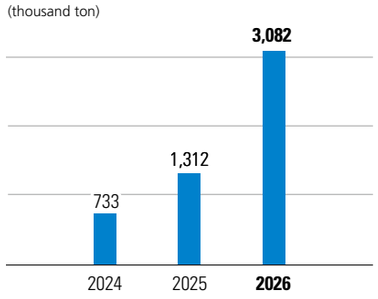

Income tax expense increased and profit decreased because the amount not recognized as a tax effect among impairment losses on fixed assets of Pentagon Technologies Group, Inc., which has been classified as discontinued operations.
ROIC = Profit after tax ÷ invested capital (average) × 100
Profit after tax = Business profit - Income tax expense
-Invested capital = Equity attributable to owners of parent + Bonds and borrowings + Lease liabilities
-Adjusted ROIC is calculated excluding discontinued operations.

### Main Non-Financial Indicators

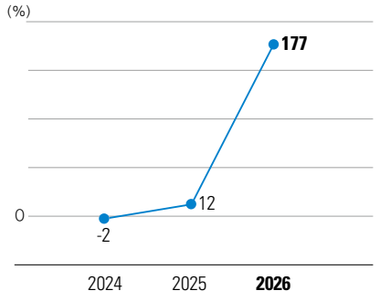
**Amount of Water Savings through CSV Business**




**Avoided GHG Emissions through CSV Business**




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



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Kurita Group Philosophy System
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section 01

# The Kurita Group's Management

Kurita strives to enhance corporate value by creating social value and economic value. This section presents the kind of company Kurita aspires to become, the path to value creation for realizing that vision, and its approach to management for achieving sustainable growth into the future, based on the Corporate Philosophy, Corporate Vision, and Materiality.



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# Message from the President



## Through Kurita Water Intelligence, we unlock the full potential of industry and deliver new and greater value to society

July 2026

Hirohiko Ejiri

President and Representative Executive Officer

Hirohiko Ejiri



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# Message from the President

## Creating value through water: where it all began for me

Under our 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 has long engaged with water—an indispensable resource for industry and society. Water not only underpins the productive activities of every industry; it is also deeply connected to the many social issues confronting the world, including climate action, biodiversity conservation, and the stable supply of food and energy. For this reason, I believe Kurita's business must create "shared vale with society": supporting our customers' business growth while helping to solve social issues, and in turn enabling Kurita itself to grow.

Kurita attracts people who are driven to grow personally by contributing to society. I joined Kurita with the same desire to contribute to society through work involving water, and that aspiration remains unchanged today. What I seek to achieve is to make the world a better place through the power of water, while linking that value to Kurita's sustainable growth. Now, as president, I want to drive this challenge, creating a virtuous cycle of social value creation and enhanced corporate value for Kurita on a larger scale and with greater speed.

Another value I hold dear is integrity. To continue moving forward together with society and our customers, Kurita must be an organization in which every individual chooses what is right according to their conscience and acts with integrity. However, in July 2026, it came to light that inappropriate data fabrication was found in certain analytical work undertaken by our Group company, Kurita Analysis Center Co., Ltd. We sincerely apologize to our customers and all other stakeholders for the considerable inconvenience and concern this has caused. Following the discovery of this matter, we re-examined the analytical services conducted by the company and confirmed that no similar incidents had occurred in analysis items other than those identified. At the same time, we are working to prevent recurrence, including by revising our analytical processes and management systems. I take this matter with the utmost seriousness as a critical management issue for the entire Group. We will continue to implement all necessary measures swiftly and steadily, carefully communicate our progress, and work sincerely to restore trust. There can be no sustainable growth without the trust of our customers and society. We sincerely regret this incident and ensure that the entire Group acts in a manner worthy of a true partner to industry.

## Kurita Water Intelligence: creating new value

Kurita operates globally, primarily serving customers in the manufacturing sector. At manufacturing sites, the supply chain, which transforms raw materials and components into products, is supported by infrastructure, including utilities such as water, steam, and electricity. For more than 75 years, Kurita has played an integral role in our customers' on-site infrastructure, supporting the stable operation of their facilities. Through repeatedly solving issues across a wide range of industries, we have accumulated vast amounts of data, knowledge, and experience. Refined into knowledge for value creation, these assets form what we call "Kurita Water Intelligence," the source of Kurita's competitive strength. Today, however, the business environment surrounding Kurita is undergoing significant change. Even in the few years since I became President, our customers' management issues have become increasingly complex and wide-ranging, driven by factors such as heightened geopolitical risks, the rapid adoption of generative AI, the transition to a decarbonized society, and worsening water resource issues. To help address our customers' challenges, including social issues, it is no longer sufficient to remain within our traditional business domains. By deepening our understanding of our customers' production sites and processes, and by evolving "Kurita Water Intelligence" through the new data, knowledge, and experience gained from them, we can create new value. I believe that strengthening this cycle and delivering higher and new value to our customers and society will be the driving force behind Kurita's sustainable growth. The five-year medium-term management plan, "Pioneering Shared Value 2027 (PSV-27 Plan)," is the strategy for translating these efforts into enhanced corporate value.

## A Growth Strategy for Realizing Sustainability Centered on Kurita Water Intelligence

Kurita has set forth its Corporate Vision for 2030: "Pioneering 'new value for water' to contribute to the realization of a sustainable society." This vision embodies our clear conviction that creating value alone is not enough; Kurita's purpose is to implement it broadly at customers' sites and deliver greater, new value to society and our customers. Under this vision, the PSV-27 Plan translates our relentless pursuit of how to increase our contribution to society, maximize customer value, and connect that value to corporate value into a management strategy.

Under the PSV-27 Plan, we place sustainability at the core



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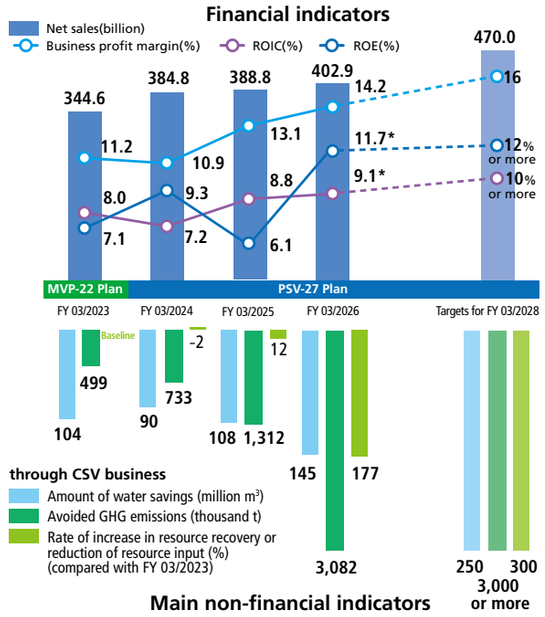
of management, address Materiality and growth strategies in an integrated manner, and pursue both economic value and social value. P.15 Our management indicators include not only profitable sales growth and improved capital efficiency, but also contributions related to water savings, GHG emissions reductions, and resource recovery, all linked to our materiality. Two of Kurita's strengths are "customer intimacy," cultivated through years of engagement with customers, and the "high social value" generated through new challenges. With these two competitive advantages at the core, we will embed ourselves deeply in our customers' operations and pursue the value that only Kurita can provide. Furthermore, we will continue to place our service business at the core of our growth strategy. Its recurring nature not only enhances the stability of Kurita's financial foundation, but also keeps us continuously connected to customers' sites, serving as a source of new value creation.

In the first three years of the PSV-27 Plan, net sales CAGR exceeded 5%, business profit* CAGR reached 14%, and business profit margin improved by three percentage points. Contributions to GHG emissions reductions have also progressed faster than anticipated, giving us solid confidence in achieving our final-year targets. What gives me greatest confidence, however, is not merely our earnings growth. Achieving targets in the PSV-27 Plan is only a milestone. To continue growing, we must not depend on specific businesses or market conditions but instead cultivate multiple growth drivers. Through these initiatives, three winning strategies that will underpin achievement of the PSV-27 Plan and growth beyond it have become clear.

* Business profit: A proprietary Kurita Group indicator that measures the performance of recurring business activities by deducting cost of sales and selling, general and administrative expenses from net sales.

**PSV-27 Plan Management Indicators and Progress**




* Adjusted figure excluding the results of Pentagon Technologies Group, Inc., whose share transfer was completed in June 2026

**Winning Strategy 1** Electronics Industry

## Sustainable Growth Supported by Project-based and Recurring Business Model

When discussing growth in the Electronics Industry segment, many people first focus on the growth of the semiconductor market itself. Indeed, expanding demand for semiconductors driven by generative AI is a major tailwind for Kurita as well. However, the growth we seek is not one supported solely by market expansion.

Water plays a critical role in semiconductor plants. In the past, technological capabilities in ultrapure water production attracted attention. Today, however, while the stable supply of ultrapure water is taken as a given, the ability to address water savings, wastewater reclamation, and resource circulation is increasingly determining competitiveness. This shift represents an opportunity for Kurita. Wastewater treatment and wastewater reclamation require advanced technologies and extensive operational experience, due both to the evolution of manufacturing processes and to the need to meet requirements that differ by customer and location. We have built a strong competitive advantage in this area by combining our understanding of the latest production processes, gained through our participation as the only water treatment company in the Interuniversity Microelectronics Centre (imec), a world-leading research and innovation center in nanoelectronics and digital technologies, with the know-how and expertise cultivated over many years in a broad range of fields, including water treatment in general industries. Kurita's defining strength lies in its ability to optimize entire plants by combining facility, chemicals, operational management, and maintenance, which in recent years has also helped us strengthen relationships with our global accounts—leading semiconductor companies.

What we emphasize in pursuing growth is securing these opportunities through the project-based and recurring business model. This is a growth model that begins with orders for water treatment facilities and expands the value we provide while building long-term customer relationships through the subsequent service business. For Kurita, it also provides a robust financial and business foundation that is less susceptible to market fluctuations. Through these efforts, we will achieve sustainable growth as an indispensable partner in our customers' production activities. P.35-38



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# Message from the President

**Winning Strategy 2** General Industry

## Opening New Markets through a Distinctive Value-Delivery Model

The General Industry segment serves all industries other than electronics and is sometimes viewed as a stable, mature market. However, I see this field as a key business domain that will support our future growth. Issues facing manufacturing customers are becoming more complex, including labor shortages, aging facilities, rising energy costs, decarbonization, and constraints on water resources. The more issues there are to solve, the broader the value Kurita can provide. By solving customer issues, we create new markets and unlock new opportunities for growth. This is the growth strategy for the General Industry segment.

At the core of this strategy is the CSV (Creating Shared Value) business. The CSV business is a model that creates social value, such as water savings and GHG emissions reduction, while also helping customers reduce water- and energy-related costs and improve productivity. Through our CSV business, we seek to create value that is new to the market or deliver value beyond conventional approaches. The high value we deliver is reflected in high profitability. To maximize this value, we go beyond simply supporting the stable operation of water treatment facilities and utilities. By gaining deeper involvement in production processes themselves, we help enhance the performance of our customers' business activities through improvements in productivity and reductions in environmental impact. I describe Kurita's new role in providing value through its CSV business as that of a "Performance Enhancer." Net sales from the CSV business for the fiscal year ended March 2026 continued to expand, reaching 58.5 billion yen, and contributed to steady growth in the segment's profitability. Furthermore, our new concept, NEXTANCE, focuses on water treatment facilities that are not adequately managed due to labor shortages. Covering not only our own facilities but also those of other companies, it evolves conventional maintenance, from facility upkeep and inspections, into a model that supports customers' performance through operational optimization and the development of capital investment plans.

In this way, the segment offers significant growth opportunities arising from our deeper engagement with customers' challenges as a Performance Enhancer. P.39-44

**Winning Strategy 3** New Businesses

## Progress in New Businesses Driven by Social Value

To achieve sustainable growth, we must strengthen existing businesses while continuously creating new business opportunities by anticipating changes in society and industry. What I value in new businesses is not merely tackling new technologies or themes, but the process of transforming social issues into business opportunities. We will apply "Kurita Water Intelligence", which we have cultivated through water treatment, to solving social issues such as tighter regulations, resource constraints, and safety and environmental needs, and nurture these efforts into businesses whose value is recognized by customers.

A prime example is our business for the removal and treatment of PFAS (per- and polyfluoroalkyl substances). Against a backdrop of health concerns, regulations on drinking water and industrial wastewater containing PFAS are becoming more stringent. We are advancing this business as a one-stop solution encompassing analysis, removal, and detoxification of hazardous substances. In April 2026, we also decided to invest in Cyclopure, whose adsorption-material technology offers a strong advantage in PFAS removal, to strengthen our presence in the U.S. market, where particularly stringent standards apply, and establish a global competitive advantage.

We are also advancing initiatives including low-environmental-impact recovery of lithium resources in response to the growing adoption of electric vehicles; environmentally friendly and high-performance extinguishing agents for fires involving lithium-ion batteries and for forest fires; and the development of water infrastructure for future economic activity in space and on the lunar surface. By combining these initiatives with Kurita's diverse businesses, customer touchpoints, and regional networks, we will develop them into substantial new markets. P.46-50

## A Financial Strategy for Translating Growth into Enhanced Corporate Value

I believe that enhancing corporate value requires us to advance our growth and financial strategies in an integrated manner.

Over the past several years, I have felt that there is a considerable gap between the reality of our business and the way it is valued by the capital markets. While we had begun to see paths to future growth in the Electronics Industry segment, the General Industry segment, and new businesses, and had gained confidence in achieving the PSV-27 Plan targets, the capital markets had yet to sufficiently recognize that growth potential and earnings power. Accordingly, we began refining our financial strategy with a stronger focus on improving capital efficiency.

The first step was to review our financial discipline. Kurita has built a strong financial foundation over many years, but I believe we have now reached a stage at which it is critical



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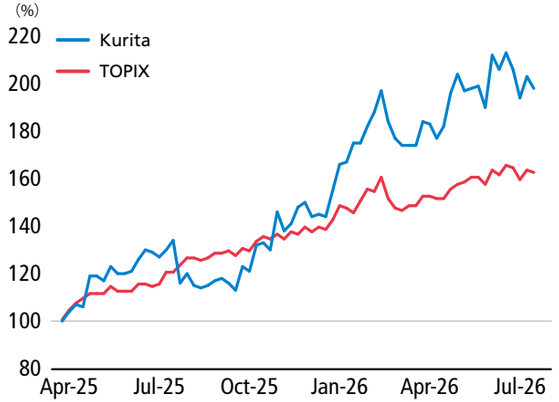
# Message from the President

**Comparative Performance of Kurita's Share Price and TOPIX (April 2025-July 2026)**




to consider how effectively we deploy it to enhance corporate value. Based on this perspective, we reassessed what constitutes an appropriate equity ratio and shifted to financial discipline that places greater emphasis on capital efficiency. Our share buybacks in recent years are also part of this effort. Next is business portfolio reform. To concentrate limited management resources in businesses with greater growth potential and profitability, we decided to transfer our shares in Pentagon Technologies Group, Inc. and Kurita Creation Co., Ltd. I believe this decision will lead to further growth not only for Kurita, but also for each business. For growth investments, including M&A, we have raised our hurdle rate to ensure that they generate returns above the cost of capital, and we now rigorously assess growth investments under this investment discipline. Taking into account our stable cash-generating capability, centered on the service business, we have reviewed our cash allocation and are actively enhancing shareholder returns while balancing this with growth investments.

Through these initiatives, we have established a framework that connects our growth strategy to enhanced corporate value. Going forward, we will continue working to improve capital efficiency while balancing social value and economic value, thereby driving sustained enhancement of corporate value. P.17-21

## Beyond the PSV-27 Plan

I stated in last year's report that Kurita has the potential to exceed a market capitalization of 1 trillion yen. We have now achieved that level (share price at the end of July 2026: 8,742 yen; market capitalization: 1 trillion yen). For me, however, this is not the goal. Rather, I see it as a milestone at which Kurita's potential is finally beginning to be recognized. My sights are already set beyond it. Over the three years of the PSV-27 Plan, we have identified "three winning strategies" in the Electronics Industry segment, the General Industry segment, and new businesses that will lead to sustainable growth in the future, and this gives me great confidence. At the same time, I understand that, as a global company, capital markets expect us to meet higher standards. I believe Kurita still has substantial room to improve its profitability and capital efficiency, and I intend to make it a company capable of achieving ROE of 20% or more and a market capitalization of 1.5 trillion yen in the future. I want us to pursue further growth that exceeds stakeholders' expectations.

Since the fiscal year ended March 2025, the Board of Directors discussed our long-term direction. Based on those discussions, the executive team is preparing for the next phase of growth. We will solidify the winning strategies identified in the PSV-27 Plan and further enhance the value we provide to customers. At the same time, it will be important to evolve our business portfolio in line with our long-term direction, strengthen our management resources, particularly human capital, and connect these efforts to sustainable growth. P.22-23, P.83-85

I place great importance on continually refining our management through dialogue with stakeholders. Dialogue is a valuable opportunity to reconsider my own thinking and our existing management strategies, and to gain new insights. Receiving new perspectives and suggestions for enhancing our management from shareholders and investors, drawing inspiration from the courage and dedication of our Group employees around the world, and hearing customers say, "We're glad we chose Kurita," are all sources of motivation that drive me as president to move the Group forward.

The environment surrounding society and industry will continue to change. Going forward, I will continue engaging in dialogue with our customers, shareholders and investors, employees, and other stakeholders while further expanding Kurita's potential. Through these challenges, we will achieve sustainable growth and enhanced corporate value. I sincerely hope that our stakeholders will continue to have high expectations of us and join us on the path ahead.





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# Value Pioneering Path

The "Value Pioneering Path" outlines the roadmap for realizing our corporate vision, which serves as a milestone toward achieving our corporate philosophy.
By advancing our strategies along this value-creation path, we aim to realize our vision by delivering innovative and high-value solutions to industries and society.

**Our corporate vision** — Pioneering "new value for water" to contribute to the realization of a sustainable society

## Enhancement of Corporate Value

### PSV-27 Plan management targets

**Financial indicators*1**

| | |
|---|---|
| Net sales | ¥470.0billion |
| Business profit margin | 16% |
| ROE | 12%or more |
| ROIC | 10%or more |

**Main non-financial indicators*1**

| through CSV business | |
|---|---|
| Amount of water savings | 250million m³ |
| Avoided GHG emissions | 3,000thousand tons or more |
| Rate of increasing in resource recovery or reduction of resource input | 300%*2 |

*1 Targets to be achieved by the fiscal year ending March 31,2028
*2 Compared to the fiscal year ended March 31,2023

**Output**

- Earning expectations and trust from stakeholders
- Reducing capital costs
- Expanding net sales
- Improving profitability
- Improving capital efficiency

**Supporting sustainable growth** P.77-81

**Materiality Initiatives**

**Shared Value Themes** P.25

- Solve issues related to water resources
- Contribute to the realization of a decarbonized society
- Contribute to building a circular economy society

**Basic Themes**

- Develop and disseminate innovative products, technologies, and business models
- Strategic development and utilization of human resources
- Provide highly safe and quality products and services
- Conduct business activities respecting human right
- Conduct fair business activities

**Strengthening engagement with stakeholders**

**Profit and cash flow generation**

**Business Strategy** P.35-44

Electronics Industries | General Industries

- Global expansion of the project-based and recurring business model
- Expansion of the CSV business

**Financial management and shareholder returns**

**Financial Strategy** P.17-21

- Disciplined investment decisions
- Appropriate financial management
- Steady shareholder returns

**Establish a competitive advantage**

- Customer Intimacy
- High Social Value

**Digital Strategy (DX/AX)** P.58-62

*DX: Digital Transformation
*AX: AI Transformation

- Production Strategy P.54-56
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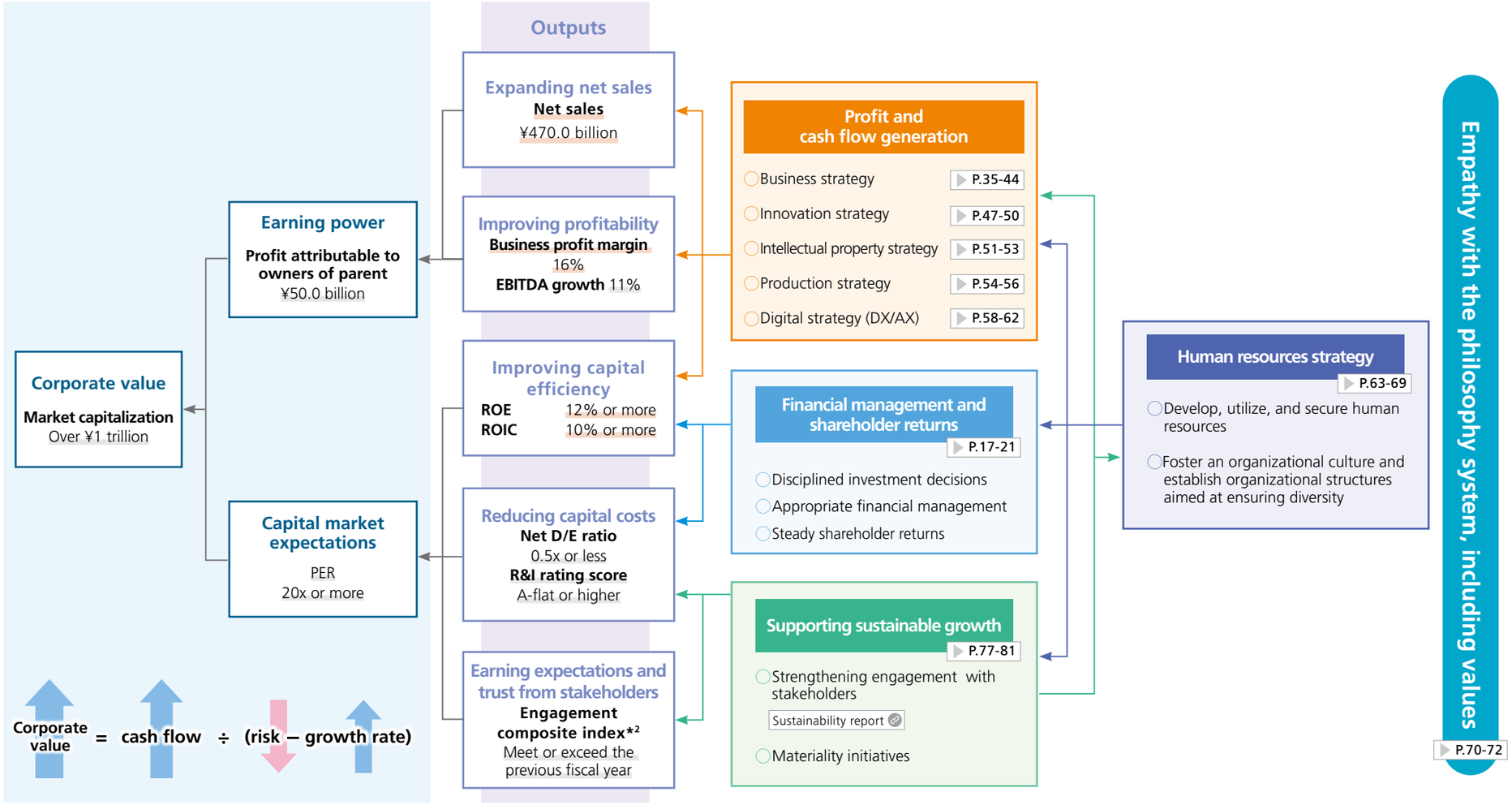
# Value Creation Tree

To achieve effective growth and enhance corporate value as a unified Group, the Kurita Group visualizes the linkages among strategies, materiality-related initiatives, and key indicators that lead to corporate value as a "value creation tree." The value creation tree is broken down to the initiatives of each organization and Kurita manages that initiatives that they lead to enhancing corporate value.

All indicators represent management indicators for the fiscal year ending March 31, 2028.




*1 The underlined figures represent target under the PSV-27 Plan.
*2 A proprietary indicator that comprehensively integrates various metrics related to stakeholder engagement.



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# Financial Strategy

Message from the CFO

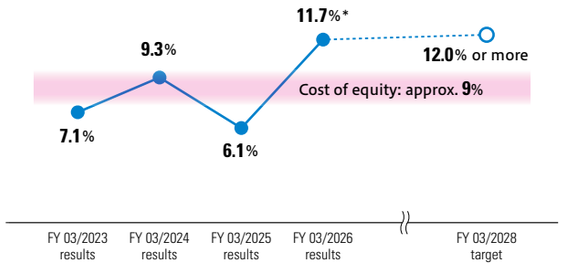


## Enhancing corporate value through disciplined growth investments and improved return on capital

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

Takehiro Nozue

**ROE and initiatives for a wider equity spread**




* Calculated excluding discontinued operations

**Initiatives**

- Optimal allocation of capital between growth investments and shareholder returns
- Execution of disciplined growth investments
- Business portfolio reform

## Financial strategy to enhance corporate value

I assumed the position of CFO in April 2026. To me, a financial strategy is not merely a means of managing funds, but as management itself aimed at enhancing corporate value. Our stable cash-generating capabilities, stemming primarily from our service businesses, and a solid financial foundation are major strengths supporting Kurita's sustainable growth. As CFO, I believe that one of my key missions is to determine how best to leverage these strengths to enhance corporate value.
Simply executing the growth strategy outlined in the PSV-27 Plan will not automatically lead to enhanced corporate value. It is necessary to achieve an optimal balance between growth investments and shareholder returns, allocate capital to growth areas in a disciplined manner, and focus management resources on businesses with high growth potential and profitability. I want these financial strategies to function effectively as an integral part of management, leading to improvements in ROE and ROIC and a wider equity spread, and ultimately to enhanced corporate value.

## Progress during the first three years of the PSV-27 Plan

The PSV-27 Plan, which was launched in April 2023, is now in its fourth year. Over the past three years, we have steadily advanced each strategy, resulting in significant growth in both net sales and business profit. Orders have remained strong as we captured semiconductor-related investment driven by demand associated with generative AI. In particular, we have expanded our business base, previously centered on East Asia, into Europe and North America. By demonstrating strengths in the wastewater as



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# Financial Strategy

Message from the CFO

well as ultrapure water fields, we have steadily built up orders from customers, particularly our global accounts comprising the world's leading semiconductor companies by sales. Against the backdrop of this increase in orders, net sales in the Electronics Industry segment increased due to expanded sales centered on facilities. Net sales in the General Industry segment also increased, driven by growth across businesses. Business profit grew at a higher rate than net sales, driven by higher sales, an improved business mix resulting from the expansion of CSV business, and improved profitability in the water treatment facilities business for the electronics industry. As a result, business profit margin exceeded 14%, steadily approaching the target level indicated in the PSV-27 Plan. In terms of return on capital, ROE deteriorated due to the recognition of impairment losses on fixed assets, including goodwill, at Pentagon Technologies Group, which was classified as a discontinued operation. Meanwhile, progress in improving ROIC was limited due to higher income taxes. However, on an adjusted basis excluding discontinued operations, both indicators improved to 11.7% and 9.1%, respectively, driven by improved profitability and the implementation of capital allocation measures, including share buyback.

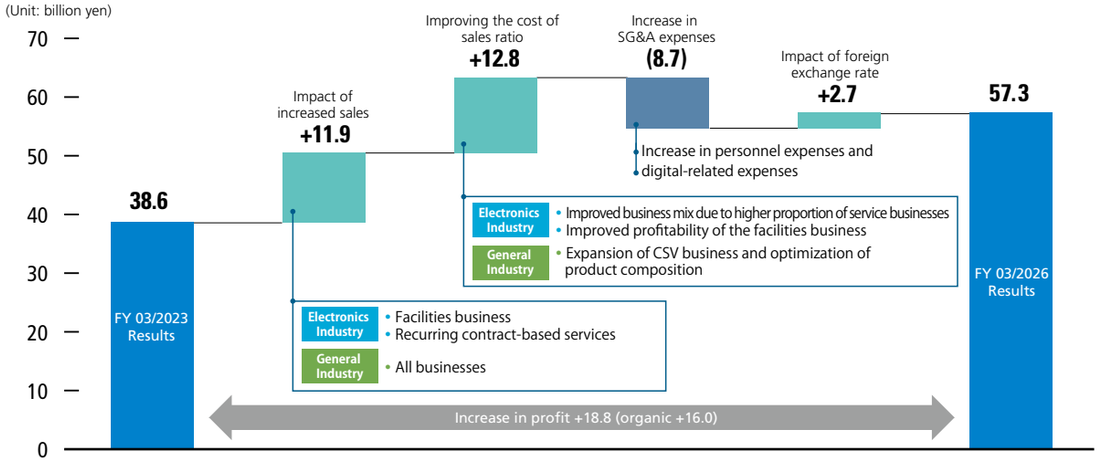
Turning to the progress of CSV business, some investors may be concerned about the gap between net sales and the target of ¥100.0 billion. However, profitability has exceeded the target level, and we therefore believe that the profit target remains fully achievable. However, rather than being satisfied with our current performance, we will continue working to further widen the equity spread.

**Performance**

| (Unit: billion yen) | MVP-22 | PSV-27 | | | |
|---|---|---|---|---|---|
| | FY 03/2023 results | FY 03/2024 results | FY 03/2025 results | FY 03/2026 results | FY 03/2028 target |
| Orders | 374.3 | 390.2 | 412.9 | **443.0** | - |
| Net sales | 344.6 | 384.8 | 388.8 | **402.9** | **470.0** |
| Business profit*1 | 38.6 | 42.1 | 50.9 | **57.3** | - |
| Business profit margin | 11.2% | 10.9% | 13.1% | **14.2%** | **16%** |
| ROE | 7.1% | 9.3% | 6.1% | **4.7%** | **12% or more** |
| Adjusted ROE*2 | - | - | - | **11.7%** | - |
| ROIC | 8.0% | 7.2% | 8.8% | **8.3%** | **10% or more** |
| Adjusted ROIC*2 | - | - | - | **9.1%** | - |
| CSV business | | | | | |
| Net sales | 360 | 402 | 473 | **585** | **1,000** |
| Amount of water savings (million m³) | 104 | 90 | 108 | **145** | **250** |
| Avoided GHG emissions (thousand t) | 499 | 733 | 1,312 | **3,082** | **3,000 or more** |
| Rate of increase in resource recovery and reduction of resource input (%) | Base year | -2 | 12 | **177** | **300** |

*1 Business profit: A proprietary Kurita Group indicator that measures the performance of recurring business activities by deducting cost of sales and selling, general and administrative expenses from net sales.
*2 Calculated excluding discontinued operations

**Factors in business profit change (compared with FY 03/2023)**



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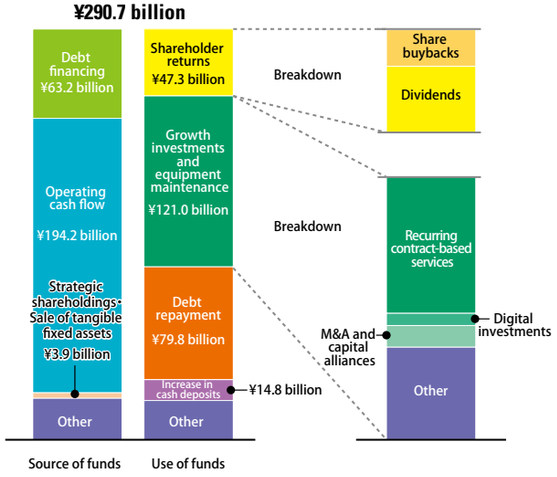
# Financial Strategy

Message from the CFO

## Cash allocation to enhance earning power and capital efficiency

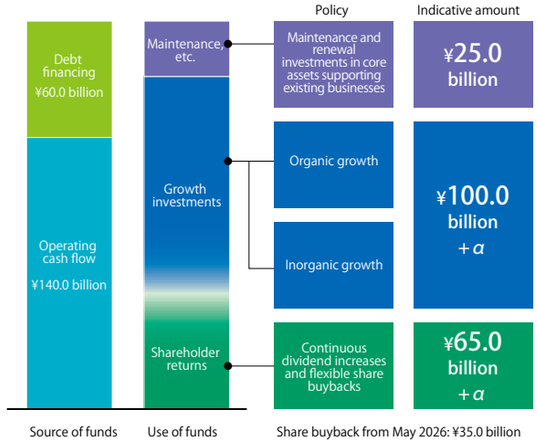
I believe that further enhancing corporate value requires not only maintaining a solid financial foundation, but also effectively leveraging that foundation to drive growth. During the first three years of the PSV-27 Plan, we allocated funds to capital investments for recurring contract-based services that lead to ongoing relationships with customers, digital investments including DX (Digital Transformation) and AX (AI Transformation), M&A to establish a business base for the electronics industry in Europe, and capital alliances aimed at creating new businesses. We have also worked to enhance shareholder returns, continuing to increase dividends over 22 consecutive years and conducting share buyback totaling 15.0 billion yen from May 2025 through July 2025.

**Cash allocation** (cumulative total, FY 03/2024-FY 03/2026)




Over the next two years, we will shift our focus toward management that places greater emphasis on capital efficiency. While using operating cash flow as the primary source of funds and debt as necessary, we will prioritize allocating generated cash to investments for sustainable business growth and enhancing our competitiveness. Investment targets are expected to include maintenance and renewal of facilities essential to business continuity, strategic investments that contribute to future growth and enhanced competitiveness. In particular, we position M&A as an important means of capturing growth opportunities. For shareholder returns, we will maintain a basic policy of stable and continuous dividend increases while making flexible decisions on share buybacks based on cash conditions and stock price levels. We recognize that the current level of equity is sufficiently robust in light of our business characteristics and cash-generating capability. Going forward, while maintaining an A-grade credit rating, we will shift to a phase that places greater emphasis on the effective use of capital than on its accumulation. We will target an equity ratio of approximately 50% as a medium- to long-term guideline and aim to enhance corporate value through growth investments and shareholder returns.
As part of this effort, we have been conducting share buybacks of approximately 35.0 billion yen since May 2026. Currently, demand for working capital is increasing in line with higher orders for facilities projects, particularly in the Electronics Industry segment. However, I believe that our stable cash-generating capability will enable us to respond flexibly to necessary funding needs. We will continue to appropriately manage project trends and funding requirements while maintaining financial soundness and improving capital efficiency.

**Cash allocation** (cumulative total, FY 03/2027–FY 03/2028)




## Investment discipline to enhance the effectiveness of growth investments

The key to growth investments is determining whether invested capital will generate returns exceeding the cost of capital and lead to sustainable enhancement of corporate value. We have always required ROIC and NPV to exceed the hurdle rate as a prerequisite for investment decisions. From the perspective of placing greater emphasis on capital efficiency, however, we have raised the base rate to 9%. This level exceeds our WACC of approximately 8% and also takes into account the cost of equity of approximately 9%. In addition, we add a risk premium based on the risk of each project and set that level as the minimum required return. For M&A as well, in addition to contributions to performance, we rigorously assess whether expected synergies can be reliably generated through PMI. Through M&A aimed at establishing business bases in Europe and



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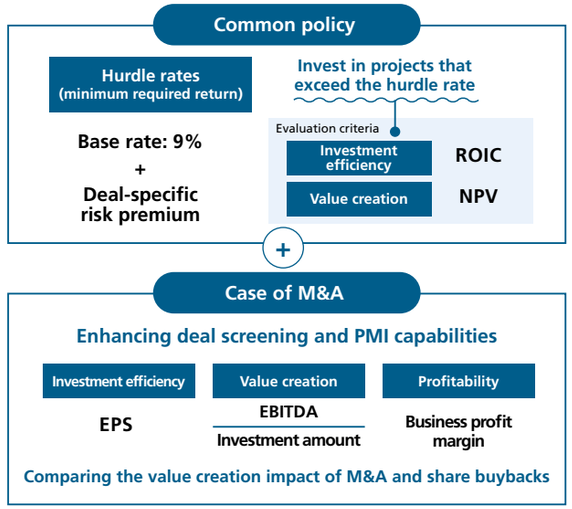
Message from the CFO

North America, creating technology synergies including CSV business, and promoting DX/AX, we have significantly advanced the globalization and transformation of our businesses. On the other hand, there have been projects for which we recorded temporary losses, including impairment losses on fixed assets and goodwill, due to the challenges of PMI and the time required to realize anticipated synergies. Based on these experiences, we have established guidelines that cover not only investment decisions but also PMI. We evaluate the time required for an investment to contribute to performance, capital efficiency, and even its effect on shareholder value creation compared with share buybacks. By focusing on the quality of growth investments and generating returns exceeding the cost of equity, we will aim for a further expansion of the equity spread.

**Investment discipline**



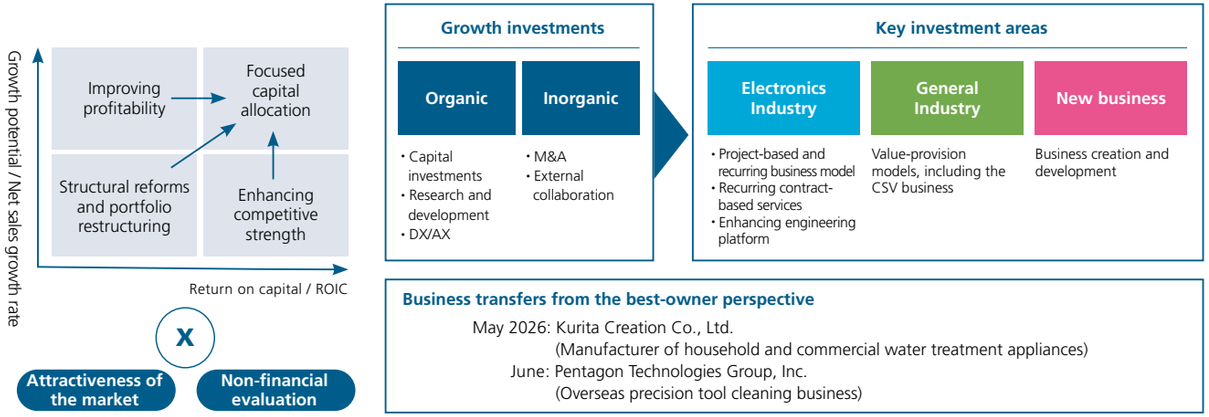

## Business portfolio reform centered on growth potential and return on capital

To enhance capital efficiency, it is important not only to make investment decisions for individual projects but also to improve the quality of the overall business portfolio. We evaluate each business from multiple perspectives based on two axes—growth potential and return on capital—as well as market attractiveness and contributions to society. Based on these assessments, we will actively concentrate capital in areas expected to grow in the future.

Specifically, we will focus capital allocation on areas that further enhance Kurita's competitive advantage, including the expansion of the project-based and recurring business model and recurring contract-based services in the Electronics Industry segment; expansion of regional bases and acquisition of distinctive technologies to expand the CSV business in the General Industry segment; and the creation and development of new businesses. We will pursue growth opportunities through both organic growth and inorganic growth, including M&A and external collaboration. Meanwhile, for businesses facing challenges in terms of growth potential or return on capital, we will seek to improve competitiveness and profitability through structural reforms and business restructuring. Additionally, from the perspective of maximizing business value, continuing to retain a business within the Group may not necessarily be the optimal course of action. If we determine that another party would be the best owner and could enhance the value of the business more than we can, we will make optimal and decisive choices, including business transfers. This approach was reflected in our decisions to transfer shares in Kurita Creation and Pentagon Technologies Group in 2026, as we concluded that doing so would contribute to the sustainable growth and value enhancement of each business.

Through these initiatives, we will continuously evolve our business portfolio and build a management foundation that supports achievement of the PSV-27 Plan and sustainable growth beyond it.

**Business portfolio management**



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Message from the CFO

## Enhancing corporate value through dialogue with capital markets

To enhance corporate value, it is important not only to execute strategies, but also to clearly communicate our approach and progress to capital markets so that our value is appropriately recognized. Kurita has many winning strategies that will lead to future enhancement of corporate value, including growth in the electronics business, profitability of the CSV business, and the potential of new businesses. By carefully explaining these strengths from both financial and non-financial perspectives and incorporating dialogue with shareholders and investors into management, we will increase the capital market's expectations for and confidence in the company.

The president and I, as well as our external directors, executive officers, and executives, actively participate in constructive dialogues on management and businesses from a medium- to long-term perspective. We regularly report the discussions had during these dialogues to the Board of Directors to reflect what we learn in management decision-making and enhance corporate governance. Topics of particular interest in these dialogues are wide-ranging, including the expansion of customer pipelines in the semiconductor market, strategies to expand the CSV business that drives improved profitability in the General Industry segment, progress in creating new businesses such as PFAS removal and treatment, and approaches to growth investments and capital allocation measures aimed at improving ROE. Through these dialogues, we also recognize growing expectations for us, as a global company, to achieve even greater capital efficiency.

Although our current ROE target of 12% or higher is important, the growth investments and business portfolio reforms we are advancing are not intended solely to achieve that target. To become a company that can continuously achieve a higher ROE in the future, it is important to build a business portfolio that combines growth potential and profitability and to ensure that the market correctly understands our value creation mechanism. In particular, our strength lies not in a single business, but in the value created through synergies among multiple businesses. It is therefore necessary to communicate this overall picture appropriately. Kurita's distinctive feature is that, rather than viewing the Electronics Industry segment, General Industry segment, and new businesses independently, we create new value, and thus generate a premium, by connecting them through "Kurita Water Intelligence." Taking the competitive business environment into account, we aim to achieve stable and sustainable growth that exceeds the expectations of capital markets by building a business portfolio capable of creating shared value with society across diverse industries and business domains, while appropriately communicating that value.

We will continue to enhance management transparency and effectiveness through dialogue with capital markets and work continuously to enhance corporate value.

**Dialogues with capital markets in FY 03/ 2026**

| | |
|---|---|
| Opportunity for dialogues | Earnings briefings, sustainability briefings, overseas roadshows, conferences held by securities companies, small group meetings, briefings for individual investors, one-on-one meetings, Kurita Innovation Hub tours, a dialogue event on technology and new businesses, and others: 521 events in total (FY 03/2025: 474) |
| Overview | ● Point person for discussions with Company (based on number of dialogues)<br>(521 events in total)<br>Management team (President and Representative Executive Officer, CFO, etc.) 39%<br>Dedicated IR department 61%<br>● Composition of engagement counterparts and institutional investors by region (based on number of dialogues)<br>(521 events in total)<br>Institutional investors 92%<br>Securities analysts 8%<br>Japan 47%<br>Asia (excluding Japan) 25%<br>North America 9%<br>Europe 19% |
| Main themes of dialogues | ● Strategies and measures to achieve the PSV-27 Plan<br>● Business risks and opportunities brought by PFAS and other social issues<br>● Kurita Group growth investment trends and capital management policy<br>● Initiatives for corporate governance<br>● Progress of initiatives related to Materiality |
| Feedback to Board of Directors | ● Monthly reports about discussions during dialogues with shareholders, investors, and other stakeholders<br>● Reporting twice a year on progress against the capital market engagement plan |



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## Message from the Officer in Charge



Lead Executive
Executive General Manager of Corporate Planning Division
Chairperson of Sustainability Committee

Kosuke Arai

### Taking value creation to the next stage, starting from our Corporate Philosophy

## Corporate Philosophy and Our Vision

The environment surrounding society and industry is undergoing major changes, and the roles companies are expected to fulfill and the value they are recognized for are also continuing to change. Against this backdrop, Kurita believes it needs to take a broader view of what it means to "Study the properties of water, master them," a core element of its Corporate Philosophy. "Study the properties of water, master them," means broadening our perspective beyond water itself to include changes in society and industry where water is needed, as well as the issues and new value creation opportunities that arise as a result. That is why it is important to take an integrated view of major trends, not only water resources, but also biodiversity, climate change, resource circulation, changes in demographic structure, and technological innovation. Based on this thinking, Kurita's Board of Directors adopted a long-term direction as its growth toward 2050. This shows the direction in which we will expand our business domains, the value we will provide to society and customers, and the kind of company we aspire to become as a result.

Kurita is a unique player in the world in that it combines chemicals, facilities, and maintenance functions in the water treatment industry, and we believe that by leveraging this strength, it has the potential to create even greater social impact. To translate this potential into value creation, it is important to view social issues and customer issues from short-, medium-, and long-term perspectives and incorporate them into business strategies and functional strategies. As Executive General Manager of Corporate Planning Division and Chairperson of the Sustainability Committee, my role is to grasp changes in social issues and stakeholder expectations, anticipate the changes ahead, indicate the direction Kurita should take, translate that direction into concrete strategies, and connect it to execution.

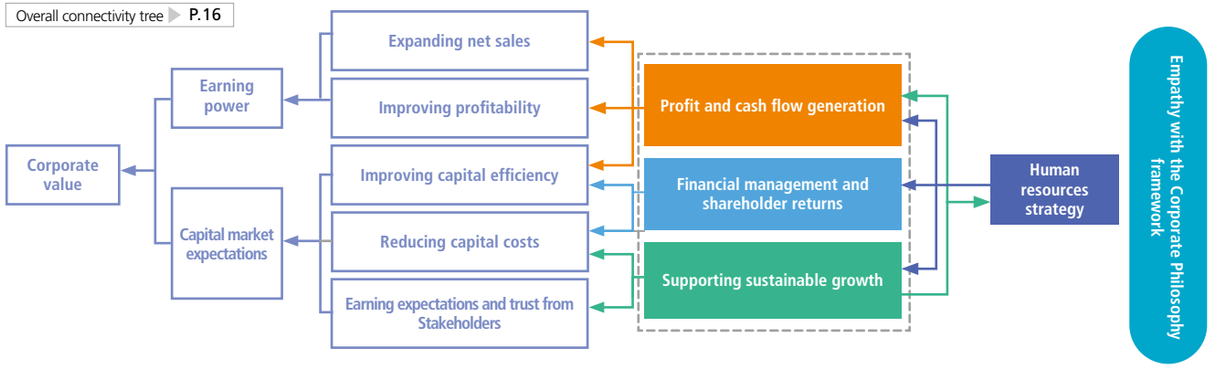
## Value Creation under the PSV-27 Plan

The PSV-27 Plan aims to link the resolution of social issues to business growth while pursuing a balance between social value and economic value. The starting point for this is materiality. From two perspectives—the impact of global sustainability issues on Kurita's corporate value and the impact Kurita has on society and the environment—we have identified key issues and established a materiality framework consisting of three shared value themes and five basic themes. By incorporating these into the business strategies and functional strategies of the PSV-27 Plan, we are translating the resolution of social issues into business activities and linking them to value creation. The frameworks showing these value creation connections are the Value Pioneering Path and the "value creation tree," which visualizes these relationships in detail and in a concrete manner. We aim to visualize how materiality, business strategies, and functional strategies lead to improvement in corporate value, and to view business activities and individual operations as a story. These are positioned as a foundation for the entire Kurita Group to promote value creation under a shared direction.

## Progress and Challenges in Balancing Social Value and Economic Value

Since its launch, the PSV-27 Plan has generally progressed as planned. Avoided GHG emissions generated through the CSV business, which plays a central role in value creation, are increasing at a pace significantly exceeding the initial plan. Profitability across CSV business as a whole has also reached a

Overall connectivity tree ▶ P.16



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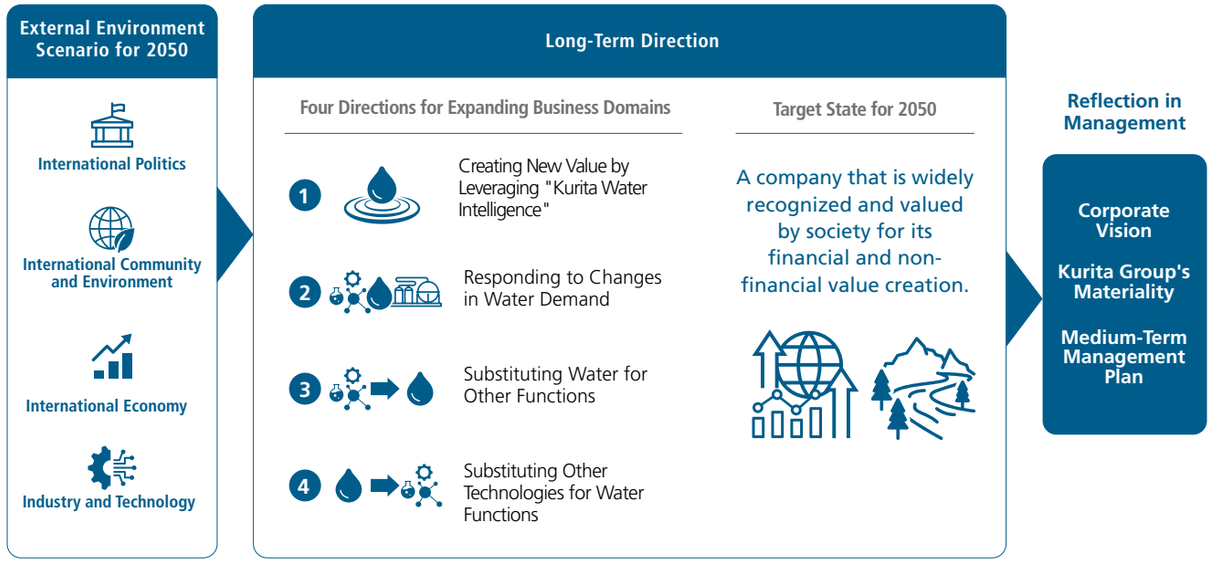
high level, and efforts to create social value are steadily translating into results. On the other hand, there are also issues that require further strengthening of our efforts. For example, in 2025, the amount of water savings through CSV business had to be revised downward from the medium-term target. In addition, a gap has emerged between the Scope 3 reduction target and actual emissions, partly due to higher emissions accompanying business growth, including expansion of the water treatment facilities business. To address these issues, we are strengthening efforts to expand CSV business with high value creation potential and create new models, through activities of the specialized subcommittees established under the Sustainability Committee for each shared value theme and through collaboration with the Value Providing Strategy Division. We are also working to achieve a decarbonized society by approaching both the GHG emissions reduction from our business activities themselves and those associated with the energy consumption of our products and services.

When creating social value, trust in the measurement and quantification of the underlying value is indispensable. We take very seriously the improper conduct in analysis operations at a Group company that came to light in July 2026 , recognizing it as a matter that calls on the entire Group to reexamine its approach to data measurement and management. I believe that trust from customers and society is the foundation of corporate management. To remain a company that continues to meet that trust, we will steadily implement not only measures to prevent recurrence but also initiatives to build a sound corporate culture and systems.

## Strengthening the Management Foundation to Support the Next Stage of Growth

While advancing efforts to achieve the PSV-27 Plan, we are also working to build a foundation for the next stage of growth. As mentioned at the beginning, the Board of Directors held repeated discussions on the Kurita Group's long-term direction from 2025, and approved it in March 2026. In studying the next medium-term management plan, I believe it is important for the executive side to steadily implement specific measures and strengthen the business foundation based on this direction.

What value can we provide to society and customers over the long term, and what strengths will Kurita draw on as the source of that value? While facing these questions, we are advancing discussions for the next stage of growth. In this process, I believe it is important to accurately grasp and anticipate changes in the environment, convert them into new business opportunities, and strengthen our ability to prepare for risks. To that end, strengthening the management foundation that will support the future, including human resources, technology, and intellectual property, is essential. The Corporate Planning Division is responsible for corporate governance, as well as for formulating management plans and monitoring their progress. It also handles sustainability efforts, including stakeholder engagement, formulates medium- to long-term strategies, including the use of intellectual property, and addresses changes in the business environment and management risks. While anticipating future changes, we will formulate corporate strategies that ensure sustainable growth. At the same time, we will further strengthen the Group's unique capabilities in chemicals, facilities, and maintenance, helping to solve issues faced by customers and society around the world.



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# Toward Sustainable Growth

Materiality

## Kurita Group's Materiality

The Kurita Group views sustainability defines sustainability as conducting business within natural and social systems, striving for sustainable growth while accounting for their mutual impacts. The PSV-27 Plan positions sustainability at the core of business management. Priority issues for realizing the corporate vision are designated in the Kurita Group's Materiality, which identifies sustainability-related global issues and sets materiality metrics and targets as indicated in the table below.

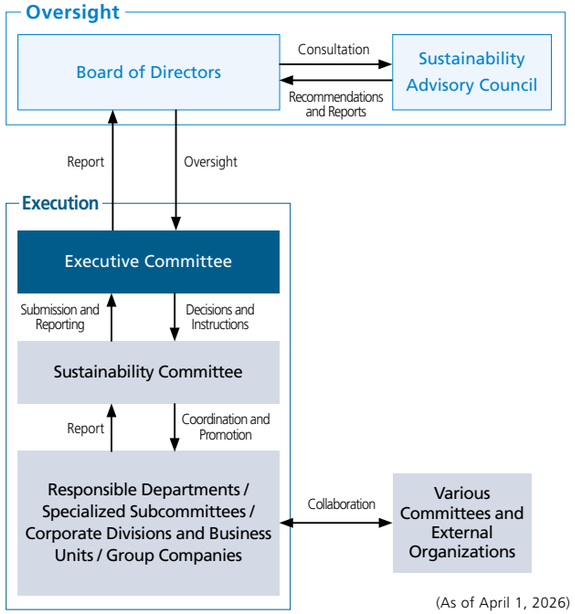
| Shared Value Themes (Fiscal year ending March 31, 2028) | |
|---|---|
| **Solve issues related to water resources** | |
| Total number of basins where collective actions are implemented*1 | 5 basins (FY ending March 31, 2031, target: 7 basins) |
| Amount of water savings through CSV business | 250 million $m^3$ |
| Rate of reduction in the ratio of GHG emissions to previous fiscal year Plan water | 50% |
| Rate of reduction of water withdrawal intensity (compared to FY ended March 31, 2023, excluding the ultrapure water supply business) | Meet or exceed 30% |
| Number of individuals, organizations and groups we engage with to raise awareness on water resources | Meet or exceed the previous fiscal year |
| **Contribute to the realization of a decarbonized society** | |
| Rate of reduction in Scope 1+2 emissions (compared to FY ended March 31, 2020) | 73% (FY ending March 31, 2031, target: 80%,FY ending March 31, 2051, target: Net-Zero) |
| Rate of reduction in Scope 3 emissions (compared to FY ended March 31, 2020) | 22% (FY ending March 31, 2031, target: 30%,FY ending March 31, 2051, target: Net-Zero) |
| Avoided GHG emissions through CSV business | Meet or exceed 3,000 thousand tons |
| **Contribute to building a circular economy society** | |
| Rate of increase in resource recovery or reduction of resource input through CSV business (compared to FY ended March 31, 2023) | 300% |
| In-house waste recycling rate | Meet or exceed the previous fiscal year |

| Basic Themes (Fiscal year ending March 31, 2028) | |
|---|---|
| **Develop and disseminate innovative products, technologies, and business models** | |
| Investment rate in innovation areas | Meet or exceed 30% |
| Rate of the number of themes in innovation areas | Meet or exceed 30% |
| Number of stakeholder engagements related to innovation areas | Meet or exceed the previous fiscal year |
| **Strategic development and utilization of human resources** | |
| Engagement Score (a. Rate of companies above the average of all industries, b. Score of each company surveyed) | a: Meet or exceed 75% b: Meet or exceed the previous survey |
| Rate of women, foreigners, and experienced personnel among executives of the Company | 40% |
| Fill rate of human resources for development, digital, and intellectual property | 90%*2 |
| **Provide highly safe and quality products and services** | |
| Reduction rate in the recurrence rate of accidents that affect customers and society (compared to the previous year) | 20% |
| **Conduct business activities respecting human rights** | |
| Conducting human rights due diligence on suppliers | Continuous implementation |
| Accident severity rate (the Company and the Group Companies in Japan) | 0.005 or less |
| LTIR (Group companies overseas)*3 | 0.40 |
| Rate of participation in human rights-related training | 100% |
| Establishment of a liaison for remedies from human rights violations (grievance mechanism) | Completed |
| **Conduct fair business activities** | |
| Rate of participation in whistle-blowing system related training | 100% |
| Rate of participation in training related to laws and internal rules for anti-bribery and antitrust, etc. | 100% |
| Number of violations of anti-bribery and antitrust laws | 0 |

## Promotion System

Under the oversight of the Board of Directors, the Kurita Group promotes sustainability initiatives through an execution framework centered on the Sustainability Committee. The Executive Committee is responsible for deliberation and decision-making on necessary measures.

### Organizational structure




(As of April 1, 2026)

*1 The Board of Directors approved at its meeting removing total populations from basin where collective actions are implemented to target only the basins beginning the fiscal year ending March 31, 2026. The goal of this change is to isolate the achievements that the Kurita Group makes through collective action.
*2 In light of changes in the business environment and progress under the PSV-27 Plan, the Board of Directors resolved in March 2026 to revise the definition and scope of development talent, as well as to raise the fiscal year ending March 31, 2028 target.
*3 Introduced as a safety metric for overseas Group companies from the fiscal year ending March 31, 2027. LTIR (Lost Time Incident Rate) is the frequency rate of lost-time injuries per 200,000 working hours. The scope covers site-based employees and primary and lower-tier suppliers engaged in on-site work, including contractors.



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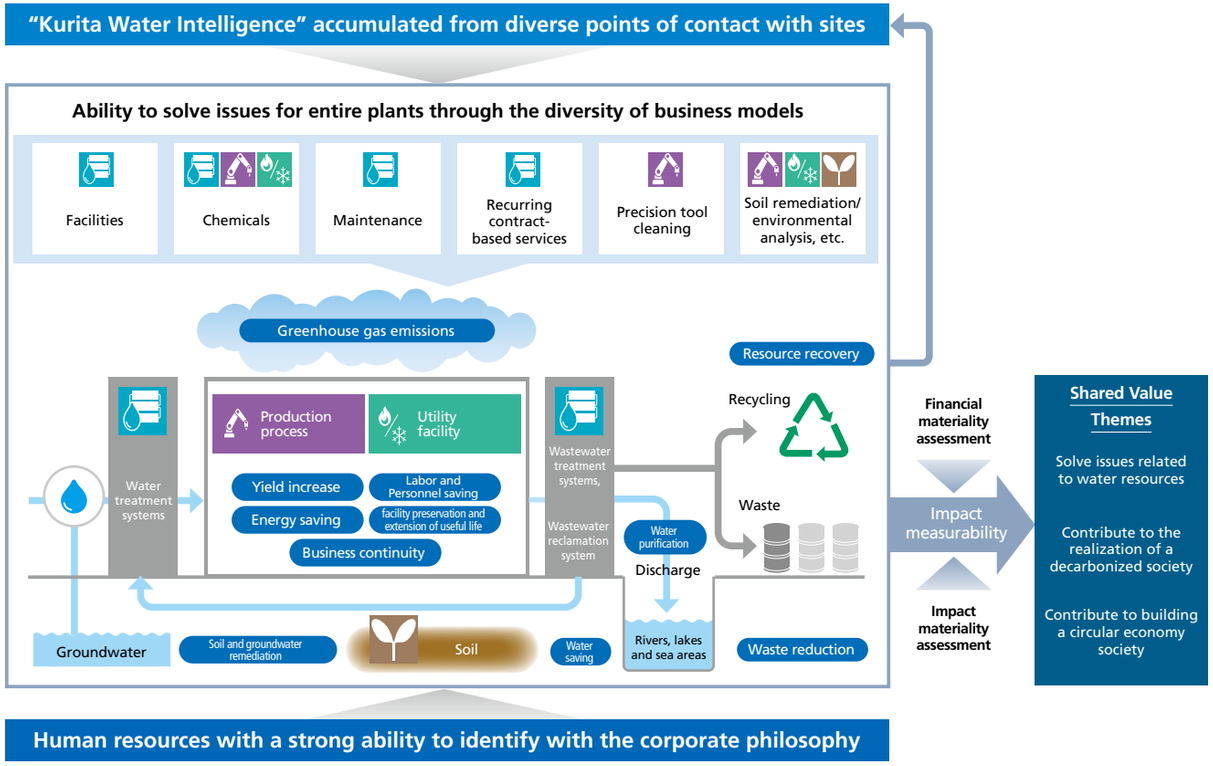
Promotion System

# Toward Sustainable Growth

Materiality

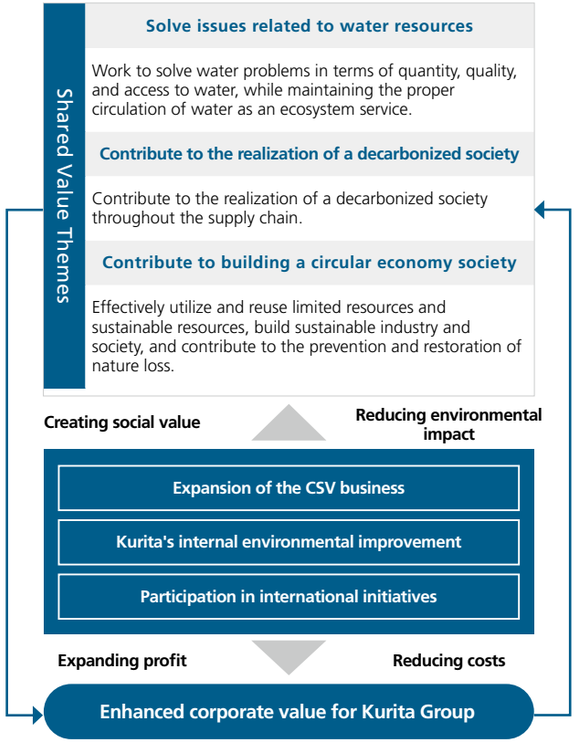
## Selection of Shared Value Themes

The Kurita Group has provided solutions through diverse business models for entire manufacturing plants across a wide range of industries within its business domain centered on "water." Through these business activities, the Kurita Group has accumulated "Kurita Water Intelligence" across diverse points of contact at customer sites, which serves as the source of its competitive edge. In addition, driven by human resources who strongly embrace our corporate philosophy, the Kurita Group creates positive impact on society. By receiving appropriate value in return for this impact, the Kurita Group also realizes sustainable impact for itself. This value creation for both society and the company is regarded as a spiral-up mechanism, where mutual reinforcement leads to continuous growth.
Our shared value themes were selected as the themes that currently create the greatest social impact, solve issues related to water resources, contribute to the realization of a decarbonized society, and contribute to building a circular economy society.




## Promoting Shared Value Themes

The Kurita Group promotes the shared value themes through initiatives that expanding the CSV business which creates social value through the provision of products and services, reducing the environmental impact resulting from our business activity, and participating in international initiatives related to water. Through these initiatives, we will maximize the positive impact on both society and Kurita, which will lead to an enhancement of corporate value. The Kurita Group's growth through its business activities contributes to the realization of a better society by addressing the material issues it has identified, and serves as an essential element in achieving its corporate philosophy: "Study the properties of water, master them, and we will create an environment in which nature and humanity are in harmony.



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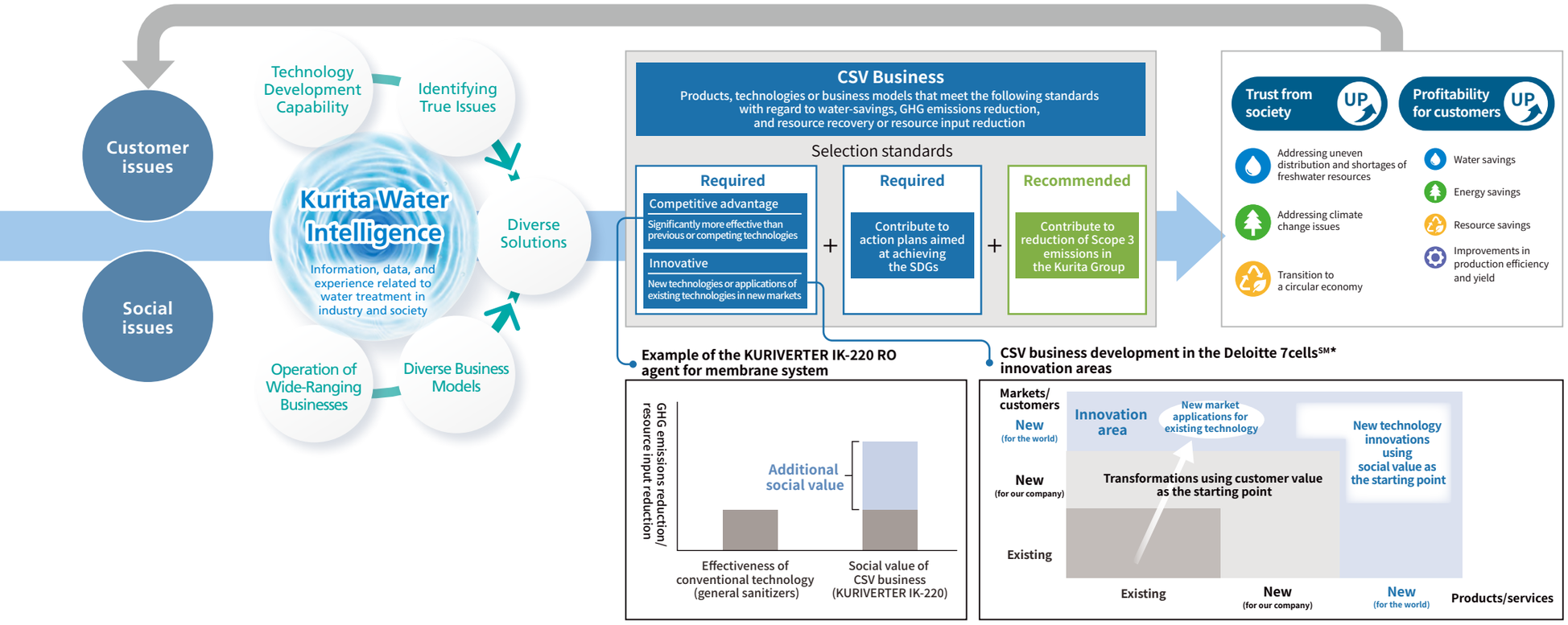
CSV Business

## CSV (Creating Shared Value) Business

The Kurita Group defines as CSV business those products, technologies, and business models that make a significant contribution, compared with conventional approaches, to at least one of the following: water conservation, reduction of GHG emissions, or resource recovery or reduction of resource input.
Kurita quantifies the extent to which its CSV business contribute to reducing environmental impacts associated with customers' production activities as specific environmental impact reduction contributions (social value). These quantified social values serve as metrics for the shared value themes of the Group's materialities.

Under the PSV-27 Plan, CSV business is positioned as a key pillar supporting the Kurita Group's growth strategy. The amount of water savings, avoided GHG emissions, and resource recovery or reduction of resource input generated through CSV business, together with the achievement rate of CSV business sales targets, are used as performance evaluation indicators for performance-linked compensation for our Executive Officers and Executives, as well as for the representatives of certain Group companies.
In selecting CSV business, the Kurita Group aims not only to create social value but also to promote innovation and expand opportunities for business development.




*This corresponds to the "innovation areas" in the Deloitte 7cells℠ (the Deloitte concept of growth strategy formulation).



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Maintaining and enhancing value of CSV business

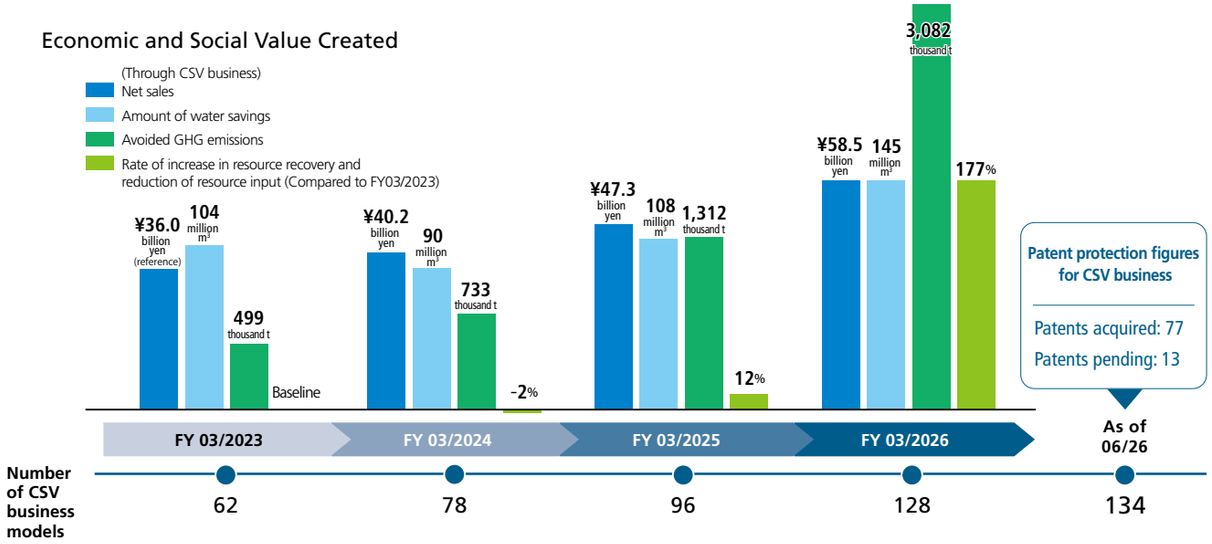
# Toward Sustainable Growth

CSV Business

## Materiality Targets and Achievement

| Metrics | Result for FY 03/2025 | Target (top figure)/Result (bottom figure) for FY 03/2026 | Target for FY 03/2027 | Target for FY 03/2028 |
|---|---|---|---|---|
| **Solve issues related to water resources** | | | | |
| Amount of water savings through CSV business | 108 million m³ | 150 million m³<br>Not achieved(145 million m³) | 190 million m³ | 250 million m³ |
| Rate of reduction in the ratio of GHG emissions to water savings*1 (compared to FY ended March 31, 2023) | 16.1%*2 | 35%<br>Not achieved(23.5%) | 40% | 50% |
| **Contribute to the realization of a decarbonized society** | | | | |
| Avoided GHG emissions through CSV business | 1,312 thousand tons | 2,500 thousand tons<br>Achieved (3,082 thousand tons) | Meet or exceed 3,000 thousand tons | Meet or exceed 3,000 thousand tons |
| **Contribute to building a circular economy society** | | | | |
| Rate of increase in resource recovery or reduction of resource input through CSV business (compared to FY ended March 31,2023) | 12% | 100%<br>Achieved (177%) | 180% | 300% |

*1 The figure represents Kurita Group's Scope 3 categories 11 and 13, divided by the amount of water conservation achieved through CSV business involving water treatment facility (which generates Scope 3 categories 11 and 13 emissions).
*2 Past performance figures were revised as of September 2025 and March 2026 following the inclusion of newly consolidated companies that commenced environmental improvement activities, a review of calculation methodologies, correction of aggregation errors, and the reorganization and verification of calculation data for the base year (fiscal year ended March 31, 2023).




As part of its materiality initiatives, Kurita measures and manages the social value created through its CSV business using indicators related to water savings, GHG emissions reductions, and resource recovery or reduction of resource input. The Group also adopts an indicator that assesses the relationship between water savings and GHG emissions reductions. This enables us to pursue not only the enhancement of each individual value, but also the maximization of overall social value by considering the optimal balance among them.
The metrics of avoided GHG emissions and rate of increase in resource recovery or reduction of resource input in the fiscal year ended March 31, 2026 achieved their targets, supported by the expansion of models such as pHytOUT ▶ P.28 . However, the amount of water savings fell short of the target due mainly to delays in project implementation. The metrics of rate of reduction in the ratio of GHG emissions to water savings also missed the target, reflecting the fact that both the amount of water savings and Scope 3 emissions reductions fell short of their targets. Going forward, we will strengthen collaboration with specialized subcommittees and related departments to accelerate the expansion of CSV businesses and the creation of new business models.

## Patent Protection for CSV Business

For each CSV business, we comprehensively analyze customer issues, proprietary technologies, and the competitive environment, working to build optimal patent portfolios to maintain and strengthen our competitive advantages. On the other hand, some CSV business initiatives have limited patentable technological elements, and for some, patent protection is not necessarily effective. Therefore, our intellectual property strategy is not limited to acquiring patents. It also involves initiatives such as know-how management and sophistication of business models, and we work to maintain and strengthen competitive advantages in line with the characteristics of each business. Through these efforts, we will protect the strengths and uniqueness of CSV business while supporting the development of unique business models that create shared value with society unique to the Kurita Group, thereby leading to the sustained improvement of earning power.



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# Toward Sustainable Growth

CSV Business

## Expand CSV Business

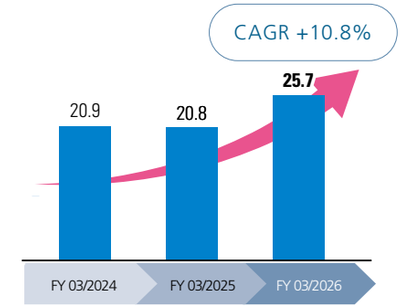
The CSV Business is expanding beyond regions and industries through global collaboration, providing value worldwide while expanding its sales scale and business models.

### Expanding Sales Scale

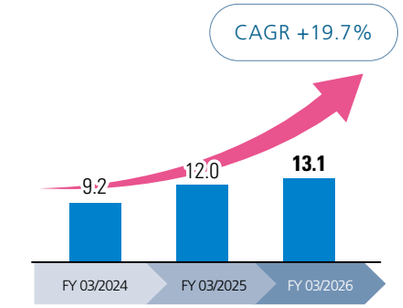
The CSV Business has developed primarily in Japan but are now achieving steady growth globally. In particular, they are serving as a door opener for entry into new markets in emerging regions such as the Middle East and South America.

Graph: Net sales (Billions of Yen)

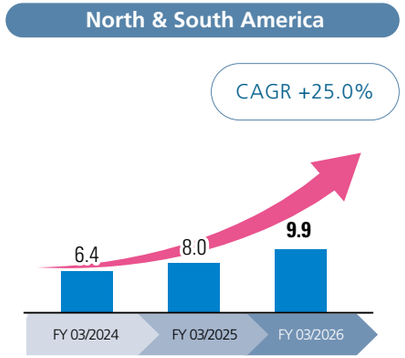
**Japan**



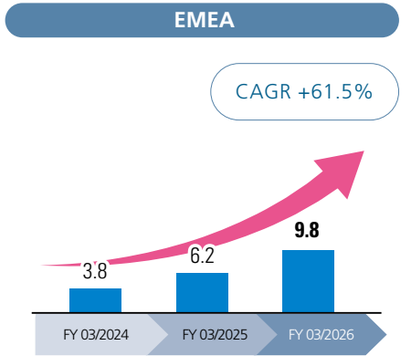

**Asia**




**North & South America**



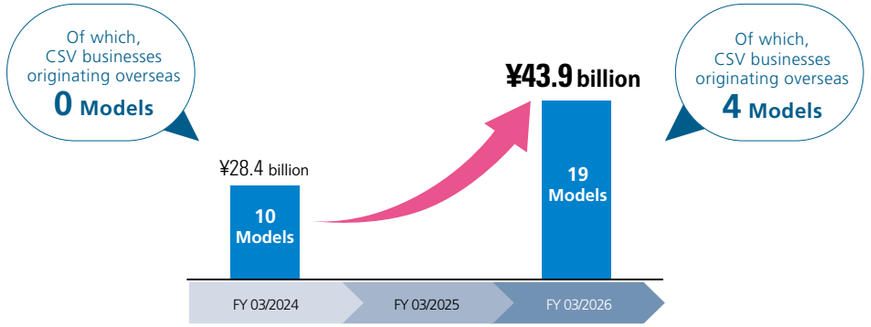

**EMEA**




### Expanding New Models

In the CSV Business, as the number of models increases, the sales scale of each model is also expanding steadily. In addition, CSV businesses originating overseas have emerged and are developing into new growth pillars.

**Total net sales and number of models for CSV businesses with net sales of 1.0 billion yen or more**




CSV businesses created around the world are being rolled out across regions and industries while sharing success stories, expanding the value they provide globally.

**Created in Singapore and Indonesia**

**KURITA ZA Series**

The KURITA ZA Series is used in wastewater treatment and reclamation facility for mines and semiconductor markets, and its high coagulation performance contributes to improving the efficiency of wastewater treatment and reclamation processes.

Also deployed in Malaysia

**Created in North America**

**pHytOUT**

Contributes to reducing GHG emissions and improving productivity by suppressing scale formation in evaporators used in the bioethanol production process.

Also deployed in Europe and China

**Created in Germany**

**DILURIT BC S FOR COOLING SYSTEMS**

Used in cooling towers, it reduces chemical consumption and contributes to reducing GHG emissions and conserving water.

Also deployed in China



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# Toward Sustainable Growth

CSV Business

## Roles of Various CSV Business in Water Treatment Processes

CSV business can be utilized to support various steps in water treatment processes throughout customers' plants.

Water saving
Reducing greenhouse gas emissions
Recycling waste into resources
Reducing resource inputs

### KURITA NA

Prevents slime, scale, and corrosion while also contributing to energy-efficient operation and Legionella control

### Kurita Dropwise Condensation Technology

Kurita Dropwise Condensation Technology increases heat transfer efficiency and improves productivity in heat exchangers across various industries



### Predictive diagnostic services

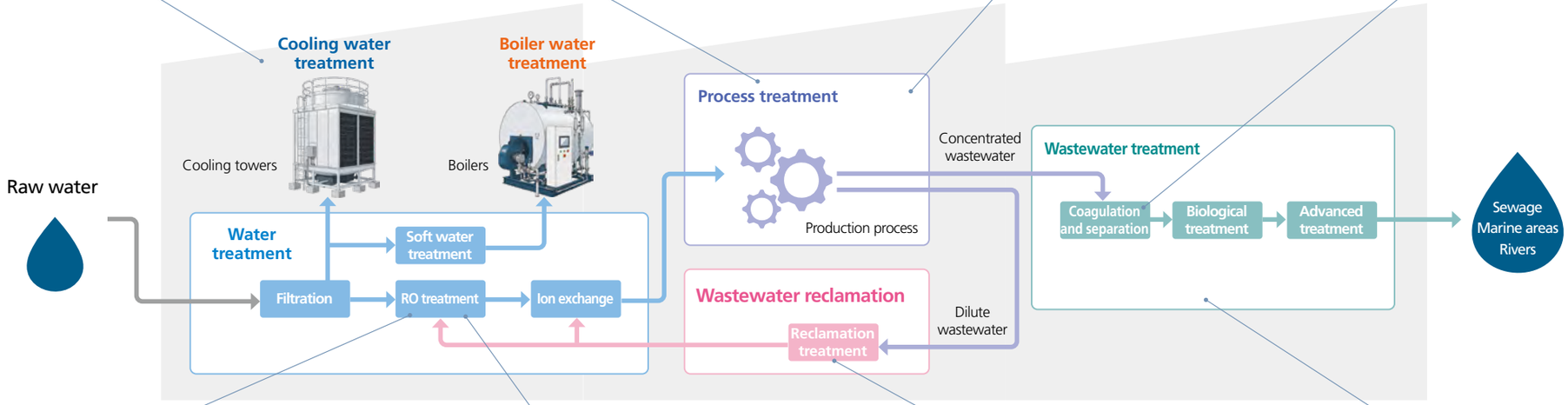
A service that diagnoses signs of trouble, such as deterioration in manufacturing quality or operational disruptions, based on water quality data from paper product manufacturing processes, helping improve operational management



### S.sensing CS

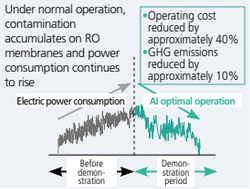
Optimizes the injection volume of inorganic coagulants using a coagulation sensor. Reduces the amount of sludge generated from chemicals by approximately 50%





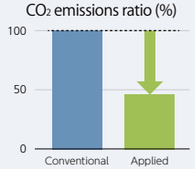

### AI-optimized operation

Collected operational data is put through AI analysis to achieve optimum operation and reduce power consumption.




### Ultra-low pressure RO membranes

Pump power consumption is reduced compared with conventional systems by utilizing RO membrane system with high permeability




### Reclaimed water supply services

Standardized wastewater reclamation system offering stable wastewater reclamation and water savings



### Recycling sludge into resources

Dehydrated cake that has been incinerated is turned into fertilizer through resource recycling facility and provided to local agricultural lands



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section 02

# The Kurita Group's Businesses

Kurita accumulates information, data, and experience gained through diverse points of contact with sites across a wide range of industries and regions as "Kurita Water Intelligence" and delivers new value to customers and society. This section presents how Kurita leverages its unique strengths to transform issues faced by customers and society into value.



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# Business Fields and Solutions

The Kurita Group has connections with customers in a wide range of industries around the world. The Kurita Group also employs a wide range of business models related to water and environment to help its customers solve issues across all areas of their factory operations and office buildings involving water use.

## Customer Diversity and Business Segments

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




### Segment Classification

Conventional approach

Management centered on products (facilities, chemicals, etc.)

Manage the business based on customer issues and the value we provide

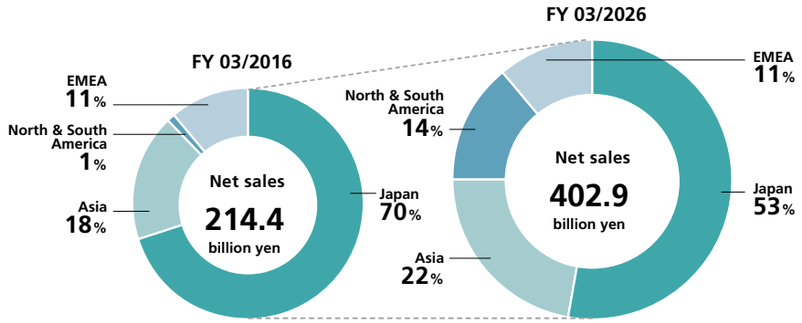
Differences in market characteristics and customer needs

- Electronics industry → Electronics Industry segment
- General industry → General Industry segment

## Diversity of Business Regions

The Kurita Group has been accelerating the globalization of its business through M&A since 2015. Today, approximately half of the Group's net sales, employees, and Group companies are accounted for by operations outside Japan.

### Expansion of net sales and changes in net sales by region




### Kurita Group's global network

(As of March 31, 2026) on a continuing operations basis

**Consolidated**
402.9 billion yen | 7,425 employees | 61 companies

Japan: 211.9 billion yen | 4,109 employees | 21 companies

North and South America: 57.1 billion yen | 837 employees | 7 companies

Asia: 89.9 billion yen | 1,787 employees | 18 companies

EMEA: 44.0 billion yen | 692 employees | 15 companies

Net sales / Employees / Group companies

**The information, data, and experience gained from this diverse range of industries and regions form the foundation of our "Kurita Water Intelligence," establishing the Kurita Group's competitive advantage**



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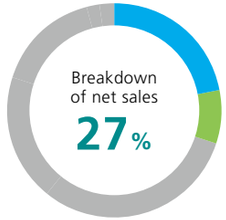
# Business Fields and Solutions

## Business Diversity (FY 03/2026)

Electronics Industry segment　General Industry segment

### Facilities

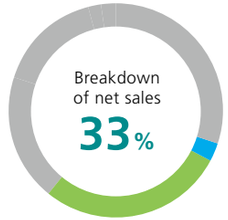





We provide water treatment facilities that remove impurities to supply water needed for production activities, as well as wastewater treatment facilities for cleaning various types of water discharges from factories. Our wastewater reclamation systems also help customers reduce costs and environmental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

### Chemicals

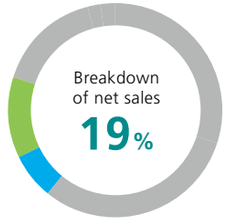





Use of appropriate water treatment chemicals in the customer's facilities helps improve productivity and prevent potential facility-related issues. The chemicals are used in a wide range of applications, including utility facility such as boilers and cooling towers, water treatment facilities, and production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

### Maintenance

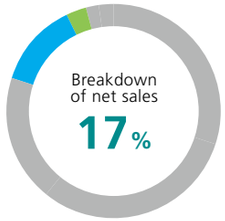





For water treatment facilities provided by either Kurita or other companies, we provide aftersales follow-up services and operation management for water treatment facilities to maintain and improve facility performance and prevent problems from occurring, contributing to stable operations at customer plants. In addition to water treatment facilities, we also provide engineering-grade cleaning services on boilers, heat exchangers and pipes to remove accumulated contaminants

### Recurring contract-based services

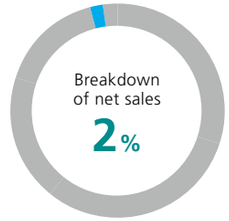





By leveraging business models such as water treatment facilities, maintenance, and water treatment chemicals, we provide services that support the stable supply of water and efficient operation of facilities in our customers' business activities.
A representative example is Kurita's water supply business. For customers primarily in the electronics industry, Kurita constructs and owns water treatment facilities and provides operation management and maintenance services, ensuring a stable water supply over the long term and thereby reducing customers' capital investment requirements and operational management burdens.

### Precision tool cleaning

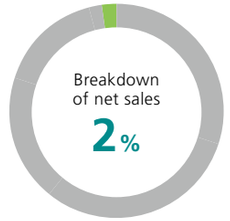





Tools and jigs used by customers to manufacture semiconductors and FPDs are sent to Kurita cleaning sites, where they are analyzed and cleaned to remove deposits from the fabrication process. This tool cleaning service can also include tool upgrades, helping customers to maintain and improve productivity.

### Others






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



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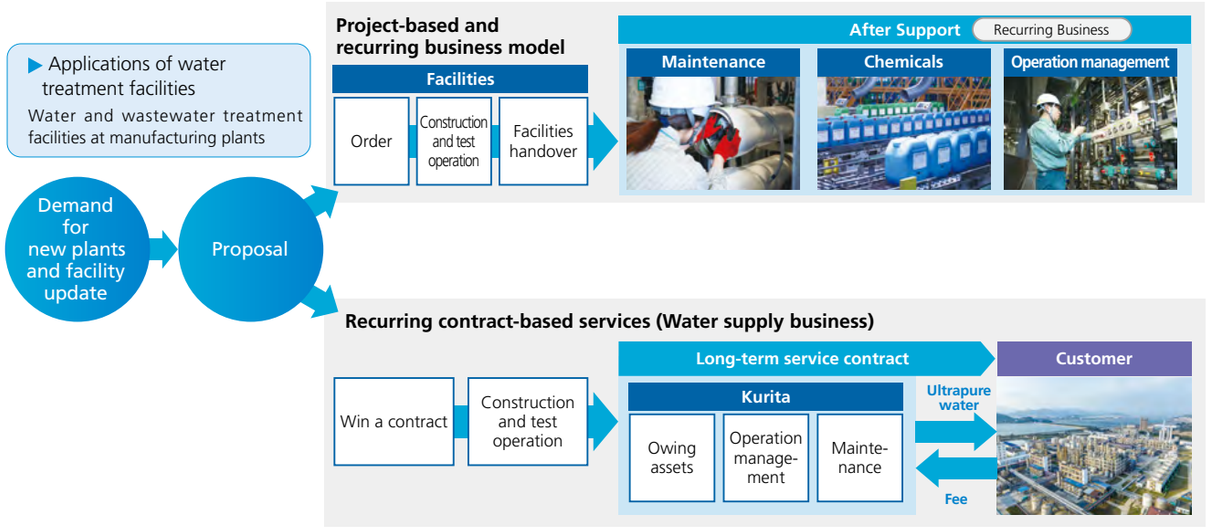
# Business Fields and Solutions

## Business Flow

This section describes the business flow for the Kurita Group's core businesses, water treatment facilities and water treatment chemicals.

### - Water treatment facilities

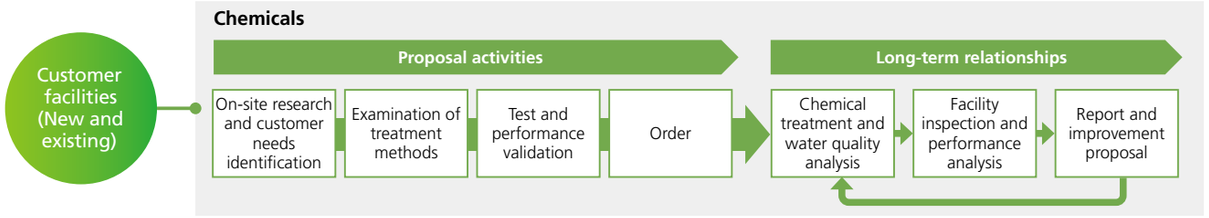
Water treatment facilities mainly consist of water treatment systems that supply purified water and ultrapure water required for customers' production activities, and wastewater treatment and reclamation systems that treat water discharged from production processes for discharge into rivers and other waterways or for reuse. There are two primary service models: "project-based and recurring business model" and "recurring contract-based services". Under project-based and recurring business model, business begins with the sale and installation of water treatment facilities and expands into ongoing services such as maintenance and chemicals. In contrast, under the recurring contract-based services model, Kurita installs water treatment facilities within customers' plants as Kurita-owned assets and provides a stable supply of ultrapure water produced by those facilities.
Based on each customer's capital investment plans, approach to facility management, and needs regarding asset ownership, Kurita proposes the most appropriate service model.




### - Water treatment chemicals

Water treatment chemicals are applied to customers' cooling towers, boilers, water treatment facilities, and production processes, contributing not only to the stable operation of facilities but also to water and energy savings.
Because the treatment method varies depending on factors such as water quality, water volume, facility specifications, and operating conditions, Kurita first conducts on-site surveys to understand customers' needs and issues and then evaluates the most appropriate chemicals and treatment methods. After verifying their effectiveness through field tests, we supply the chemicals once customers are satisfied with the proposed solution.
In addition, even after the start of the contract, we continue to conduct regular water quality analyses, facility inspections, and performance evaluations, and provide improvement proposals based on the results. In this way, Kurita contributes to improving the performance of customers' facilities not only through the supply of chemicals but also through ongoing operational support and continuous improvement activities.



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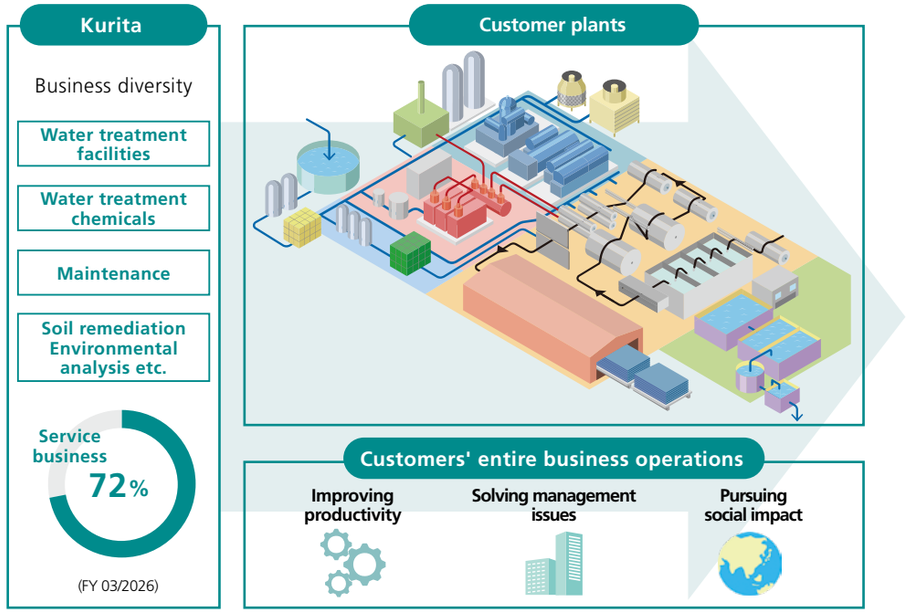
# Business Fields and Solutions

## Overall optimization approach

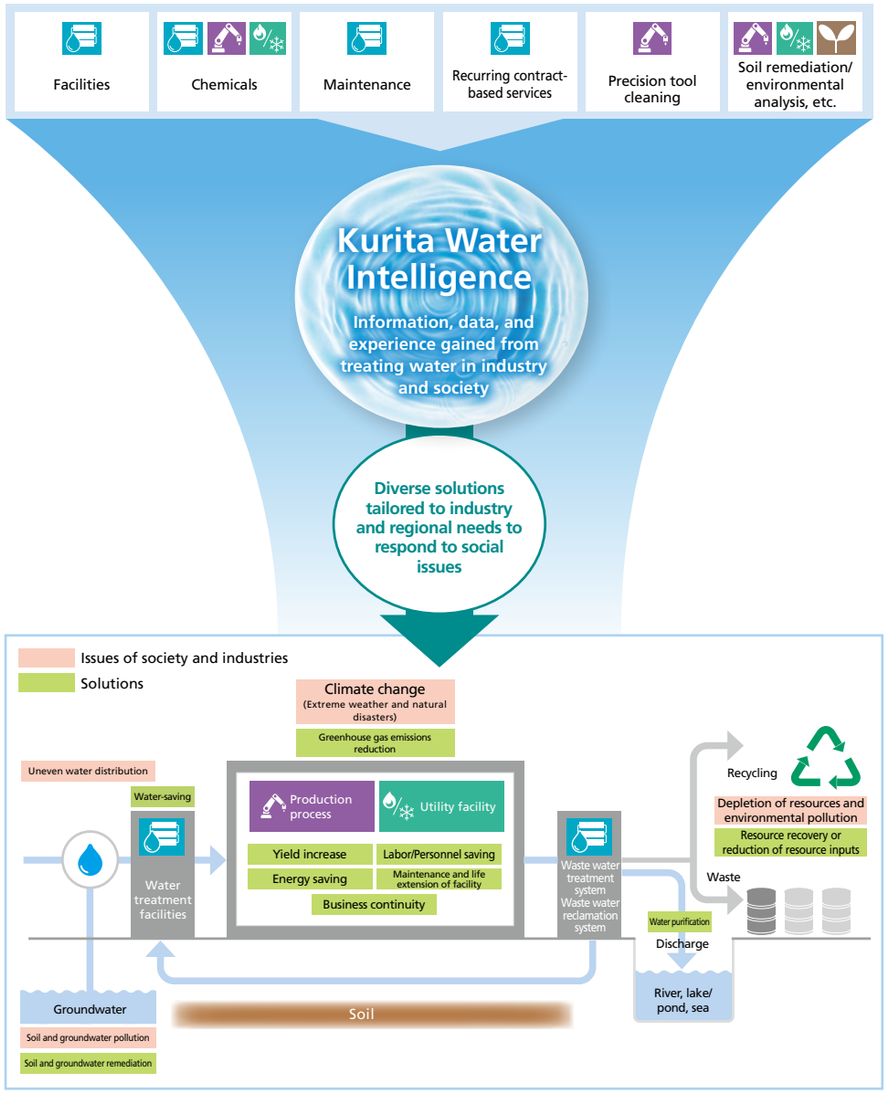
In recent years, the management issues facing customers have become increasingly complex and diverse, extending beyond productivity improvement to include water savings, energy savings, resource circulation, and addressing labor shortages. To address these issues, customers require not only the optimization of individual facilities and processes but also a holistic approach that takes into account entire production sites, including production processes and utility systems.

The Kurita Group has developed a deep understanding of customers' operations through its diverse businesses, including water treatment facilities, water treatment chemicals, maintenance, soil remediation, and environmental analysis, as well as through continuous customer engagement enabled by its service businesses. The information, data, and expertise accumulated through these activities are leveraged as "Kurita Water Intelligence" to create new value and address a wide range of customer needs, including latent issues.

Through this holistic optimization approach, the Kurita Group contributes to enhancing the overall performance of customers' operations, while also creating value through helping to solve issues facing society and industry. Going beyond the boundaries of water treatment, the Kurita Group is taking on the challenge of creating new value as a "Performance Enhancer" that supports the sustainable growth of its customers.




**Ability to solve issues for entire plants through the diversity of businesses**



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# Electronics Industry Segment

## Segment Characteristics

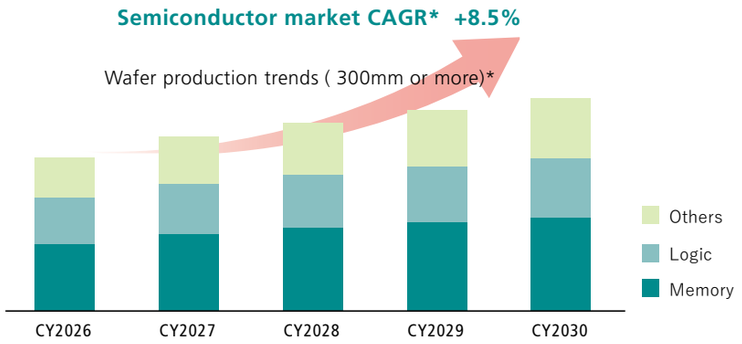
The Electronics Industry segment provides solutions to customers in the electronics industry, including semiconductors, electronic components, and flat panel display. As capital investment progresses worldwide, particularly in semiconductors, the Kurita Group is expanding its business foundation, traditionally centered on Asia, into Europe and North America to support customers' global business strategies.

| Target industries and market characteristics | | Kurita's business foundation | | Segment characteristics |
|---|---|---|---|---|
| High growth potential centered on semiconductors | × | Global business foundation in Asia, Europe, and North America | = | Priority areas for capturing market growth |

## Market Environment

**・Market fields expected to grow over the medium to long term**

The electronics industry, centered on semiconductors, is expected to demonstrate strong growth over the medium to long term, driven by the proliferation of AI and expanding demand for data centers, with active investment expected across regions worldwide.




* Trend in annual processed wafer volume: source SEMI data, complied by Kurita

**・Increasingly sophisticated and complex customer needs**

Against the backdrop of growth in the semiconductor market and increasingly sophisticated manufacturing processes, customer issues and needs are becoming more advanced and complex. In addition to high-quality water treatment, customers must address constraints on water resources, energy conservation, resource recovery, and other issues.



## Becoming a Trusted Partner that Supports Customers' Growth in a Rapidly Changing Market

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

Katsuya Amano

In the electronics industry, customer needs are changing significantly against the backdrop of increasingly advanced semiconductor manufacturing processes, growing water resource constraints, stricter environmental regulations, and labor shortages. In addition to ensuring a stable supply of ultrapure water, optimizing entire facilities, including enhanced productivity, stable operations, water reuse, and resource recycling, has become an important management priority for customers.

I believe that these changes represent a major business opportunity for Kurita. One of Kurita's greatest strengths is its ability to provide integrated solutions across the entire water value chain, including ultrapure water systems, wastewater treatment and reclamation, water treatment chemicals, operation management, and maintenance services. In particular, wastewater treatment and reclamation require highly tailored solutions depending on customers' manufacturing processes and site conditions, making advanced technological capabilities and extensive operational know-how key sources of competitiveness. Leveraging the expertise we have accumulated in wastewater management , including through our long experience in the general industrial field, together with our deep understanding of leading-edge semiconductor manufacturing processes, we provide unique value by optimizing entire facilities.

At the same time, semiconductor manufacturers are expanding their investments and production facilities globally, creating a growing need for consistent value delivery across regions. To address this need, we are strengthening our business platforms in each region and enhancing our capabilities to serve global accounts. We are also working to reinforce our supply capabilities through design automation, modularized production, and the strategic use of M&A and partnerships.

In the electronics field, the business model we place the greatest emphasis on is our project-based and recurring business model, which begins with facilities orders and continues to deliver value through service offerings. By combining facilities, chemicals, operation management, and maintenance services, we build long-term relationships with customers and continuously expand the value we provide as their facilities become more advanced. This business model not only contributes to enhancing our customers' competitiveness but also provides Kurita with a stable and sustainable earnings base.

In addition, through our collaboration with imec, we are advancing technology development aimed at next-generation semiconductor manufacturing processes. Going forward, we will continue creating new value together with our customers and strive to remain an indispensable partner to the electronics industry.



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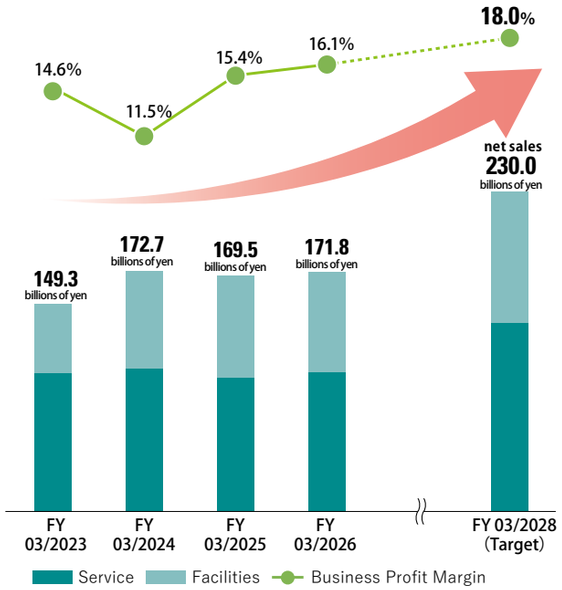
# Electronics Industry Segment

## Targets and Progress of the PSV-27 Plan




## Expansion of the project-based and recurring business model

The Kurita Group aims to achieve stable and sustainable growth by continuously securing water treatment facility projects in growth markets where investment is active and using these projects as a starting point to expand its high value-added service businesses. By expanding both its project-based and recurring business model, the Group will build a robust earnings base even in rapidly changing markets. Furthermore, through ongoing customer contact in the service business, the Group will accumulate "Kurita Water Intelligence" and leverage it to create new value for customers.

### Facility-driven holistic optimization approach



**Water treatment facilities**

Scale of addressable facility projects over the next two years

**Approximately ¥200 billion**

### Service business expansion



**Maintenance**



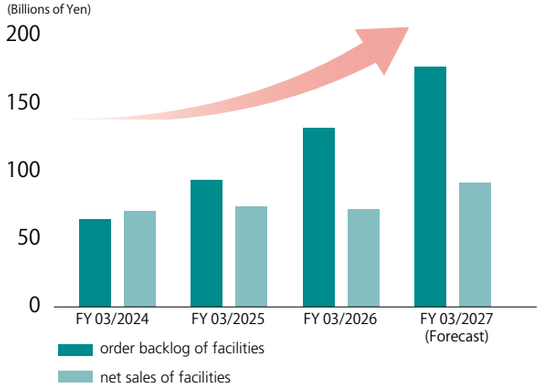
**Operation management**



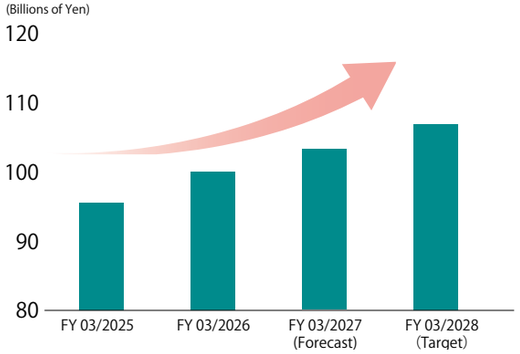
**Chemicals**

Expected annual sales contribution following facility delivery
Approximately 4~5%of facility orders

### Facility order backlog and net sales (Electronics Industry Segment)




### Service business sales(Electronics Industry Segment)




* The forecast for FY 03/2027 is based on figures as of July 29, 2026.

### Challenges

- Building a stable business platform resilient to market volatility
- Enhancing responsiveness to customers' investment pace

### Priority measures

- Expansion of the global business platform and service business
- Enhancing production capacity



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# Electronics Industry Segment

## Regional Strategies and Initiatives to Enhance Production Capacity

Amid robust capital investment in the electronics industry, strengthening the global production system to reliably capture demand in growth markets is becoming increasingly important. Based on this recognition, the Kurita Group is working to shorten production lead times and enhance global production capacity by combining design automation, shorter procurement lead times based on demand forecasting, the use of prefabrication methods, and M&A and collaboration. By applying this approach to our regional strategies, we have already enhanced our existing engineering base in East Asia. In Europe and North America it is developing service delivery systems. The Group is also expanding into new regions. The Company jointly established Kurita Membrane India Private Limited with Membrane Group India Private Limited, a company engaged in the water treatment business in India, and commenced full-scale operations in June 2026.

| | |
|---|---|
| Japan/South Korea/China | • Continuous acquisition of target projects<br>• Allocating resources to projects in other area |
| North America/Europe | • Enhancing production capacity and building service delivery framework |
| Taiwan/ASEAN/India | • Taiwan/ASEAN:Approaching mid-sized projects<br>• India:Initiating demand capture |

**Enhancing Engineering Platform**

- AI-driven design automation and demand-based procurement optimization ▶ P.54-56
- Prefabrication methods

  ex:InQuuater Inc.'s ready made ultrapure water system "e-WT" ▶ P.61-62

×

**M&A/Partnerships**

- Exploring M&A and Partnerships in North America and South Asia

## Results for the Fiscal Year Ended March 31, 2026

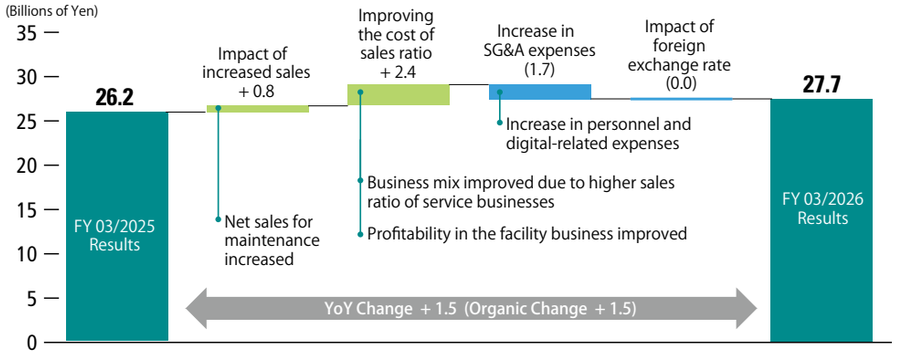
| (Billions of Yen) | FY 03/2025 Results | FY 03/2026 Results | YoY Change |
|---|---|---|---|
| **Orders** | **194.3** | **209.0** | **+ 14.6** |
| Facilities | 96.2 | 104.2 | + 8.0 |
| Recurring Contract-Based Services | 54.8 | 54.6 | (0.2) |
| Services | 43.3 | 50.2 | + 6.9 |
| Chemicals | 11.6 | 12.1 | + 0.5 |
| Precision Tool Cleaning | 8.5 | 8.5 | (0.0) |
| Maintenance | 23.2 | 29.6 | + 6.3 |
| **Net Sales** | **169.5** | **171.8** | **+ 2.3** |
| Facilities | 73.8 | 71.8 | (2.0) |
| Recurring Contract-Based Services | 54.8 | 54.5 | (0.2) |
| Services | 40.9 | 45.4 | + 4.5 |
| Chemicals | 11.6 | 11.8 | + 0.2 |
| Precision Tool Cleaning | 8.5 | 8.5 | (0.0) |
| Maintenance | 20.8 | 25.1 | + 4.3 |
| **Business Profit** | **26.2** | **27.7** | **+ 1.5** |
| **Business Profit Margin** | **15.4%** | **16.1%** | **+ 0.7pp** |
| **Operating Profit** | **27.8** | **28.7** | **+ 0.9** |

**Orders**
Orders increased due to the acquisition of large-scale water treatment facility projects in Japan, South Korea, and the United States, as well as expanding demand for maintenance services.

**Net Sales**
Net sales from water treatment facilities declined due to the absence of sales from several large-scale projects in China recorded in the previous fiscal year. However, overall net sales increased as maintenance services grew, supported by customer plant utilization.

**Business Profit**
Business profit increased due to higher maintenance sales, an improved business mix resulting from a higher proportion of service business sales, and improved profitability in the water treatment facilities business.

### Factors in Business Profit Change



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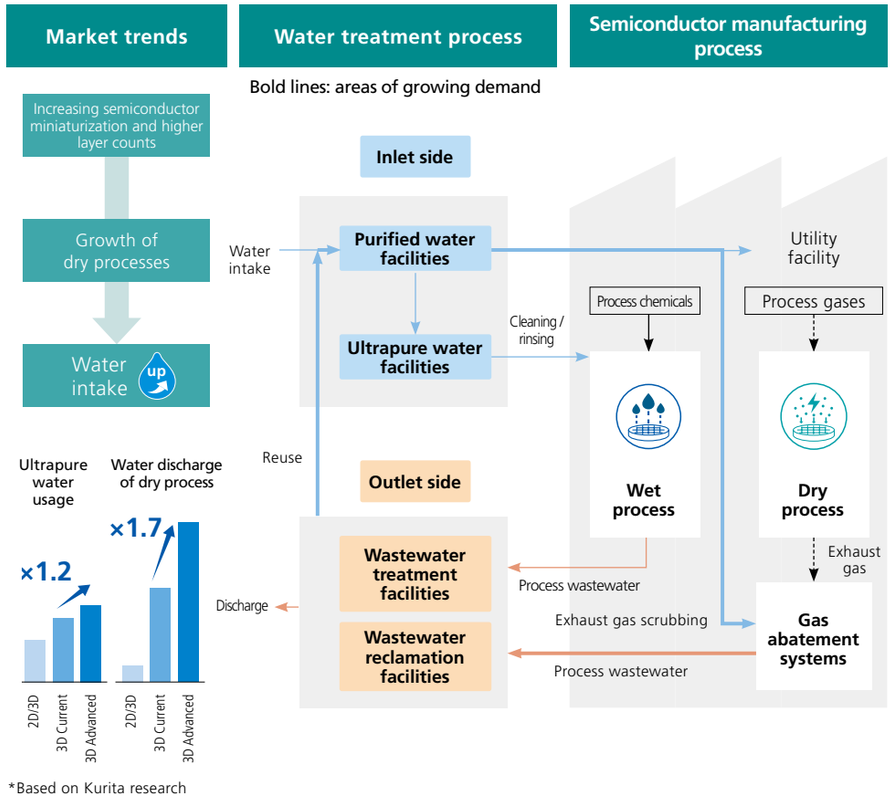
# Electronics Industry Segment

## Changes in Water Treatment Needs Driven by Advances in Semiconductor Manufacturing Processes

In semiconductor manufacturing, ultrapure water from which impurities have been removed to an extremely high degree of purity plays a vital role in supporting manufacturing quality. At the same time, the growing importance of wastewater treatment and reclamation for wastewater generated by manufacturing processes is driving change. As semiconductor performance and layer counts increase, raising the relative importance of deposition and dry etching processes, the volume of wastewater generated by production processes is expected to grow faster than ultrapure water consumption.

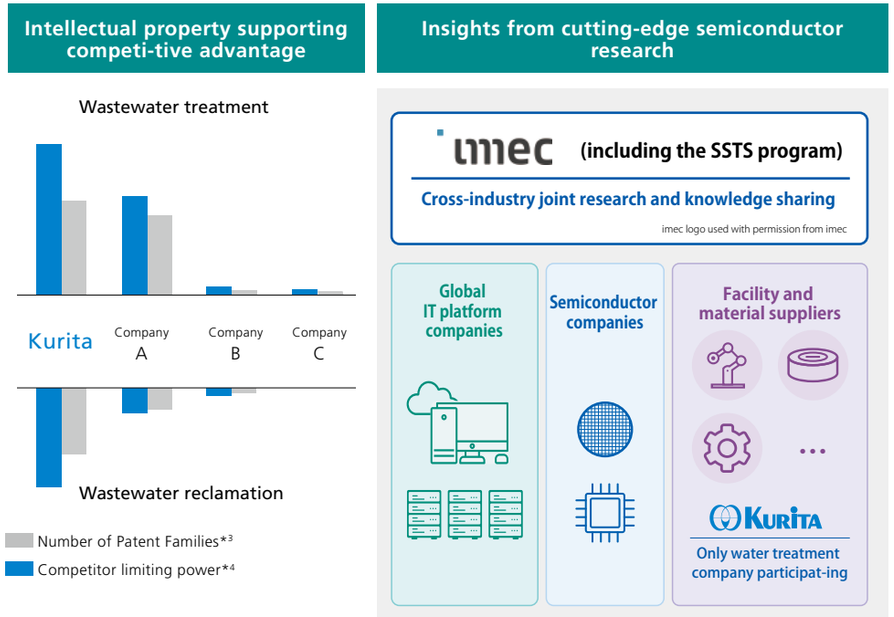



*Based on Kurita research

## Technological Foundation Supporting Sustainable Semiconductor Plants

The Kurita Group's strengths lie in the proprietary technologies and intellectual property it has accumulated through its world-class track record in installing water treatment facilities for wastewater treatment and reclamation. In addition, Kurita is the only water treatment company participating in imec*1, a world-leading research and innovation center in nanoelectronics and digital technologies, and also participates in the SSTS*2 program, which aims to assess and reduce the environmental impact of semiconductor manufacturing processes. By acquiring insights into the environmental issues of future manufacturing processes and combining them with the technologies and intellectual property it has accumulated, the Group is working to create technologies and solutions that support the sustainable operation of entire semiconductor plants, extending beyond wastewater treatment and reclamation.

*1 Interuniversity Microelectronics Centre
*2 Sustainable Semiconductor Technologies and Systems




*3 A patent family refers to a group of patent applications filed in multiple coun-tries or regions based on the same inven-tion. For a meaningful comparison of technological capabilities, each invention is counted as a single patent family.
*4 This refers to the " External Technology Relevance" metric adopted by LexisNexis in the United States. It is measured based on the number of citations a patent family receives from subsequent third-party pa-tent families. A higher number of citations indicates stronger influence over other companies' technological development.



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### Further Information

imec SSTS Program

# General Industry Segment

## Segment Characteristics

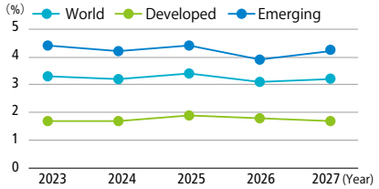
The General Industry segment provides solutions to customers across a wide range of industries, including oil refining/petrochemicals, steel, paper/pulp, food/beverage, and public sector. We operate in diverse regions such as Japan, Asia, Europe, North and South America, and the Middle East, enabling us to maintain a business portfolio that is less susceptible to economic fluctuations in any particular industry or region.
In addition, a high proportion of our business consists of water treatment chemicals, maintenance, and other service business that support customers' plant operations on an ongoing basis. As a result, we have established a stable earnings base that supports sustainable growth.

| Target industries and market characteristics | | Kurita's business foundation | | Segment characteristics |
|---|---|---|---|---|
| Broad industry and regional touchpoints | × | Services sales ratio 83% | = | Stable earnings base resilient to changes |

## Market Environment

**・Stable market structure with moderate growth**
In addition to a stable demand base in developed markets, demand is expected to expand in emerging markets driven by industrial growth and infrastructure development, supporting medium- to long-term market growth.

Global GDP growth forecast *1
*1 Source IMF data, complied by Kurita




**・Customer needs are becoming more sophisticated and complex**
Amid the diversification of social issues and rising geopolitical uncertainty, the issues faced by customers are becoming increasingly complex. In addition to rising energy and water costs and the need to secure stable supplies of these resources, many customers are facing multiple issues, including increasing labor costs, shortages of skilled workers, and aging production facilities.

**Rising Energy Costs**

One-Year Increase in Corporate Electricity Prices*2

| | |
|---|---|
| Global | +3.8% |
| Asia | +0.1% |
| Europe | +3.5% |
| North America | +6.8% |
| South America | +1.5% |
| Africa | +9.1% |

*2 Based on GlobalPetrolPrices data. Year-on-year change in electricity prices for business consumers, April-June 2026.

**Rising Water Costs**

Increase in Water Tariffs Worldwide*3

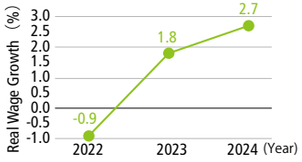
CAGR of Global Water Tariffs (2017–2024)
**+2.1%**

Global Water Tariffs Increase (2024–2025)
**+6.2%**

*3 Based on data from Global Water Intelligence

**Rising Labor Costs**

Global Real Wage Growth*4




*4 Source: International Labour Organization



### Creating new growth opportunities by solving customers' issues

Executive Officer
Executive General Manager of West Division
Chief Business Officer for General Industries

Jordi Verdés Prieto

In recent years, social issues have become increasingly complex, driven by factors such as climate change, water resource challenges, growing demand for data centers, and the need to secure stable energy supplies. As these changes unfold, the value expected by customers has expanded beyond simple cost reduction to include stable plant operations, higher productivity, and reduced environmental impact. Leveraging our expertise in water together with technology, digital capabilities, and services through "Kurita Water Intelligence", we are delivering new value that responds to these evolving needs.
Historically, the General Industry segment has grown in line with GDP growth, primarily through its chemicals and maintenance businesses. However, intensifying price competition is expected in the future, and we recognize that conventional business models alone have limitations in achieving sustainable growth.
Accordingly, under the PSV-27 Plan, we aim to create new markets by solving issues faced by customers and society and to achieve growth that outpaces market growth. During the first three years of the PSV-27 Plan, the General Industry segment continued to achieve steady growth despite a challenging business environment, including the situation in Ukraine and the impact of tariffs. In particular, the CSV business P.26 has enabled us to achieve both growth and improved profitability by helping solve issues faced by customers and society. I believe that the CSV business will continue to be the driving force behind our future growth. To further accelerate this growth, we will deploy globally the business models and successful practices we have developed and expand our market share, particularly in Europe, North America, and ASEAN. At the same time, we will build an organization capable of responding more rapidly to changes in the market environment, while advancing strategies tailored to the characteristics of each region and industry and strengthening our business foundation in growth markets such as India and Mexico. P.40 In addition, we are pursuing the creation of new business opportunities. One such initiative is NEXTANCE. Against the backdrop of aging facilities and labor shortages, we are expanding our maintenance business to help enhance our customers' business value P.27. Because these services can be provided regardless of whether the facilities were supplied by Kurita or by other companies, we see significant growth opportunities not only in Japan but also in ASEAN, where our installed base remains relatively limited. We are also creating new value in areas where social needs are increasing, including PFAS solutions and direct lithium extraction, thereby creating new business opportunities. Going forward, we will continue to take on the challenge of solving issues faced by customers and society, creating new value and realizing sustainable growth for both our customers and Kurita.



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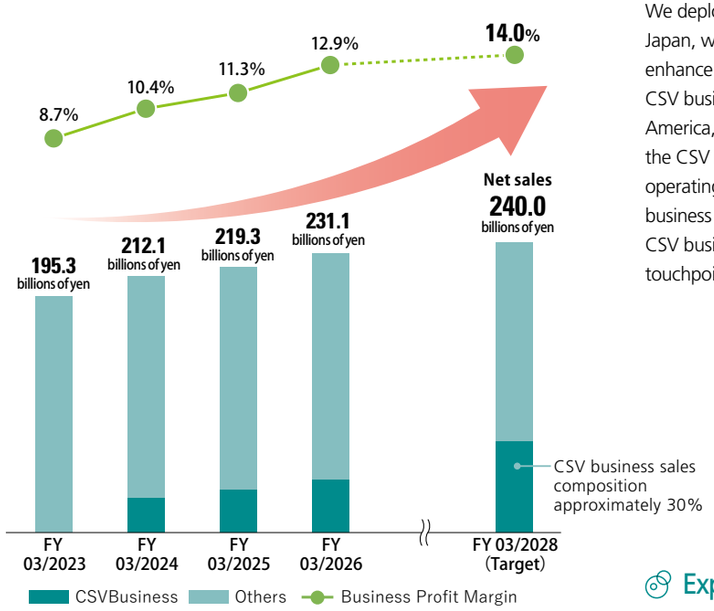
# General Industry Segment

## Targets and Progress of the PSV-27 Plan

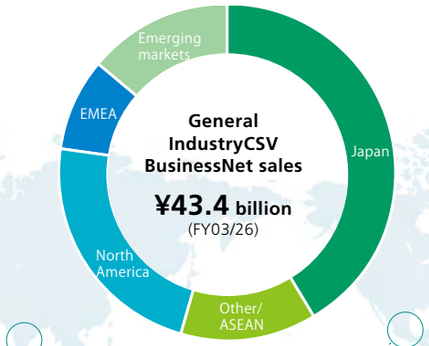



## Expanding CSV Business

CSV business overview ▶ P.26

We deploy strategies tailored to each region's business maturity. In Japan, where we already hold a strong market position, we will enhance the quality of our business through the expansion of the CSV business and further improve profitability. In Europe, North America, and ASEAN, we will accelerate sales growth by expanding the CSV business. In emerging markets, we have established operating companies in India and Mexico and are strengthening our business promotion frameworks in each region. By leveraging the CSV business as a door opener, we aim to expand customer touchpoints and gain market share in these markets.

CSV business expansion strategy ▶ P.42




Established local operating companies for water treatment chemical sales in India and Mexico

## Challenges

- Moving beyond market-driven growth and cost competition
- Addressing rising geopolitical risks

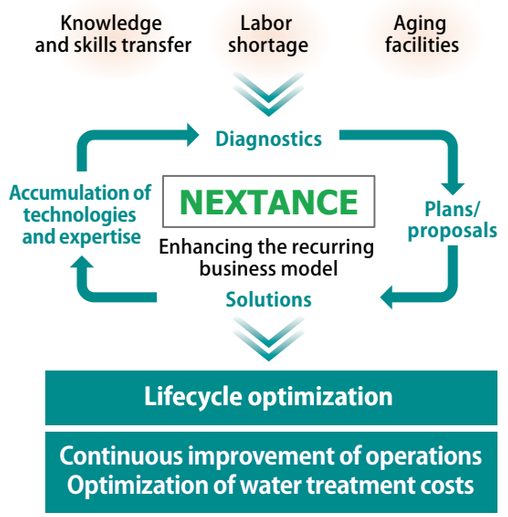
## Priority measures

**CSV business expansion**

**Advanced maintenance enabled by NEXTANCE**

## Expanding Maintenance through NEXTANCE

NEXTANCE is a service that provides continuous maintenance and operational support starting with diagnostics, regardless of whether the facility is manufactured by Kurita or by other companies. As customer issues such as shortages of skilled personnel and aging facilities become increasingly severe, NEXTANCE goes beyond conventional maintenance services to contribute to stable facility operation and the resolution of potential issues through diagnostics. In Japan, the service is being expanded among existing customers, while in ASEAN it is creating new customer touchpoints and business opportunities by targeting third-party facilities as well. Through these initiatives, the Kurita Group aims to accelerate the expansion of recurring businesses in the General Industry segment.



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# General Industry Segment

## Performance in Fiscal Year Ended March 31, 2026

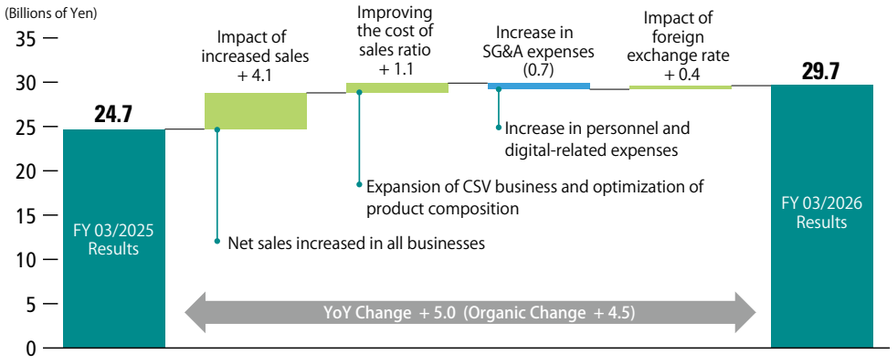
| (Billions of Yen) | FY 03/2025 Results | FY 03/2026 Results | YoY Change |
|---|---|---|---|
| **Orders** | **218.5** | **234.0** | **+ 15.5** |
| Facilities | 31.1 | 37.1 | + 5.9 |
| Recurring Contract-Based Services | 11.4 | 13.0 | + 1.6 |
| Services | 176.1 | 183.9 | + 7.9 |
| Chemicals | 118.3 | 122.0 | + 3.7 |
| Maintenance | 48.8 | 50.2 | + 1.4 |
| Others | 8.9 | 11.7 | + 2.8 |
| **Net Sales** | **219.3** | **231.1** | **+ 11.8** |
| Facilities | 32.2 | 37.3 | + 5.1 |
| Recurring Contract-Based Services | 11.2 | 12.5 | + 1.3 |
| Services | 176.0 | 181.3 | + 5.4 |
| Chemicals | 118.1 | 121.2 | + 3.0 |
| Maintenance | 48.9 | 50.7 | + 1.9 |
| Others | 9.0 | 9.4 | + 0.5 |
| **Business Profit** | **24.7** | **29.7** | **+ 5.0** |
| **Business Profit Margin** | **11.3%** | **12.9%** | **+ 1.6pp** |
| **Operating Profit** | **22.1** | **29.6** | **+ 7.5** |

### Orders
Orders increased due to an increase in municipal facility projects in North America and the acquisition of a large-scale soil remediation project.

### Net Sales
Net sales increased from the previous fiscal year, reflecting progress on facilities projects in Japan received in the previous fiscal year and continued expansion of the CSV business in the North & South Americas and Europe.

### Business Profit
Business profit increased year on year. In addition to increased sales, the expansion of CSV business and optimization of product composition improved the cost of sales ratio.

### Factors in Business Profit Change

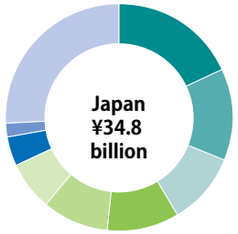



## Water treatment chemicals sales by region and industry

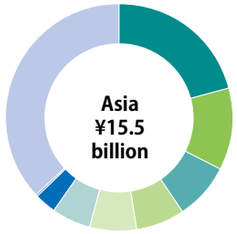
Accounting for approximately half of the General Industry segment's net sales, the chemicals business maintains relationships with customers across a wide range of industries in every region of the world, enabling the Group to build a diversified business portfolio that is not dependent on any specific industry.

**chemicals business sales in the general industry segment: ¥121.2 billion**

### Industry Composition by Region



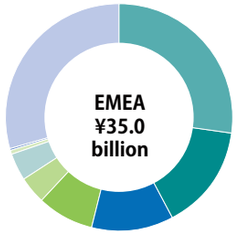

**Top 5 industries**
- Oil refining/ petrochemicals
- Paper, pulp
- Public facilities
- Steel
- Food, beverage




**Top 5 industries**
- Oil refining/ petrochemicals
- Steel
- Paper, pulp
- Food, beverage
- Automobiles




**Top 5 industries**
- Oil refining/ petrochemicals
- Food, beverage
- Paper, pulp
- Steel
- Power




**Top 5 industries**
- Paper, pulp
- Oil refining/ petrochemicals
- Power
- Steel
- Food, beverage

Oil refining/petrochemicals | Paper, pulp | Public facilities | Steel | Food, beverage | Automobiles | Power | Pharmaceuticals | Other industries, including air conditioners, etc.



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# General Industry Segment

## CSV Business Expansion Strategy



### Contributing to customers' sustainable growth through the creation and expansion of CSV business

Lead Executive
Executive General Manager of
Value Providing Strategy Division

Hiroyuki Suzuki

The PSV-27 Plan aims to achieve both economic value and social value with the CSV business at its core. Traditionally, water treatment has focused on supporting stable operations by playing an integral role in customers' on-site infrastructure through chemicals, facilities, and maintenance. In contrast, the CSV business creates social value through water savings, GHG emissions reductions, and contributions to waste resource recovery while also delivering economic value in the form of lower water- and energy-related costs and improved productivity. By engaging more deeply in customers' business activities and contributing to improved performance, it embodies the Performance Enhancer we seek to become and serves as the growth engine of the General Industry segment.

Our division was established in April 2025 with the mission of creating CSV business and expanding it globally. The CSV business does not expand simply by sharing success stories. We need to unpack why a model succeeded, what customer issues it solved, and what value it created, so that it can be replicated in other regions and industries. To this end, our division has worked to enhance the replicability of successful cases and establish mechanisms for deployment across the Group.

Over the past year, the CSV business has achieved steady global growth, with sales expanding in each region and the contributions of newly created models beginning to emerge. At the same time, even models with high profitability and competitiveness that have succeeded in particular regions are not always fully utilized in others. We believe these regions where the models have yet to be deployed represent significant growth potential for the CSV business and an important challenge we must address. To this end, we are advancing initiatives to expand the CSV business from three perspectives: quantity, quality, and marketing.

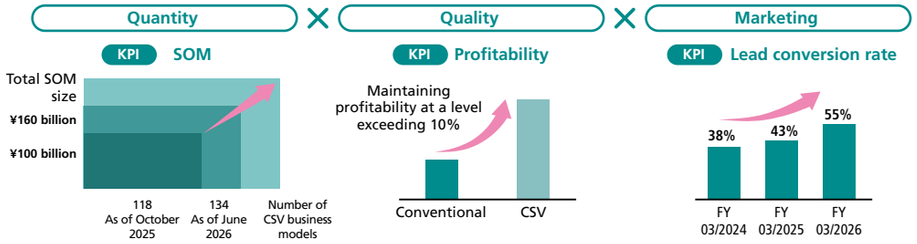
For the "quantity" perspective, we focus on SOM (Serviceable Obtainable Market), creating new CSV business models and expanding the markets in which existing models can be applied. In areas such as PFAS, bioethanol, and mining and smelting, new issues are emerging in response to social issues in industrial structures. We will create CSV business that helps solve customer issues in these areas and expand new growth opportunities.

For the "quality" perspective, we will enhance the value we provide to customers. By identifying business models with strong competitiveness, high profitability, and significant growth potential, and by addressing the regional challenges that hinder their expansion, we will bring these solutions to customers who need them most and further increase the profitability of the CSV business as a whole. We will also evolve our proposals beyond optimizing individual facilities into solutions that help optimize customers' entire plants, thereby enhancing the value we provide.

For "marketing," we are improving the quality and speed of customer outreach by raising the opportunity conversion rate—the proportion of prospects that advance to the stage of considering adoption. By utilizing sales technology, we are building systems that provide sales representatives with the materials and success stories needed for proposals at the right time. This will not only make proposal activities more efficient but also establish a structure for deploying successful models to customers more quickly and broadly.

What I focus on most is not only creating social and economic value but also translating that value into improved business performance for our customers. Central to achieving this is the ability to engage deeply at customers' sites to accurately identify their issues. Kurita's strength lies in its ability to identify on-site issues based on strong relationships of trust with customers and deliver value by quantitatively demonstrating the resulting improvements. Social value and economic value become meaningful only when they are realized as actual results at customers' sites. That is why it is essential to gain a deep understanding of what is happening on site and bring together the Group's expertise to solve issues. Likewise, to expand the CSV business globally, merely sharing materials and information is not enough. Just as we engage with customers, it is important to engage in ongoing dialogue with members in each region, understand the issues and needs involved in expanding the CSV business, and work together to consider solutions. I believe these accumulated efforts will lead to the creation of CSV business rooted in each region and enable true global expansion. Going forward, we will accelerate the creation and global expansion of CSV business, grounded in on-site insights, to achieve both improved customer performance and growth for the Kurita Group.

**Initiatives to expand the CSV business**



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# General Industry Segment

## Examples of Value Creation

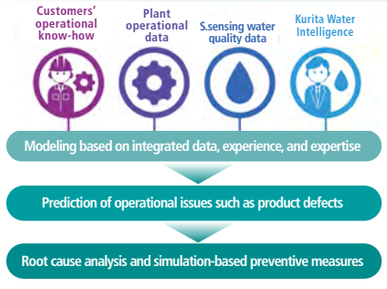
### Case 1 Japan

#### Integrating frontline expertise and data to optimize customer operations

Kurita Water Industries Ltd.
Mami Osozawa



Japan's manufacturing industry must address a range of issues, including a shrinking workforce, the retirement of skilled workers, fluctuations in raw material prices, and tighter environmental regulations. Against this backdrop, maintaining product quality and stable operations while improving productivity and reducing environmental impact have become critical management issues for customers.
To help solve these issues, we offer predictive diagnostic services, a solution that integrates the water treatment expertise we have cultivated over many years with data science. Predictive diagnostic services, combines water quality and operational data with Kurita's accumulated water treatment knowledge and on-site experience, as well as customers' operational know-how, to predict problems that may arise, analyze their causes, and propose preventive measures.
In developing and operating this service, we achieve a high level of practicality by integrating customers' operational know-how with the water treatment and process expertise Kurita has cultivated in the field through data science. Developed through this approach, Kuri-smart was first introduced to customers in the paper industry, helping prevent operational issues such as product defects and paper breaks. As a result, we have reduced product defects by approximately 40% and paper breaks by approximately 30%, contributing to improved product quality and productivity for customers. We are now expanding the service to a broad range of industries, including steel and petrochemicals. In line with the issues faced by each industry, we support stable operations by predicting facility loads and the risk of pipe blockages, while also helping reduce environmental impact through lower product losses, improved energy efficiency, and more advanced wastewater treatment.
The knowledge gained by solving challenges across diverse industries is creating a virtuous cycle that further enhances the competitiveness of the service. We will continue expanding the scope of application of the service to help improve customer performance.




### Case 2 Asia

#### Identifying unseen root causes and achieving solutions without relying on facility modifications

P.T. Kurita Indonesia
Azhari Kahfi



At a plant operated by an Indonesian fertilizer manufacturer, rising operating costs for boilers and facility troubles had become issues, so the customer approached Kurita for consultation. However, as we proceeded with on-site facility diagnostics, we found that the cause of the problem was not the boilers themselves but the seawater desalination facilities that produced process water for the plant. The high concentration of impurities in the seawater and frequent contamination of the RO membranes were affecting the operating efficiency of the overall facilities and stable operations. Although this was a case where we would normally consider making facility modifications, we pursued the possibility of making improvements while keeping the customer-side burden low. As a result of repeated on-site investigations and data analysis, we found a way forward through an approach using chemicals. However, within the Kurita Group there were almost no improvement cases involving seawater with impurity concentrations this high, and it was a challenge that could not be solved using existing knowledge alone. Therefore, we continued online monitoring while sharing data with the customer and adjusted chemical dosing in accordance with conditions, thereby determining the optimal operating method. As a result, without making any facility modifications, we suppressed RO membrane contamination, reduced the frequency of periodic cleaning to one-ninth, and achieved stabilized facility operations. This also led to water savings and cost reductions.
The key to resolving this issue was not focusing solely on the customer's facility, but taking a holistic view of the entire plant to identify the root cause of the issue. This capability to identify issues, together with our proposal capability that combines water treatment chemicals, facilities, and digital technologies, is a source of Kurita's competitive advantages. As water resource constraints and the importance of environmental initiatives increase globally, similar needs are expected to continue expanding. Kurita will deploy globally the knowledge gained from this case and contribute to improving customers' performance and achieving sustainable growth.



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# General Industry Segment

Examples of Value Creation

## Case 3 North & South America

### Building on strong customer intimacy to advance wastewater reclamation



Kurita America, Inc.
Jennifer Starner

At the plant of one of our customers, a major U.S. food manufacturer, plans were underway to introduce a wastewater reclamation system. However, due to large fluctuations in wastewater quality , they had been unable to achieve sufficient results. As a result, while recognizing the need for wastewater reclamation, the customer was unable to take the step toward new efforts.

The customer sought our support, prompting us to develop an in-plant wastewater recovery and reuse system. In this case, while conducting repeated analyses of wastewater characteristics and pilot tests, we examined the optimal treatment process for the customer and built a system that combines multiple treatment technologies. We also advanced the project while confirming the effectiveness together with the customer through laboratory tests and on-site trials. As a result of these initiatives, the relationship has developed beyond a one-time facility installation into a long-term partnership that includes continuous operational support and maintenance.

As a result, we achieved wastewater reclamation at the customer's plant and contributed to reducing intake volume and wastewater volume. This led to water savings and annual cost reductions of approximately JPY 30 million, enabling the effective use of water resources while creating both environmental and economic value. These results have been highly regarded and wastewater reclamation initiatives are beginning to expand to the company's other plants.

Underlying this achievement are Kurita's customer intimacy and proposal capabilities, which enable us to identify the optimal solution for each customer by staying closely attuned to their unique challenges. As a company focusing on water, contributing to solving social issues through the effective use of water resources is an important mission for us. Going forward, we will continue leveraging the knowledge gained from this experience, contributing to both the conservation of water resources and customers' sustainable business operations.



Image of a wastewater reclamation system installed at a customer's plant

## Case 4 EMEA

### Creating new growth opportunities through the value provided by CSV business



Kurita Europe GmbH
Patrick Kraft

Given market growth and Kurita's presence, Europe is a region with significant growth potential. In this environment, we are strengthening our value proposition centered on CSV business and aiming to achieve business growth by expanding the value we deliver to customers. One initiative that embodies this strategy is a project involving cooling water treatment facilities for a major chemical manufacturer. At the customer's facilities, another company had been responsible for water treatment for more than 20 years, and a strong relationship of trust had been established. As a result, it was difficult to exceed the customer's expectations with conventional water treatment proposals alone. Kurita therefore moved beyond water treatment itself and offered a value proposition unique to Kurita through CSV business.

In developing the proposal, group companies in multiple countries, together with departments such as sales, technology, and R&D, brought together their expertise across national and organizational boundaries and analyzed the water quality and operating conditions at each of the customer's plants. Given the large number of sites and treatment circuits involved, Kurita's European laboratories worked closely with field teams to conduct laboratory trials within a limited timeframe. On this basis, Kurita proposed an optimal solution for all of the customer's plants in France, designed to improve operating efficiency and contribute to water savings, energy savings, and reductions in GHG emissions.

In this project, rather than focusing on the performance of the chemicals themselves, Kurita quantitatively demonstrated the extent to which its solution could contribute to achieving the customer's sustainability goals including water savings and GHG emissions reductions. In addition, the customer highly valued Kurita's rapid response enabled by its global network, as well as solutions supported by laboratory validation data and verification capabilities, and selected Kurita as a new partner.

This achievement demonstrates that CSV business can create new value as a solution that supports customers' sustainable growth, rather than merely providing water treatment. It also demonstrates that Kurita's laboratory evaluation and validation capabilities, together with its global collaborative network that rapidly translates these capabilities into on-site solutions, contribute to Kurita's unique competitive advantage. Going forward, Kurita will continue to enhance the value it provides to customers and society through proposals that only Kurita can make.



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Business Fields and Solutions
Electronics Industry Segment
General Industry Segment

section 03

# Initiatives to Establish Competitive Edge

Kurita's competitive edge is supported by the technologies and expertise cultivated at customer sites. This section presents the strategy for evolving these strengths and linking them to new value creation and future growth.



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# Message from the CTO



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

Kunihiro Kuse

## Field-based technological capabilities and human resources create a competitive advantage

Within the Kurita Group, "technology" refers not only to research and development functions, but also to the entire range of processes required to deliver value to customers, including design, production, construction, operation management, and maintenance. This is because we believe that technology has value only when it leads to improvements in customer performance and, in turn, contributes to Kurita's own growth. On that basis, as CTO, what I always keep in mind is to continue asking whether what we call technology is truly creating value.

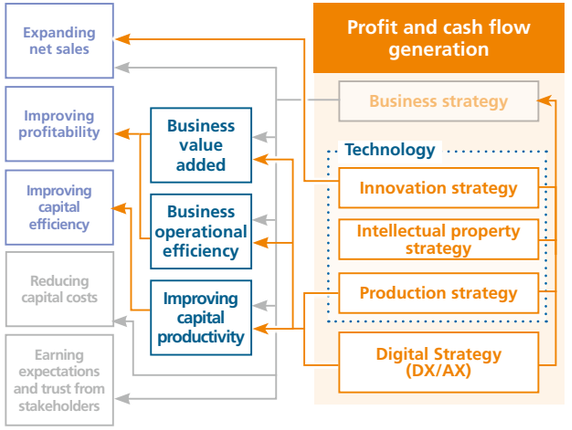
I feel that the importance of technology is rising further as digital technologies, including generative AI, evolve. We are now in an era in which knowledge and information themselves are readily available to everyone, and competitive advantage cannot be created simply by organizing textbook knowledge or past information. What determines the value of technology is not the amount of knowledge associated with it, but how well it can be applied to solving problems at customer sites. That is why the firsthand information obtained through customer contact is so important. We see for ourselves what is happening at customer sites, combine these observations with scientific and engineering expertise, and connect them to problem solving. We believe it is this capability that constitutes the strength of Kurita's technology that other companies cannot easily imitate.

To link insights obtained in the field to the creation of new value, since the start of the PSV-27 Plan, we have strengthened collaboration among the innovation, intellectual property, and production departments and reinforced efforts to connect technology to business results.

As a result of these efforts, in existing business areas, in addition to wastewater reclamation, which contributes to the effective use of water resources, we have strengthened technologies that help reduce customers' GHG emissions and improve production processes, while advancing the sophistication of the value we provide and expanding our business areas. In new business areas as well, new businesses have emerged, including direct lithium extraction, environmentally-friendly high-performance fire extinguishing agents, upcycling of liquid food production by-products. All of these are initiatives to deploy technologies and expertise cultivated over many years into new areas and link them to solutions to social issues. These achievements represent an important step toward future growth, but we do not believe that the themes currently moving toward commercialization alone can support future growth. To continuously generate the businesses that will serve as the next pillars, it is essential to have a mechanism that visualizes insights and emerging technologies obtained in the field from an early stage and develop them into viable businesses.

To achieve this, our Intellectual property strategy places emphasis not on the number of patents, but on their contribution to businesses. Through market and competitive analysis using the IP landscape and strategic patent applications, we are promoting intellectual property activities linked to business strategy. In addition, in the production strategy, we are shifting our production process reforms from planning to implementation. Through automated design and prefabrication, including their application to e-WT, our ready-made ultrapure water production system, we are enabling faster delivery of high-quality solutions. It is digital technology that accelerates these efforts. I believe that digital technology is not a replacement for people, but a means to expand human

Value Creation Tree ▶ P.16




potential. Based on this belief, in April 2026, we integrated digital functions into the innovation department. By leveraging digital technologies and informatics, we will not only increase the speed and accuracy of R&D, but also discover causal relationships and sources of value that were previously difficult to see, leading to the creation of new technologies and business opportunities.

However, no matter how much digital technology evolves, it is people who turn technology into value. Our technology strategy can only deliver results when our customer-facing teams, specialists with scientific and engineering expertise, and those who bridge the two are all able to play their respective roles. We connect insights obtained in the field to technology, technology to new value, and return the results to the field again. I believe that continuously strengthening this cycle will be the driving force behind Kurita's growth.

As CTO, I will further strengthen this cycle while connecting technology, talent, and the field. By connecting the insights that emerge from customer sites to new value, we will transform field-based technological capabilities and talent into competitive advantage and achieve sustainable growth for Kurita.



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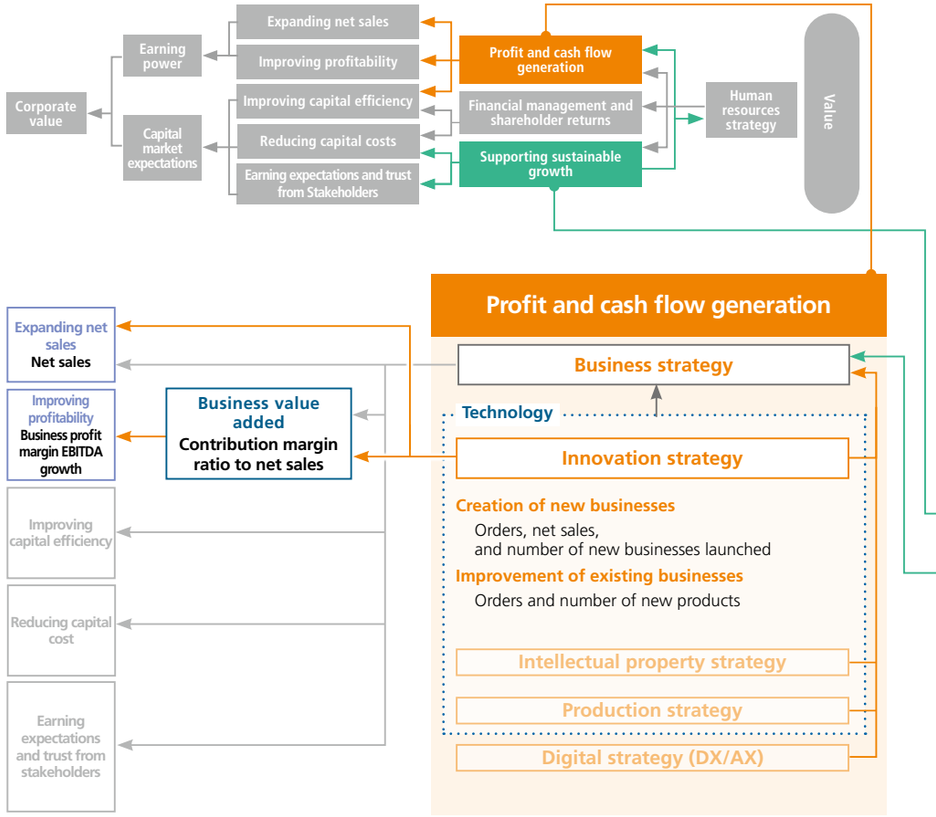
# Innovation Strategy

## Strategic Priority

The water and environmental issues facing society and customers are becoming more advanced and complex, and initiatives that simply extend existing technologies cannot provide sufficient solutions. Kurita's Innovation Strategy therefore aims to strengthen existing businesses while continuously creating businesses that will become pillars of earnings by capturing changes in society and industry. Through co-creation with external partners and the acquisition of new knowledge, Kurita will create innovative technologies and services unique to Kurita, provide new value to customers and society, and link these efforts to the sustainable growth of the Kurita Group.

Value Creation Tree ▶ P.16




* A proprietary indicator that comprehensively integrates various metrics related to stakeholder engagement.

## Materiality Targets and Achievements

To develop and disseminate new products, technologies, and business models in innovation areas, Kurita is working the establishment of mechanisms for value creation based on ideas and customer feedback, and will thereby strengthen the foundation for generating themes in innovation areas, enhance the value of products, technologies, and businesses under development, and expand their contribution to the business. In the fiscal year ended March 31, 2026, the investment rate in innovation areas fell short of the target due to a temporary decrease in investment resulting from a review of investment allocation based on the progress of commercialization. Kurita will continue to allocate investments appropriately according to the development situation and will promote investment in innovation areas.

| Metrics | Results for FY 03/2025 | Target (top figure)/ Result (bottom figure) for FY 03/2026 | Target for FY 03/2027 | Target for FY 03/2028 |
|---|---|---|---|---|
| **Develop and disseminate innovative products, technologies, and business models** | | | | |
| Investment rate in innovation areas | 22% | Meet or exceed 25%<br>Not achieved (20%) | Meet or exceed 25% | Meet or exceed 30% |
| Rate of the number of themes in innovation areas | 25% | Meet or exceed 30%<br>Achieved (31%) | Meet or exceed 30% | Meet or exceed 30% |
| Number of stakeholder engagements related to innovation areas | Meet or exceed the previous fiscal year | Meet or exceed the previous fiscal year<br>Achieved | Meet or exceed the previous fiscal year | Meet or exceed the previous fiscal year |

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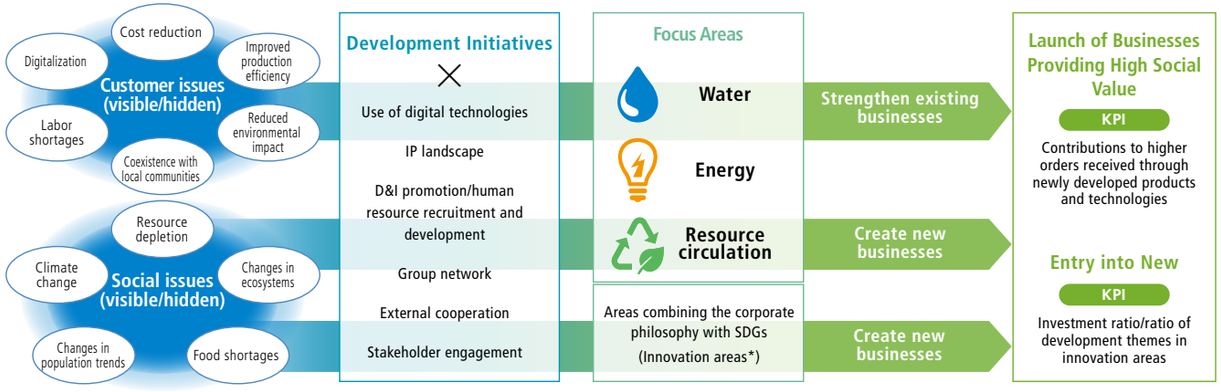
Develop and disseminate innovative products, technologies, and business models

# Innovation Strategy

## Our Approach

We have identified water, energy, and resource circulation, which are linked to the materialities, as key areas for focus in our pursuit of innovation. This will enable us to create a high level of social value and enhance our existing businesses based on the unique strengths of the Kurita Group and mega-trends affecting society at large. For the creation of new businesses, we take a broader scope and promote efforts in innovation areas compatible with the SDGs and our Corporate Philosophy. These efforts are aimed at creating future pillars of earnings that contribute to the creation of shared value with society.




*This corresponds to the "innovation areas" in the Deloitte 7cellsSM (the Deloitte concept of growth strategy formulation).

## Diverse Connections for Accelerating Innovation

To create innovation, the Kurita Group must embrace new ideas and approaches that have not previously existed. We will focus our efforts on promoting the active participation of diverse talent, fostering collaboration both inside and outside the Group, and leveraging the Kurita Innovation Hub to incorporate a wide range of perspectives and knowledge. These initiatives will enable us to create breakthroughs and further accelerate innovation.

### Utilization of the Kurita Innovation Hub

- Open innovation
- Field trials of new technologies
- Engineer education and training
- Stakeholder engagement



### R&D network




Courtesy to JTC

**Evaluation of Innovation Creation Initiatives (Japan)**

The Commissioner of the Japan Patent Office's "FY 2026 Intellectual Property Merit Award (Open Innovation Promotion Company)"

Ranked 3rd among machinery companies in the 2026 Innovative Company Ranking

### External collaboration

**Exploratory activities in Silicon Valley**

- Collaboration with startups
- Cultivation of human resources and organizations to achieve innovation

**Human resources dispatched to the Interuniversity Microelectronics Centre (imec), a world-leading research and innovation center in nanoelectronics and digital technologies**

**Activity Example | Accelerating Co-Creation with Overseas Startups**

To facilitate and accelerate collaboration with startups, Kurita regularly holds Demo Day events. In February 2026, five overseas startups with advanced technologies were invited to the Kurita Innovation Hub, and they engaged directly with employees from R&D and business divisions. By leveraging insights gained through connections with a wide range of business and operational settings, Kurita advances technology validation and demonstration trials, contributing to the creation of new social value and the expansion of business opportunities.



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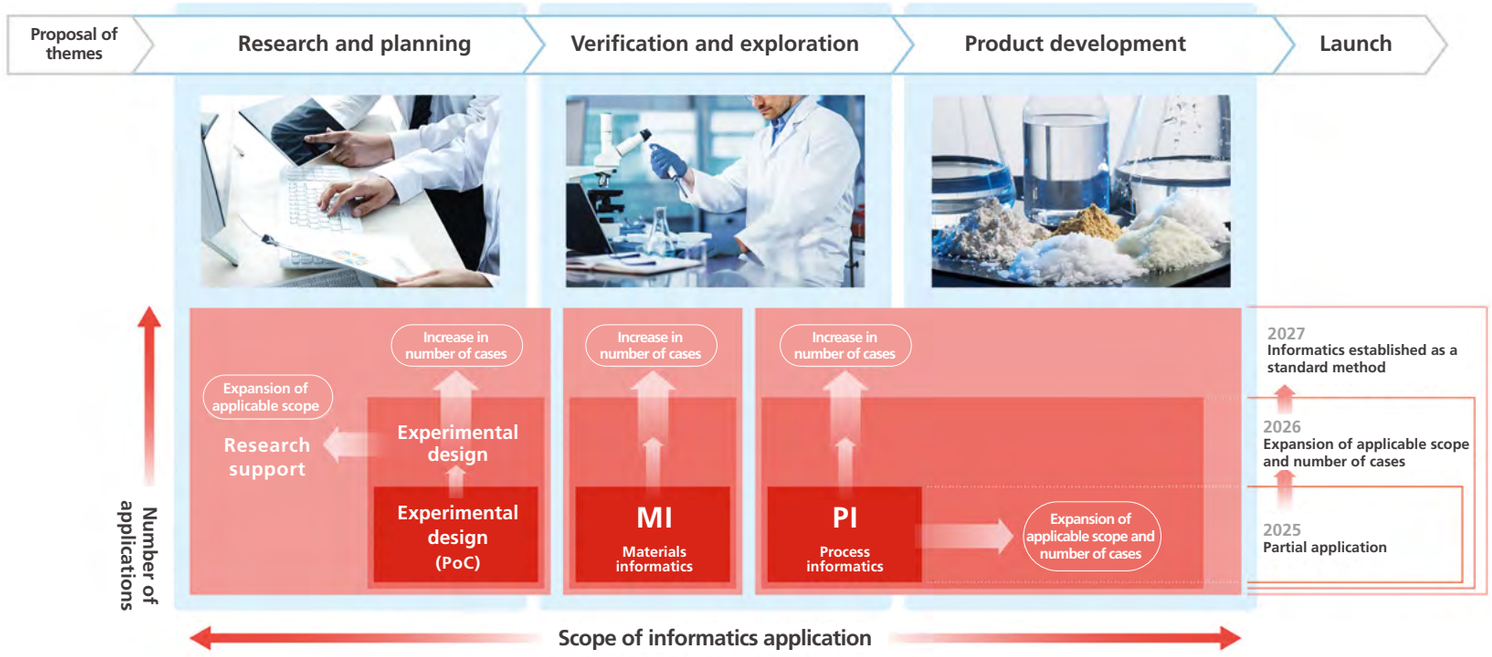
# Innovation Strategy

## Accelerating Innovation Creation through the Use of Informatics

The Kurita Group is establishing informatics, which leverages accumulated water treatment data and machine learning, as a standard methodology in its R&D process and is advancing a shift toward data-driven R&D. Since 2022, the Group has applied materials informatics (MI) and process informatics (PI) to 14 development themes. In the next-generation energy field, the use of MI reduced the search period for promising material candidates by approximately 90%, and image analysis of water treatment processes has also established reproducibility in decision-making while improving efficiency. Kurita will expand the use of informatics throughout the entire research and development process and accelerate the creation and early commercialization of new technologies and solutions.

### Establishing informatics as a standard method in the research and development process

Research and development process



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Utilizing Informatics

# Innovation Strategy

## Launch of New Businesses Driven by Social Values

Through the Innovation Strategy initiatives, seeds of new businesses that will lead to future business expansion began to emerge steadily in the fiscal year ended March 31, 2026. By incorporating the next growth engine into the solid foundation built by existing businesses, Kurita aims to achieve stable and sustainable growth.

### Direct lithium extraction

**Low-environmental-impact, high-efficiency lithium recovery**



**Social issues**

- Amid the shift toward decarbonization, applications and demand for lithium-ion batteries are expanding rapidly
- Conventional processes that extract lithium from ore and the brine of South American salt lakes, resulting in a high environmental impact
- Possible instability in lithium supply due to geopolitical risks

**Approach**

Kurita focuses on Evove Ltd.'s independently developed DLE technology, which uses membranes and resins well suited to water treatment to enable the extraction of high-concentration,, high-purity lithium from geothermal brines and produced water.

Focus Areas
- Lithium production
- Water savings
- Energy

**Kurita's strengths**

Module manufacturing methods for water treatment facilities cultivated in the semiconductor field

×

**Evove's strengths**

DLE technology centered on specialty separation membranes and expertise in evaluating raw water from more than 100 customers

| 2025 | 2026~2027 | 2028~2031 | 2032 |
|---|---|---|---|
| ・Partnership agreement<br>・Start of modular design | ・Establishment of module production structure | ・Delivery of the first unit in mid-2028<br>・Start of operation management for lithium production | ・Business expansion centered on the UK, Europe, and North America |

### Environmentally friendly high-performance fire extinguishing agent

**High extinguishing performance without PFAS**



**Social issues**

- Although the number of lithium-ion battery fires is increasing, an effective fire extinguishing method has not yet been established
- Climate change is increasing forest fires, and $CO_2$ emissions are also increasing
- The need to balance environmental and ecosystem considerations with fire extinguishing performance

**Approach**

Based on Kurita's track record of adding functions to water and controlling water according to the intended use, this fire-extinguishing agent was independently developed by leveraging Kurita's water technology and strengths in analysis and evaluation.

Focus Areas
- Lithium-ion battery fires
- Forest fires
- Water savings
- GHG emissions reduction

**Kurita's strengths**

Proprietary fire-extinguishing agent (high fire extinguishing efficacy and safety)

Capable of global deployment using existing chemical production resources

| 2025~ | 2027~2028 | 2029~ |
|---|---|---|
| ・Business launch<br>・Concluded a joint research and development agreement with the Tokyo Fire Department | ・Sales expansion in Japan<br>・Acquisition of certification | ・Expansion of sales areas |

### Upcycling of liquid food production by-products

**Reuse of food by-products as animal feed**



**Social issues**

- Increase in food loss in developed countries and the resulting hunger problem
- Decline in Japan's food self-sufficiency rate

**Approach**

Kurita is using its water treatment technology to convert liquid waste from food plants, which has previously been treated as waste, into resources, and is leveraging its network with customers in diverse industries to implement a new regional resource circulation model in society.

Focus Areas
- Food loss
- Resource circulation
- GHG emissions reduction

**Kurita's strengths**

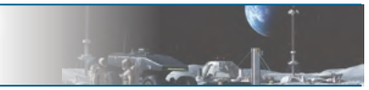
Proprietary water treatment technology (collects proteins at high concentrations and converts them into resources)

Network with diverse customers

| 2026 | 2027~ | 2030~ |
|---|---|---|
| ・Partnership agreement | ・Expansion of food product categories | ・Exploration and launch of businesses in adjacent areas |

### Space-related business

**Applying water treatment technologies to the space sector**



**Social issues**

- Water is essential for human habitation and industrial activities on space stations, the Moon, and Mars
- Transporting water from Earth is a costly

**Approach**

Completed on-orbit demonstration aboard the International Space Station (ISS) of a space water reclamation system developed jointly with the Japan Aerospace Exploration Agency (JAXA).

Development study of a water treatment system for the Lunar Surface Propellant Production Plant* being pursued by JAXA

Agreed to a strategic partnership with ispace inc. on lunar water resource development

Focus Areas
- Space

| 2011 | 2019 | 2024~2025 | 2026~ |
|---|---|---|---|
| ・Start of joint research with JAXA | ・Launch to ISS | ・Completed on-orbit demonstration on the ISS and disassembly investigation and analysis after return to Earth<br>・Invested in ispace inc. | ・Leverage the findings obtained from the demonstration for technology development<br>・Accelerate studies for transporting the water treatment system to the Moon and conducting demonstration tests, as well as initiatives related to the utilization of lunar water resources |

* A plant that produces rocket fuel from water resources in the lunar polar regions



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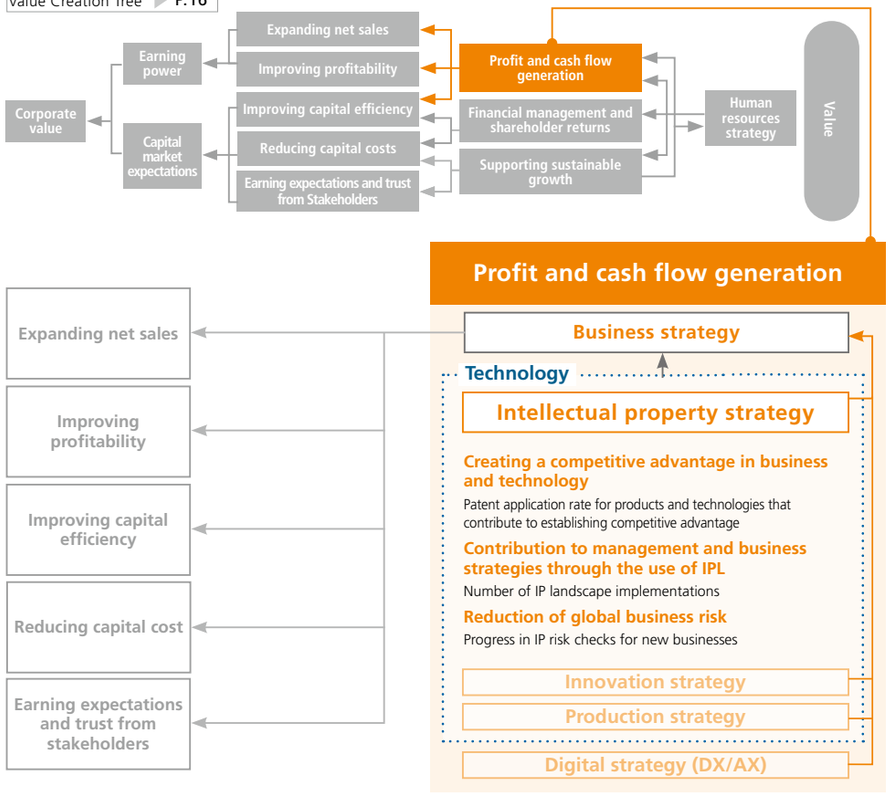
# Intellectual Property Strategy

## Strategic Priority

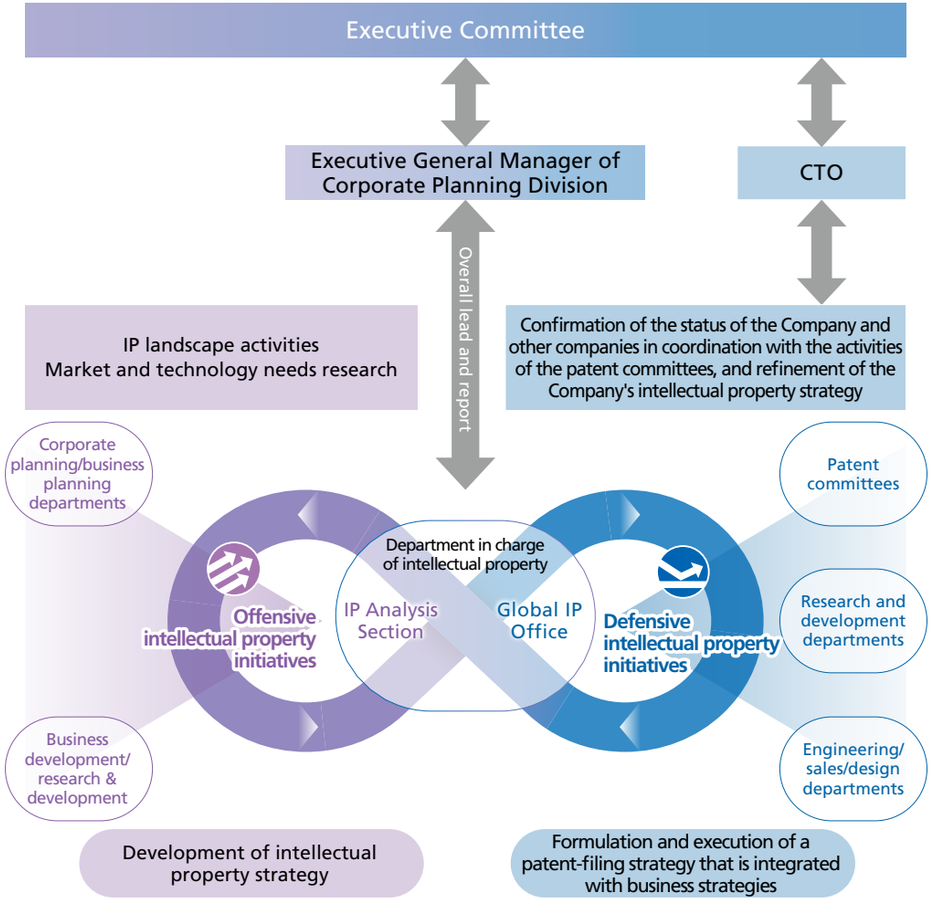
Intellectual property is not only a right for protecting technologies, products, and services, but also an important management resource that supports the formulation of business strategies and the creation of competitive advantage. The Kurita Group captures changes in society and markets through the analysis and utilization of intellectual property information, links these insights to the creation of business opportunities and the strengthening of its business portfolio, and works to maintain and improve competitive advantage through the acquisition and utilization of intellectual property rights. The intellectual property strategy serves as one of the pillars of our technological capabilities and, in coordination with the innovation strategy, production strategy, and business strategies, contributes to enhancing corporate value by reducing business risk and generating sustainable profit and cash flow.

Value Creation Tree ▶ P.16




## Promotion System

The intellectual property efforts of the Kurita Group are led by the department in charge of intellectual property. This department collaborates with the various departments within the company to promote offensive and defensive initiatives for intellectual property. Furthermore, to effectively link our offensive and defensive intellectual property strategies, the Group has adopted a system in which personnel serve in roles that span both strategies. The Executive General Manager of the Corporate Planning Division oversees the direction and status of intellectual property initiatives and periodically reports to upper management.



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# Intellectual Property Strategy

## Offensive Intellectual Property Initiatives

**Offensive**

- Analyze intellectual property information and non-intellectual property information and provide suggestions on various strategies
- Identify M&A candidates and propose co-creation candidates and methodology
- Understand technical human resources and competitive advantages provided by technology

Through activities centered on the collection, analysis, and strategic use of intellectual property information, including IP landscape analysis, the Kurita Group supports management and business strategies while strengthening its capabilities for formulating business and innovation strategies.
In the fiscal year ended March 31, 2026, the Kurita Group conducted IP landscape activities with a focus on ideas for CSV businesses, a priority theme of the PSV-27 Plan. We also began actively leveraging IP landscape activities to support management strategy development for the next medium-term management plan. Through these activities, the intellectual property department collaborated with corporate planning, sales, technology, and other related functions to analyze markets and technologies from multiple perspectives. The results have been incorporated into business and innovation strategies. We also continued strengthening the human resource base that supports the execution of these advanced strategies. To secure highly skilled professionals and strengthen coordination with our defensive intellectual property strategy, we assigned two personnel to dual roles, thereby enhancing strategic execution capabilities across the organization.
In April 2026, the IP landscape function was transferred from the department in charge of intellectual property to corporate planning. This will accelerate the use of the IP landscape in business strategy and promote the achievement of the PSV-27 Plan and the formulation of subsequent plans.

### Roadmap of IP landscape activities

FY 03/2023 → FY 03/2026 → FY 03/2028 Next medium-term management plan

**Management strategy**

Contribute to achieving the PSV-27 Plan

Development of the next medium-term management plan → Execution of the next medium-term management plan

| Results | FY 03/2024 | FY 03/2025 | FY 03/2026 |
|---|---|---|---|
| | 0 cases | 4 cases | 6 cases |

**Business strategy**

Analysis of the Company, other companies, and the industry

Analysis of potential new business candidates based on social value

Improved precision of business strategies by market

| Results | FY 03/2024 | FY 03/2025 | FY 03/2026 |
|---|---|---|---|
| For Electronics Industry | 2 cases | 6 cases | 2 cases |
| For General Industry and CSV business | 6 cases | 3 cases | 20 cases (including 12 related to CSV business) |

**Innovation-driving activities**

Exploration of technology trends and nascent technologies and proposal of open innovation candidates toward the realization of new value

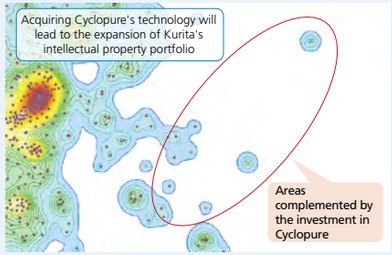
| Results | FY 03/2024 | FY 03/2025 | FY 03/2026 |
|---|---|---|---|
| | 5 cases | 4 cases*1 | 10 cases*2 |

*1 DLE-related: Including consideration of an investment in Evove
*2 PFAS-related: Including consideration of an investment in Cyclopure

### TOPIC Strengthening the intellectual property portfolio in the PFAS removal and treatment business

As PFAS regulations tighten and the market is expected to expand, the Kurita Group is building a robust and well-balanced intellectual property portfolio by visualizing the technological fields covered by its patents and identifying opportunities for future business development. In April 2026, the Group invested in and commenced collaboration with Cyclopure, a company that possesses PFAS adsorbent technology. This enabled us to complement areas that could not be covered by our own technology alone and to expand our intellectual property portfolio. In this field and beyond, the Group will continue to strategically combine internal and external intellectual property to capture new market opportunities and build sustainable competitive advantage.

Intellectual property portfolio in PFAS-related fields




* complied by Kurita using VALUENEX Radar



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# Intellectual Property Strategy

## Defensive Intellectual Property Initiatives

**Defensive**

- Maintain and expand competitive advantages of the Kurita Group by acquiring intellectual property rights
- Reduce business risk by preventing infringement of IP rights of other

In addition to filing patent applications based on our research and development results, we also file patent applications to maintain and enhance our competitive advantage in our current and future business fields. This enables us to maximize the use of our intellectual property and increase its profitability.
The Kurita Group also comprehensively and systematically identifies the technologies, businesses, and business models we should protect in our value chain, and promotes initiatives that will lead to applications for new patents.
Technical and business decisions regarding patents are made by "patent committees", which operate across the organization and are led by our operating divisions. We have a patent committee for each market and technology we are involved in. The committees consist of members from departments responsible for technology, development, design, sales, and intellectual property. These members work to review our patent portfolio and reduce intellectual property risks from a global perspective.
We promote the global acquisition and protection of trademark rights and implement measures to reduce risks. This helps us ensure that our customers and society at large are not adversely affected by improper handling or unauthorized usage of trademarks.
In recent years, the Company ranked either first or second in the Engineering Patent Asset Scale Ranking and in the Competitor Limiting Power Ranking released by Patent Result Co., Ltd. Each ranking covers patents registered in Japan by companies in the engineering industry during the evaluation period. These rankings show that the Company holds high-value patent assets both qualitative and quantitative assessment, as well as patents for leading-edge technologies that indicate ownership of prior technologies which may restrict competitors.

### Top 5 companies in the 2025 patent asset scale ranking for the engineering industry

| Rank | Company name | Patent Asset Index (pt) | Number of patents |
|---|---|---|---|
| 1 | Nippon Steel Engineering | 6,035.1 | 94 |
| **2** | **Kurita Water Industries** | **4,210.2** | **105** |
| 3 | Organo | 2,744.7 | 108 |
| 4 | Kobelco Eco-Solutions | 1,994.2 | 51 |
| 5 | Swing Corporation | 1,294.9 | 36 |

Patent Result Co., Ltd., 2025 engineering industry patent asset scale ranking (Japanese only)
https://www.patentresult.co.jp/ranking/scale/2025/engineer.html

### Top 5 companies in the 2025 engineering industry patent asset scale ranking

| Rank | Company name | Number of patents |
|---|---|---|
| 1 | JFE Engineering | 203 |
| **2** | **Kurita Water Industries** | **184** |
| 3 | Organo | 109 |
| 4 | Nippon Steel Engineering | 81 |
| 5 | Toray Engineering | 74 |

Patent Result Co., Ltd., 2025 engineering industry competitor deterrence ranking (Japanese only)
https://www.patentresult.co.jp/ranking/fcit/2025/fcitengi.html

**TOPIC** **Creation and evaluation of intellectual property that drives business results**

The Kurita Group promotes intellectual property management that emphasizes contribution to business, not just quantitative indicators such as the number of patents and patent applications. As part of this, the Company operates an 'invention reward system' that evaluates the results that patented technologies have generated in its businesses, and it recognizes inventions that have contributed to improving business competitiveness and generating earnings. In the fiscal year ended March 31, 2026, an invention with the highest SS grade was certified for the first time under the current system. The Kurita Group promotes the creation and protection of high-quality intellectual property that leads to business results, and also encourages the creation of intellectual property through inventor recognition and application support using generative AI, thereby building sustainable competitive advantage.



Advanced Water Treatment Technology Development Department, Technology Development Group, Advanced Innovation Division
Keijiro Tada



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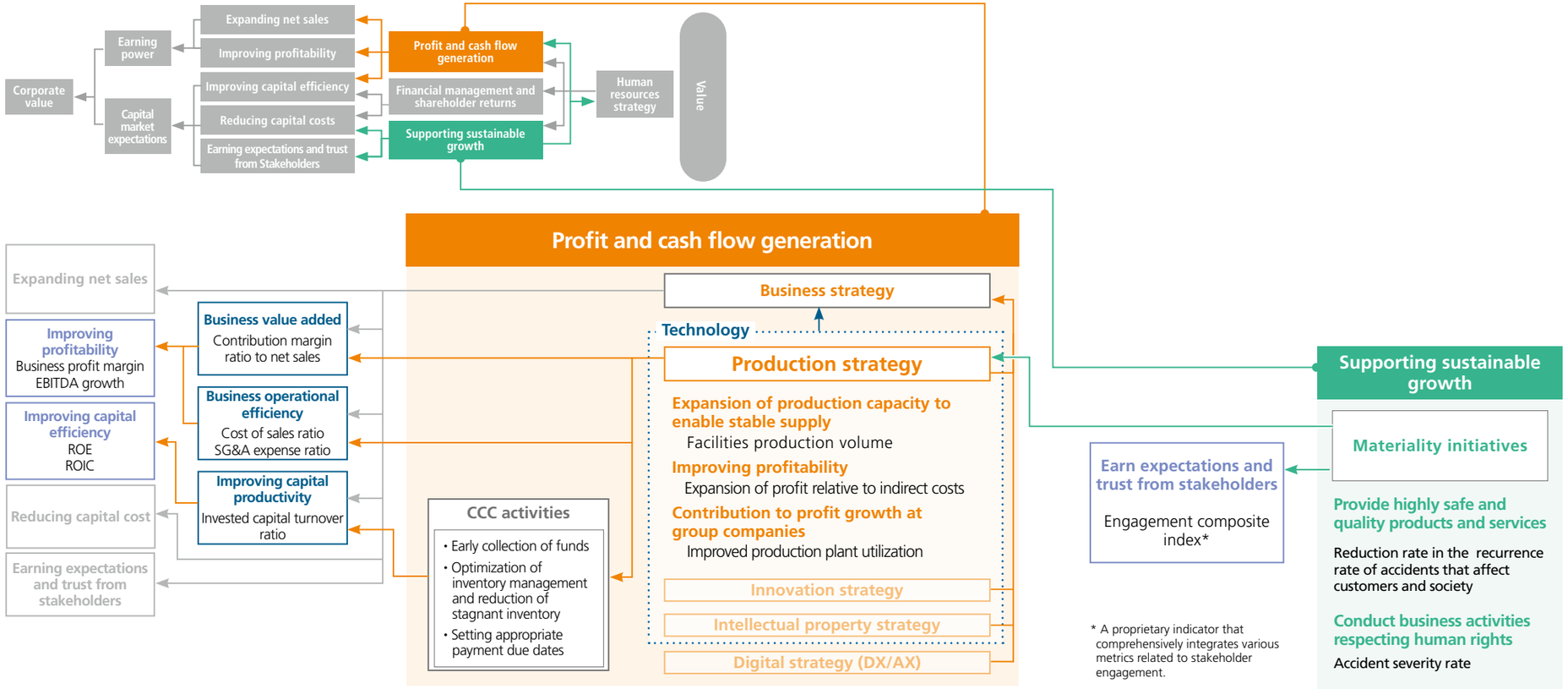
# Production Strategy

## Strategic Priority

Production activities play an important role in supporting value delivery to customers by transforming our technical capability into highly competitive products and services. This enables the Kurita Group to provide highly valuable solutions to our customers. The value that our customers demand is diversifying beyond quality, safety, and cost reduction to include speed, stable supply, and environmental considerations. Under the Production Strategy, the Kurita Group has identified "Provide highly safe and quality products and services" as Materiality and aims to provide even higher value tailored to diverse needs.

Value Creation Tree ▶ P.16




* A proprietary indicator that comprehensively integrates various metrics related to stakeholder engagement.



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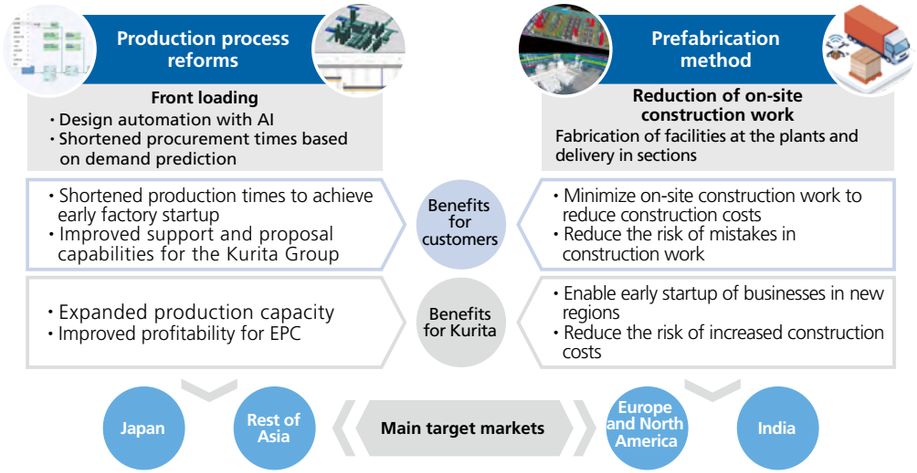
# Production Strategy

## Expansion of production capacity to enable stable supply

As customer capital investment demand increases, particularly in the electronics industry, the Kurita Group is working to increase production capacity in order to reliably capture growth opportunities. Production process reforms and the prefabrication method are at the core of these efforts. These initiatives not only increase production capacity but also improving profitability through enhanced production efficiency.
Production process reforms involve the use of AI to automate the design process and the shortening of procurement times based on demand prediction. By adopting the concept of front loading, we aim to shorten production lead time. These ideas have been adopted in our Engineering, Procurement and Construction (EPC) business for water treatment facilities owned by Kurita Group. By the fiscal year ended March 31, 2026, we achieved a 14% reduction in production lead time compared to the fiscal year ended March 31, 2023. We aim to increase this to 30% by the fiscal year ending March 31, 2028. These efforts have been effective in expanding production capacity in Japan and Asia, where we have a robust foundation for EPC. Going forward, we plan to expand the application of these initiatives to water treatment facility projects delivered to customers.
With the prefabrication method, large water treatment facilities that were previously assembled on-site can be manufactured at our plants and delivered in sections, significantly reducing on-site construction work. This helps minimize the required work space and building size while also reducing customers' total construction costs. Generally, establishing systems to ensure stability and quality of construction work in a new region takes time. However, because this method minimizes construction work, the Kurita Group considers it particularly effective for entering new regions.




## Strengthening the supply chain

In 2019, the Kurita Group established the Global Supply Team (GST). Since then, the Group has promoted joint purchasing and global procurement while sharing procurement and manufacturing information among Group companies in Japan and overseas. Through these efforts, the Group has been advancing optimization of the entire supply chain and building a global procurement platform. In recent years, the Kurita Group has been working to reduce supply risks by diversifying and geographically distributing procurement sources in response to rising geopolitical risks, including the situation in the Middle East, as well as uncertainty in logistics and raw material markets.
The Kurita Group recognizes these changes in the external environment not as temporary risks, but as structural challenges that the Group must address over the long term. While continuing to prioritize a stable supply to customers, the Group strives to achieve an optimal balance between cost and supply risk, aiming for sustainable business growth and enhanced resilience.

## Materiality Targets and Achievements

To remain a trusted business partner for customers, the Kurita Group has defined materiality themes related to quality and safety. It has also set the "reduction rate in the recurrence rate of accidents that affect customers and society" and the "accident severity rate*" as targets.

| Metrics | Result for FY 03/2025 | Target (top figure)/ Result (bottom figure) for FY 03/2026 | Target for FY 03/2027 | Target for FY 03/2028 |
|---|---|---|---|---|
| **Provide highly safe and quality products and services** | | | | |
| Reduction rate in the recurrence rate of accidents that affect customers and society (compared to the previous year) | -6% The Company | 20% The Company, Group Companies in Japan | 20% The Kurita Group | 20% The Kurita Group |
| | | Achieved (40%) | | |
| **Conduct business activities respecting human right** | | | | |
| Accident severity rate (the Company and the Group Companies in Japan) | 0.013 | 0.005 or less | 0.005 or less | 0.005 or less |
| | | Not achieved (0.017) | | |

* The accident severity rate refers to the average number of lost workdays per 1,000 total hours worked by employees. The number of lost workdays is reflected in the fiscal year in which they occur.



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# Production Strategy

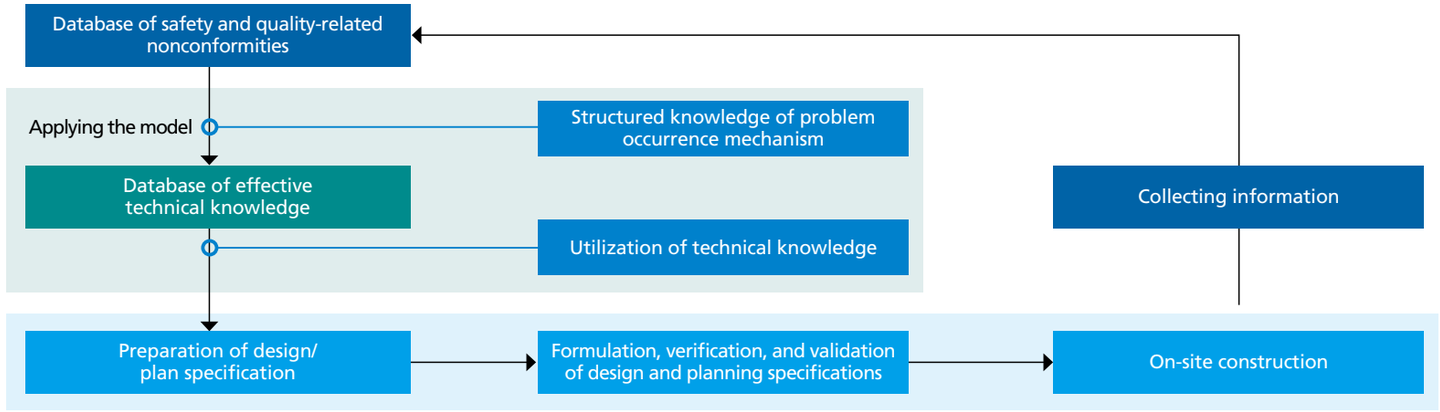
## [Quality]

The Kurita Group has established the Kurita Group Product Quality Policy, whose basic principle is to continuously provide safe and secure products and services that contribute to solving customer and social issues and to earn unshakable trust. Under this policy, the Group operates a quality management system to ensure quality across the entire Group. One such initiative is the use of the Recurrence Prevention Cycle for Nonconformity, in which quality-related nonconformities that occur in the process of providing products and services to customers are registered in the internal "Problem Information" database and shared throughout the Group. Furthermore, the Kurita Group structurally identifies the mechanisms behind problem occurrence, converts them into highly useful technical knowledge, and uses these insights to reduce the recurrence rate of accidents that affect customers and society.
As a result of these efforts, in the fiscal year ended March 31, 2026, the Kurita Group achieved its target for the percentage reduction in the recurrence rate of accidents that affect customers and society after expanding the scope of the indicator from the Company to Group companies. Going forward, the Kurita Group will strengthen its Group-wide system for sharing accident information and thoroughly implement measures to prevent recurrence and proactively prevent future incidents through reviews of business processes.

## [Safety]

The Kurita Group positions occupational health and safety as a priority in its business activities and believes that ensuring the safety and health of employees, as well as creating a comfortable work environment, leads to respect for the human rights of employees and their families. That is why we strive to maintain an accident severity rate by precisely identifying and reducing serious occupational accidents on construction and manufacturing sites in Japan contracted or supervised by the Kurita Group.
Our safety initiatives adopt a similar model to prevent recurrence as that for quality noncompliance. "Kurita Safety Approach Tool" creates a database of highly useful information about occupational accidents and near-misses that have occurred in the past to help reduce the accident severity rate. In the fiscal year ended March 31, 2026, accidents such as falls from heights were reduced through risk assessment education and the development of management systems. However, the occupational accident severity rate fell short of the target, as a combination of management systems, work procedures, the work environment, and human behavior resulted in lost-time accidents such as chemical burns and falls.
To prevent serious accidents, the Group will promote risk reduction from the perspectives of design, facility, and work processes. In addition, it will continue to establish indicators for, monitor, and review various initiatives, including efforts to improve hazard awareness, thereby enhancing the effectiveness of its safety measures.

Accident recurrence prevention cycle using the recurrence prevention cycle for nonconformity



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# Foundation for Supporting Sustainable Growth

Kurita's sustainable growth is supported by people who identify with the corporate philosophy and take on the challenge of providing value to society and customers, and by an organizational culture and management foundation that maximize their potential. This section presents efforts to build a foundation that will continue to support value creation into the future.



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# Digital Strategy(DX/AX)

## Strategic Priority

As the issues faced by customers and society become increasingly complex and sophisticated, continuously transforming business models and business processes is essential to meeting their expectations. The Kurita Group positions digital technologies and AI as key enablers for accelerating this transformation. Leveraging the knowledge, data, and technologies gained through direct engagement with customers across a wide range of industries and regions, we are driving transformation through DX (Digital Transformation). At the same time, through AX (AI Transformation) powered by AI, we are enhancing decision-making and creating greater value.

## Our Approaches

The Kurita Group promotes its digital strategy (DX/AX) through two approaches: BX (Business Transformation) and OX (Operational Transformation), focusing on transformation themes that strengthen value creation capabilities and organizational capabilities. Through BX, we work to create new value, enhance the value we provide, and optimize the value chain. Through OX, we advance the transformation of business processes, enhance management capabilities, and strengthen our organization and human resources.

**DX** Driving transformation through digital technologies

**AX** Enhancing decision-making and value creation through AI

### Transformation themes

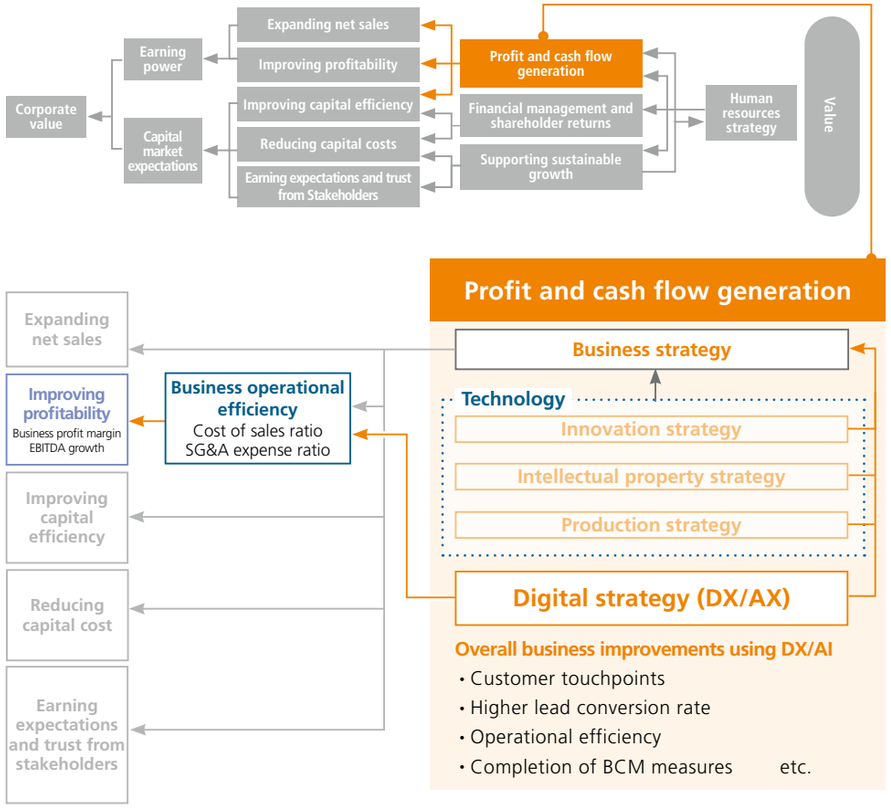
**BX** Strengthening value creation capabilities

- Creating new value
- Enhancing customer value
- Optimizing the value chain

**OX** Strengthening organizational capabilities

- Transforming business processes
- Enhancing management capabilities
- Strengthening organizations and human resources

Value Creation Tree ▶ P.16



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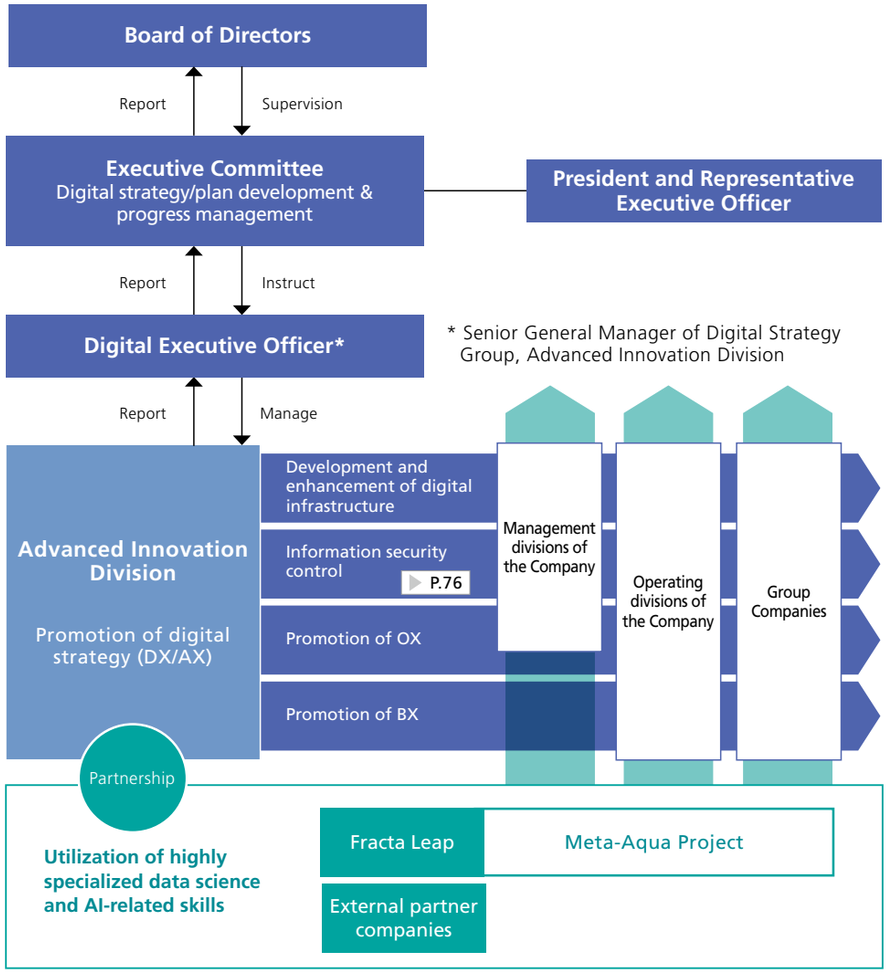
# Digital Strategy(DX/AX)

## Promotion System

Under the leadership of the President and Representative Executive Officer, the executive officer responsible for digital strategy oversees the Kurita Group's digital strategy (DX/AX) across the Group. Digital strategies and plans, as well as progress management, are discussed by the Executive Committee, and the status of these initiatives is reported regularly to the Board of Directors. As the core organization responsible for R&D and the promotion of digital strategy, the Advanced Innovation Division works in collaboration with business units and Group companies to advance initiatives aimed at realizing BX and OX through the use of digital technologies and AI. It also promotes the development and enhancement of digital infrastructure and information security management, while positioning AI as a common platform for utilization across the Group.
In addition, through the Meta Aqua Project, a joint initiative with Fracta Leap, a company specializing in digital transformation for water treatment, the Kurita Group is leveraging the company's advanced expertise in data science and AI to create new value through digital transformation. These efforts include plant design automation, optimization of plant operation and management, and the improvement of material development efficiency through materials informatics utilizing data science technologies such as machine learning. The Group also incorporates advanced technologies and specialized expertise through collaboration with external partners.



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# Digital Strategy(DX/AX)

## Past Digital Transformations and Future Prospects

2018
- Capital and business alliance between the Company and Fracta

2019
- Launch of DX Committee

2020
- Establishment of Digital Strategy Division
- Launch of Meta-Aqua Project and establishment of Fracta Leap

2024
- Certification of the Company as a DX business proprietor

Digital Transformation Certification

| | Main Initiatives | | KPI |
|---|---|---|---|
| B X | **Automation/optimization of plant operation management**<br>Optimize RO membrane facility using AI to reduce operational costs and GHG emissions | Development success → Received the Environment Minister's Award → Completion of demonstration project for the Ministry of the Environment → Expansion to applications overseas → Deployment to water treatment facilities: Development and business launch of "e-WT," a ready-made ultrapure water production system P.61-62 | Contribute to shorter production lead times |
| | **Plant design optimization**<br>Automate and increase the speed of drawing, layout, estimate and other design work via an AI algorithm | β version development → Expansion of offering lineup → Expansion of practical commercialization | Contribute to the shared value themes in our materiality |
| | **Digital solution center**<br>Identify the operational status of water treatment facilities after installation and reduce operational costs and environmental impacts through proposals to improve the stable operation of facilities | Start of data collection management → Start of services overseas → Expansion to utility facility and other general management | |
| | **Advanced water treatment operation support system**<br>Utilizes water treatment expertise and operating data to simultaneously achieve stable operation of water treatment facilities, cost optimization, and reduced environmental impact through AI-based detection of signs of abnormalities and optimization of operating conditions. | Construction of an advanced water treatment operation support system | Expand digital contact points with customers |
| O X | **Development of digital specialists**<br>Integrate the Kurita Group's business expertise with digital technologies to strength the quantity, quality, and speed of the value that we provide. | Start of specialized training program → Expansion of curriculum for eligible candidates globally → Expansion of skills to learn and eligible candidates | Bolster digital specialists |
| | **Promotion of data-driven management**<br>Realize sustainable value creation throughout the entire organization through ideal allocation of management resources on a global scale (people/goods/financing) | Realization of more sophisticated global corporate management | |
| | **Simplification/expedition of information and data analyses**<br>Configure an internal AI agent environment to strength problem discovery and solution capabilities and more quickly create a higher level of customer value | Demonstration of practical use → Configuration of a platform unique to the Kurita Group | Improve the ERP data coverage rate |
| | **Streamlining manufacturing processes through the use of informatics***<br>Promoting the use of data- and AI-driven informatics as a standard method in R&D and manufacturing processes to improve development efficiency and accelerate the creation of outcomes. | Informatics technology to development themes, focusing on materials informatics (MI) for materials development and process informatics (PI) for the optimization of facility operation and management → Expansion of the application of informatics technology P.49 | |

* An initiative to accelerate R&D and make solutions more sophisticated by applying information science (informatics) methods, such as machine learning, to diverse data obtained from experiments and facility operation.



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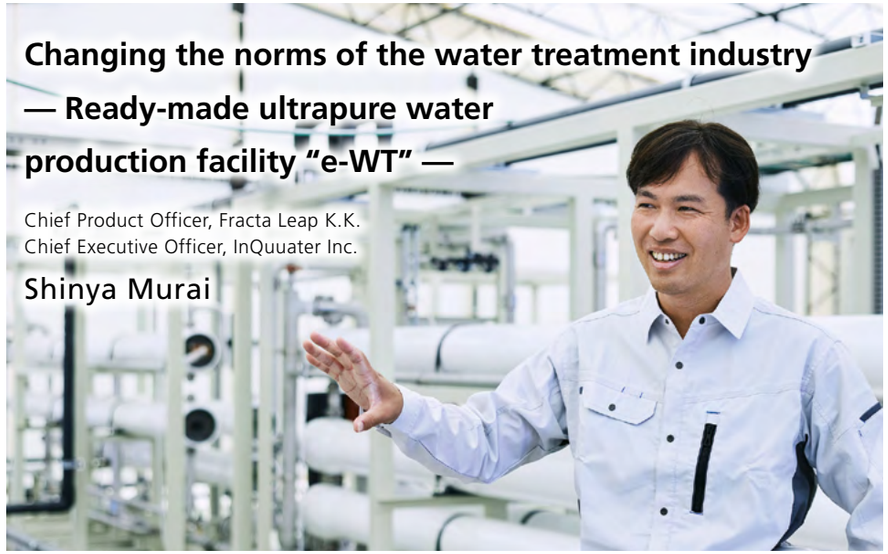
# Digital Strategy(DX/AX) Example of Initiative



## Changing the norms of the water treatment industry — Ready-made ultrapure water production facility "e-WT" —

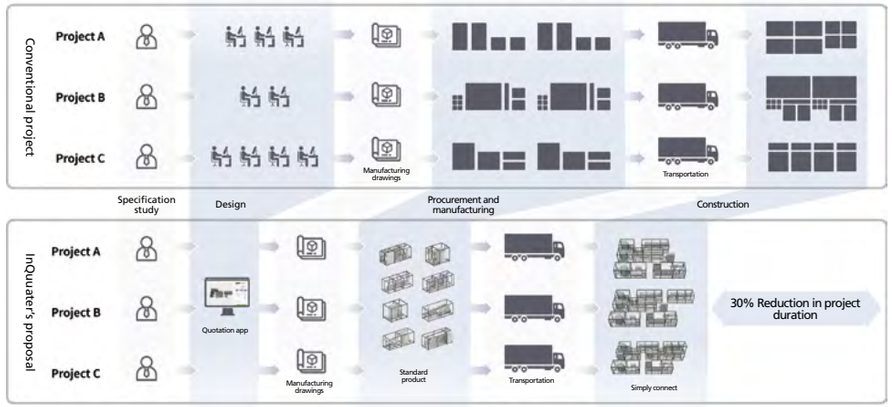
Chief Product Officer, Fracta Leap K.K.
Chief Executive Officer, InQuuater Inc.
Shinya Murai

## New possibilities enabled by design automation

We at Fracta Leap have been working with Kurita Water Industries since 2020 to advance the Meta-Aqua Project. In this project, we aim to transform business models and business processes in the water treatment industry by making full use of digital technologies and AI.
Since the project's inception, I have personally been involved in developing solutions for design automation of water treatment facilities. The design of water treatment facilities has generally been customized to each customer's required water quality and volume, as well as installation and operating conditions. To achieve designs with assured quality within short delivery times, the experience and expertise of designers play an important role. At the same time, design and proposal work for water treatment facilities depends on highly specialized personnel, and it was anticipated that conventional approaches alone would have difficulty responding to future growth in demand. In light of these circum-stances, we began structuring the design work process to achieve design quality that does not depend on specific individuals and to build a mechanism that can provide facilities quickly even with limited resources. As our study progressed, we found that while there are areas of water treatment facility design that require individual project responses, there are also areas that can be shared and standardized under certain water volume and water quality conditions. This insight went beyond improving the efficiency of design work; it demonstrated the potential for a new delivery model not premised on custom design and led to the idea of fundamentally rethinking how water treatment facilities are provided.

## "e-WT": changing the water treatment facility delivery model

The ready-made ultrapure production system "e-WT" embodies this concept. "e-WT" is a solution that significantly shortens the lead time from design through manufacturing to installa-tion by pre-standardizing functional units used in pretreatment, pure water, and ultrapure water production processes and configuring them according to customer requirements. Against a backdrop of strong capital investment in the electronics industry, demand for ultrapure water production facility is expanding, and there is a need to provide facilities with shorter delivery times. "e-WT," which can provide facilities quickly through a substantial reduction in the design process, is one solution to these challenges. Furthermore, even after installation, advanced operational support through remote monitoring using sensors and data ensures a stable supply of water for customers and reduces the burden of operation management. Amid challenges in securing personnel to handle the operation management of water treatment facilities and in passing on technical skills, we will also contribute to creating an environment where facilities can be operated stably with less burden.
Furthermore, as the facility spreads, operational data and expertise will accumulate; by feeding these back into services, we will contribute to more sophisticated maintenance, predictive maintenance, and the evolution of operational support services.




**Standardizing processes from design to manufacturing reduces the overall EPC project duration by approximately 30%.**



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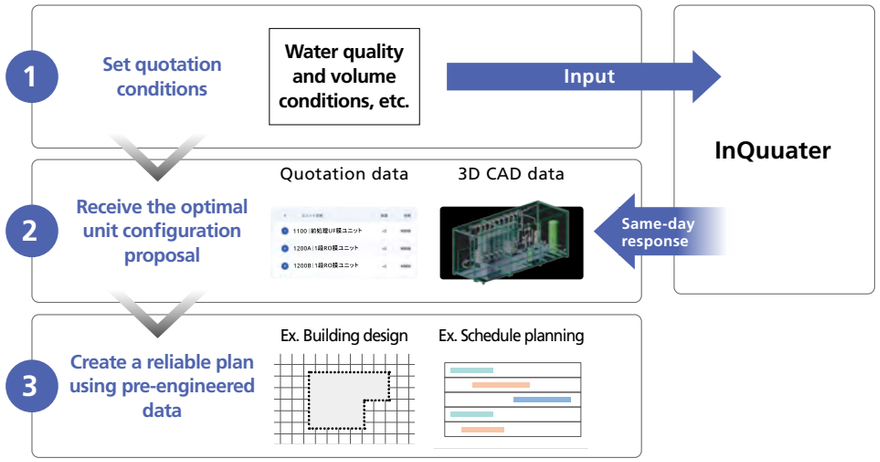
# Digital Strategy(DX/AX) Example of Initiative

## Challenges identified through dialogue with the market

"e-WT" targets customers that require pure water or ultrapure water at a rate of 15–100 m³ per hour. We are currently receiving inquiries from customers in a wide range of industries, including power generation and food and beverage, in addition to the electronic components and semiconductor-related materials fields. Because it is standardized facility, it has the advantage of being easy to deploy across regions, and we are considering global expansion not only in Japan but also in Southeast Asia, the United States, and other markets.
To promote rapid decision-making and flexible business expansion, in October 2025 we established InQuuater*, an operating company spun off from the Meta-Aqua Project. Since the launch of the business, one aspect that customers have highly praised in our discussions is our ability to provide same-day approximate estimates for ultrapure water production facility, which conventionally required extensive design studies. Through our business activities, we have found that many markets have unmet demand for water treatment facilities despite a clear need for such solutions. We believe that e-WT can offer a new option for customers whose needs have been difficult to serve due to time and resource constraints.

* A coined term combining "quarter" and "water." The name embodies the solution's feature of providing a complete set of ultrapure water production facility in as little as three months (a quarter) and significantly shortening the proposal process for water treatment facilities.




**Instant proposal of optimal facilities configuration and cost estimate**

## A challenge to change the norms of the water treatment industry

What I aim to do is change the labor-intensive structure of the water treatment industry. Both customers and the parties that provide facilities are supported by many specialized personnel, but labor shortages and the passing on of technical skills are becoming greater challenges each year. That is why I want to transform human expertise into data and systems to create a world where high-quality services can be provided with less burden. What began as design automation has now grown into a challenge to change the very delivery model of the water treatment facility business. We will continue to deliver value to a greater number of customers while changing the very norms of the water treatment industry.



**e-WT and the InQuuater team**



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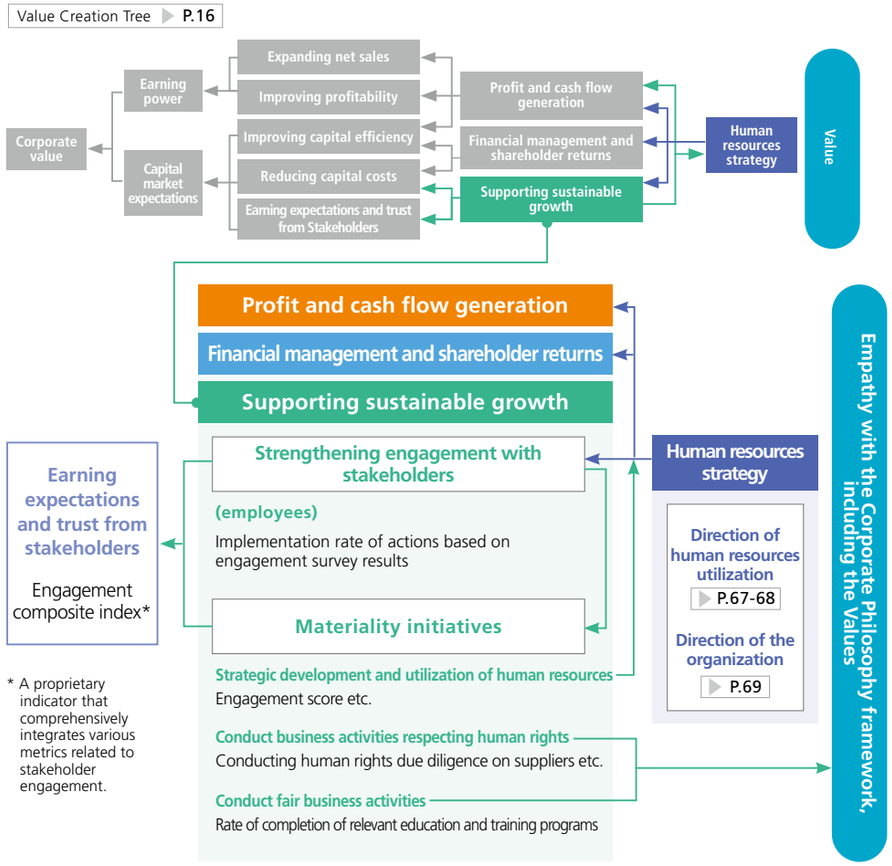
# Human Resources Strategy

## Strategic Priority

Our Human Resources Strategy is the foundation that supports value creation at the Kurita Group. The customer intimacy cultivated over many years and the high social value generated by taking on challenges for long-term growth are supported by the knowledge, experience, diverse perspectives, and enterprising spirit of each individual employee. By creating an environment in which diverse human resources who share the Corporate Philosophy can collaborate and create new value, the Company will enhance the value provided to customers and society, leading to sustainable growth and improved corporate value.




* A proprietary indicator that comprehensively integrates various metrics related to stakeholder engagement.

## Target of Our Human Resources Strategy (D&I Vision)

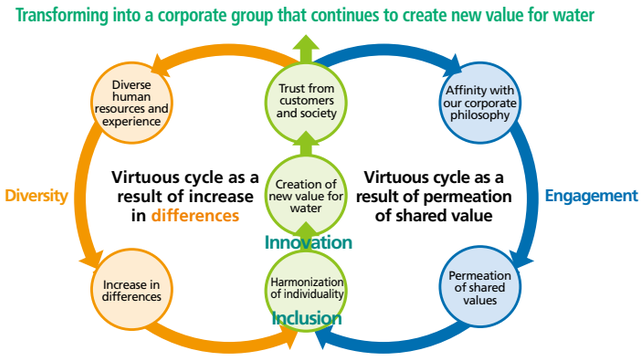
Our Group has de ned the situation of the human resources and the organization under the corporate vision as a "corporate group that continues to create new value of water through interaction among diverse people who care about water and the environment and who accept each other's differences" for our D&I Vision.

**Schematic flywheel representation of D&I vision**

In terms of the state of personnel and organizations when realizing Corporate Vision

**D&I Vision**

The corporate group that continues to create new value of water through interaction among diverse people who care about water and the environment and who accept each other's differences.




## Promotion System

All initiatives related to the Kurita Group's human capital are carried out under the supervision of the Executive General Manager of Group Corporate Control and Administration Division, who is also an executive officer. Measures aimed at fostering corporate culture and initiatives for human resource development are implemented in cooperation with each division, business unit and Group Company. In addition, measures to develop and utilize human resources are overseen and deployed by the Sustainability Committee. The Executive General Manager of Group Corporate Control and Administration Division and the Sustainability Committee report on the status of human capital initiatives submitted to the Executive Committee, which discusses their content and makes decisions on necessary measures. The Executive Committee also reports the status of human capital initiatives to the Board of Directors.



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# Human Resources Strategy

## Human Resources Strategy (HR Strategy)

We are formulating an HR strategy with which our organizations and personnel can give shape to our value creation story by realizing our D&I Vision. The HR strategy comprises a human resources policy and an underlying course of action. The human resources policy is based on the discussions regarding the ideal organization and talent required to realize the value creation story, and represents the Kurita Group's fundamental principles regarding the values, mindset, and behaviors expected of its people. To this we add the changes in the Group's internal and external environments, while our approach to initiatives is organized into a course of action for both "human resources" and "organizations" utilization.

### Human Resources Strategy

#### Human Resources Policy

A group of professionals in a range of fields who obtain joy from their contributions to customers, society and the global environment through their work at the Kurita Group with their commitment to creating new value.

**Personnel**

1) Personnel that use worksite data to identify issues and deliver solutions and business models through numerous contacts within and outside the Group.
2) Personnel that strengthen business with the following thoughts and actions:
   - The accumulation of data and information to create explicit knowledge that can be harnessed to create and provide value
   - The utilization of new technologies
   - The highly accurate and rapid forecasting and quantification of Kurita's value
3) Personnel that possess an administrator's point of view and have the capacity to think logically.

**Organizations**

1) Organizations that generate new value through innovation without being shackled by the principle of self-sufficiency and differences between organizational units that welcome challenges undertaken with an agile approach, and value the idea of learning from past mistakes.
2) Organizations that identify with the corporate philosophy system, including Values, and work earnestly to solve issues faced by customers, society, and the global environment.

#### Changes in External Environment

- Changing attitude in Japan towards the seniority system and the concept of life-time employment
- Diversification of working styles
- Advancements in digital technology and growing demand for digital specialists
- Accelerating pace of change in the semiconductor market
- Rapid advancements in generative AI are increasingly impacting competitiveness
- Growing emphasis on capital efficiency as a driver of corporate value enhancement

#### Changes in Internal Environment

- Review of the corporate philosophy system centered on the Value Creation Story
- Strengthening global capabilities in the electronics industry market and expansion into emerging markets
- Improving employee engagement, although still below the average of all industries
- Global business expansion through M&As, driving further globalization

#### Direction of Human Resources Utilization

**Utilizing and securing human resources**

- Actively utilize engineers in technological fields including human resources for development that support the Kurita Group
- Use human resources for intellectual property to predict the direction of development and maintain the competitive advantages of development outcomes
- Create new value with digital specialists

**Personnel system**

- Development of a personnel system providing the Kurita Group with two strengths: cooperation among human resources and active participation of individuals who possess a high level of expertise

#### Direction of the Organization

**Organizational culture**

- Transformation into a group with a high level of engagement with permeation of D&I

**Organizational structure**

- Promote overseas local employees to management roles
- Improve the organization's global responsiveness
- Instill shared values in the Kurita Group employees



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# Human Resources Strategy

## HR Strategy KGIs and KPIs

In order to implement measures while quantitatively monitoring progress with HR strategy, the Kurita Group has established the following HR strategy KGIs and KPIs. The KGIs and KPIs consist of "Kurita Group's Materiality," "quantitative targets," and "indicators for monitoring medium-term trends," and by measuring these areas, we are improving the effectiveness of HR strategy. The indicators include "D&I execution level" that "measures the extent to which recommended D&I actions are being taken to realize the D&I Vision," and "personnel system operation level" that "measures the effectiveness of the personnel system," which are unique Kurita indicators derived from the employee engagement survey (conducted every two years).
In the fiscal year ended March 31, 2026, while most indicators showed steady progress, diversity in business execution management roles declined from the previous fiscal year. Going forward, we will strengthen our selection processes and development plans to broaden the pool of successor candidates.

| Initiatives | | KPI | Result for FY 03/2024 | Result for FY 03/2025 | Result for FY 03/ 2026 | Target for FY 03/2028 | Target for FY 03/2031 |
|---|---|---|---|---|---|---|---|
| Direction of human resources utilization | Securing and utilizing human resources | Level of sufficient human resources for development, digital and intellectual property* | 65% | 73% | 84% | 90% | |
| | Personnel system | Personnel system operation level | 39% | | 45% | Meet or exceed the previous survey | |
| Direction of the organization | Organizational culture | Percentage of business execution management roles filled by women, foreign nationals and mid-career hires | 29% | 35% | 28% | 40% | |
| | | Percentage of management roles filled by women at the Company | 4.2% | 4.7% | 5.8% | Approx.10% | |
| | | Percentage of career-track recruits who are women at the Company | 26% | 21% | 23% | Approx. 30 to 40% | |
| | | Percentage of mid-career recruits in the workforce at the Company | 12.8% | 17.6% | 20.2% | | Approx.30% |
| | | Percentage of male employees at the Company taking childcare leave / length of leave | 77%<br>56 days | 74%<br>59 days | 78.7%<br>65 days | Approx. 80 to 90%<br>Approx. 2 to 8 weeks | |
| | | D&I execution level | 47% | | 53% | Meet or exceed the previous survey | |
| | Organizational structure | Percentage of executives at overseas subsidiaries who are local employees | 65% | 70% | 68% | Approx.80% | |
| | | Percentage of globally minded personnel in manager-equivalent positions at head office | 31% | 34% | 36% | | Approx.50% |

**KGI**

Continuous improvement of engagement score

a. Percentage of companies that exceed the all-industry average: **Meet or exceed 75%** (the fiscal year ending March 31, 2028)

b. Score among all the companies surveyed: **Meet or exceed the previous survey** (the fiscal year ending March 31, 2028)

* In light of changes in the business environment and progress under the PSV-27 Plan, the Board of Directors resolved in March 2026 to revise the definition and scope of development talent, as well as to raise the fiscal year ending March 31, 2028 target.



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## Employee Engagement

The Kurita Group positions employee engagement as one of the key factors in realizing its D&I Vision. Accordingly, employee engagement has been established as a KGI within its human resources strategy, and engagement surveys are conducted to understand the current situation, identify issues to be addressed, and develop and implement appropriate initiatives. These surveys are not intended to serve as short-term indicators of day-to-day motivation. Rather, they are positioned as a foundation for identifying medium- to long-term organizational challenges and promoting analysis and improvement efforts. To continuously evaluate the implementation and effectiveness of initiatives, the surveys are conducted once every two years. Based on the survey results, we visualize the current state of each organization and take a consistent approach from identifying issues to developing and implementing improvement measures, with the aim of creating a workplace where employees can experience greater engagement and job satisfaction. Most recently, the third survey was conducted in the fiscal year ended March 31, 2026. The overall engagement score across the surveyed companies was 44%. In addition, 55% of the surveyed companies achieved engagement scores above the average of all industries. Although the percentage of companies exceeding the all-industry average fell short of the target, it improved compared with the previous survey. By the fiscal year ending March 31, 2028, the final year of the PSV-27 Plan, the Kurita Group aims for more than 75% of its Group Companies to achieve engagement scores above the all-industry average in their respective countries. To reach this goal, further acceleration of engagement improvement efforts is required. Because survey results vary by country and region, each company analyzes the factors affecting employee engagement, identifies key issues, and promotes effective initiatives to enhance engagement across the Group.

### Engagement score situation

| Engagement score | Survey result for FY 03/2022 | Survey result for FY 03/2024 | Target (top)/ Survey result (bottom) for FY 03/2026 | Target for FY 03/2028 |
|---|---|---|---|---|
| a. Rate of companies above the average of all industries | 50% | 51% | 65% or more<br>Not achieved (55%) | 75% or more |
| b. Score of each company surveyed | 38% | 41% | Meet or exceed the previous survey<br>Achieved (44%) | Meet or exceed the previous survey |

* The survey for the fiscal year ended March 31, 2026 was conducted in July and August 2025, covering 39 companies, including the Company and its Group Companies (including the Pentagon Technologies Group, Inc.)
* 6,485 out of 6,981 employees asked to take the survey responded in the fiscal year ended March 31, 2026 (93% response rate).

| Region | Examples of initiatives to address company and organizational issues identified in previous surveys |
|---|---|
| Japan | • Provide channels and opportunities, such as messages from the executive team members and "town hall" meetings, that help our employees understand the Company's policies and recognize how they relate to their own responsibilities<br>• Provide channels and opportunities for cross-organizational collaboration and challenge-taking<br>• Heighten work efficiency and productivity through new value proposals including the promotion of DX<br>• Discuss the corporate vision and future of the Kurita Group |
| Asia | • Examine revisions to the personnel system, including the salary structure.<br>• Enhance educational and training opportunities<br>• Set up and operate consultation hotlines to improve psychological safety<br>• Create opportunities for administrative and on-site employees to show appreciation for one another<br>• Provide opportunities for employees to have one-on-one meetings with company presidents as an opportunity to share their thoughts with the management team |
| EMEA | • Enhance training programs and improve the visibility of employee information and training status<br>• Conduct training to build an organizational culture where diversity is embraced, audacious action-taking is encouraged and eagerness to learn from mistakes is valued and respected |
| North & South America | • Promote mentorship support and other forms of employee assistance, in the form of leadership training programs or through personal interactions with more experienced employees, to improve employee retention and performance<br>• Provide workshops to support team building<br>• Provide tools to promote better health and to support work-life balance<br>• Conduct workshops to develop the next generation of leaders and create opportunities for dialogue on improving engagement |

| Region | Survey result for FY 03/2026 | New initiatives in response to the survey results |
|---|---|---|
| Japan | • Through initiatives such as messages from management and town hall meetings, employees gained a clearer understanding of how company goals relate to individual goals.<br>• Although the score for "productive work environment" improved, there remains room for further improvement. | • Create forums for exchanging opinions with management on future prospects and business strategies.<br>• Appropriate personnel allocation to high-workload departments and initiatives to address long working hours. |
| Asia | • Overall scores at all companies were equal to or higher than the scores in the previous survey.<br>• In the ASEAN region, the results showed that there remains room for improvement in psychological safety and the reduction of long working hours. | • To increase psychological safety, promote understanding of the D&I Vision and, through action learning and coaching, develop leaders who encourage employees to take on challenges and embrace diverse talent.<br>• Promote standardization and efficiency of business processes by utilizing IT tools and create an environment in which employees can focus on higher value-added work. |
| EMEA | • Scores improved for all items, with particularly significant improvement compared with the previous survey in the items "Safety" and "Productive Work Environment."<br>• Scores for "Utilization of Human Resources" and "Diversity" also improved, demonstrating the effectiveness of initiatives. | • To further improve the utilization of human resources, enhance compensation and grading systems and use recognition and reward programs to increase employee motivation and promote the retention and success of talent.<br>• Strengthen talent management and successor development, and support the development and career formation of diverse talent through a global mentor system. |
| North & South America | • In South America, scores improved significantly for all items.<br>• "Work-Life Balance" scores have risen significantly, particularly in South America, but remain below the benchmark. | • Advance the sophistication of workload management using the working hours management system, |



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# Human Resources Strategy

## Utilizing and Securing Human Resources

### Initiatives for utilizing human resources

We are working to promote group common actions and leverage the extensive knowledge and experience available within the Group. To encourage unified action throughout the Group, the Company established the Kurita Group Behavioral Guidelines in April 2024. This code of ethics shapes the specific actions necessary to put the Values outlined by the Kurita Group Philosophy System into practice. The purpose of the Kurita Group Behavioral Guidelines is to encourage employees to take initiative and incite other behavioral change. This work strives to heighten understanding and awareness about our Values and the Kurita Group Behavioral Guidelines. The guideline provides consistent standards to evaluate the actions of employees throughout the Group.
To leverage diverse knowledge and experience, the Group will expand initiatives such as cross-Group projects, promote interaction among people with diverse experience and backgrounds, and drive transformation across the Group. The Company and all of our Group Companies use standard evaluation criteria to assess management team candidates at each subsidiary. We not only identify but also develop and promote potential successors for the CEO at each company based on the results of these evaluations. The Company utilizes information about the management candidates at each Group Company to select potential executive officers and exectives. Furthermore, to maximize the value creation potential of human capital, the Company established the "Global HR Preparatory Committee" in April 2026 and is promoting Group-wide optimization of human capital utilization. This initiative aims to establish a framework that uses a globally common job responsibility standard (grading) as a foundation to visualize personnel composition, compensation levels, and talent information across the Group, thereby enabling an understanding of the relationship between human capital inputs and productivity. Through these efforts, the Group will advance measures such as personnel reallocation, compensation optimization, and human resource development, and support the execution of business strategies and improvement of corporate value from a human resources perspective.

### Human resource development effort

Based on findings from employee engagement surveys that systematic career development assistance is hoped for, we review and redefine our human resource development efforts from a focus on greater experience, advice and training, and implement career development programs accordingly.
In human resource development, particular emphasis is placed on "experience" as a key driver of employee growth. Systems that utilize employee career preference surveys and human resource information management systems are being developed, and transfers and assignments that take individual career development into consideration are being promoted. In addition, "advice," including the development of managers who support employees in taking on new challenges, and "training," including effective learning opportunities and an environment that encourages self-directed learning, are also provided to deepen employees' experience.
The Kurita Innovation Hub, the Kurita Group's research and development hub, serves as a core center for strengthening knowledge and skills across the Kurita Group. Utilizing its training center equipped with a wide range of water treatment facilities, the Group provides training programs to enhance the technical expertise of its employees. In addition, more than 900 human resource development contents, including training videos produced in the Group's in-house studio, are made available to employees throughout the Group via a dedicated portal site.

**Human resource training system (Kurita Water Industries)**

| | New hires | Core employees | Team leaders | Managers | Senior managers |
|---|---|---|---|---|---|
| Who we are looking for | People who acquire foundational skills and contribute to the organization through growth | People who autonomously achieve results and support the growth of those around them | People who demonstrate expertise and leadership | People drive the creation of results while developing people and the organization | People who drive transformation from both business and human resources perspectives with an eye toward the Group's growth |
| Gradebased programs | New hires training / Foundational training (first 2-3 years) / Core employee training | | Management training | New manager training / Leadership training | Executives candidate program |
| Role-based programs | Training to enhance expertise (Sales and marketing, technology and development, production and supply chain, digital, and business support) | | | | |
| Themebased programs | Mind Career Program / cultivating the Group's shared values | | | | |
| | D&I, employee engagement | | | | |
| | Career development support for female employee | | | | |
| | Support for mid-career hires | | | | |
| | International skills improvement | | | | |
| | Training for future overseas Group company executives | | | | |
| | Other (information security, compliance, human rights, etc.) | | | | |
| Self-development | Support for self-development and obtaining national qualifications, etc. | | | | |

Grade-based training programs take advantage of an external learning platform that provides over 2,000 courses and more than 10,000 e-learning materials. This creates an environment where anyone can access content that they feel they need. These programs support employees to learn while they forge their own unique path forward.

Career mindfulness programs are provided as part of our level-based training to ensure the sharing of corporate missions and visions among employees and also to encourage each employee to attain a deeper self-understanding and to define their personal aspirations in order enable them to plan the most effective personal career path for themselves.

To identify and train next executive candidates and to develop managerial resources for overseas entities, we will organize overseas-focused group-wide programs to provide personal networking opportunities and to promote greater adoption of our corporate missions from the fiscal year ended March 31, 2024 onward, including inviting overseas members to training programs at our Japan headquarters and providing opportunities to work in other companies within the Kurita Group.



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## Utilizing and retraining development, digital and intellectual property specialists

To create innovative solutions by collecting and leveraging "Kurita Water Intelligence", the Kurita Group has identified the following as key talent to be strengthened: technical professionals with deep expertise in water treatment (development specialists), digital professionals who drive DX(digital specialists), and intellectual property professionals who support the Group's technology-driven management(intellectual property specialists). We are promoting the effective utilization and acquisition of these talent groups.

### ・Development specialists

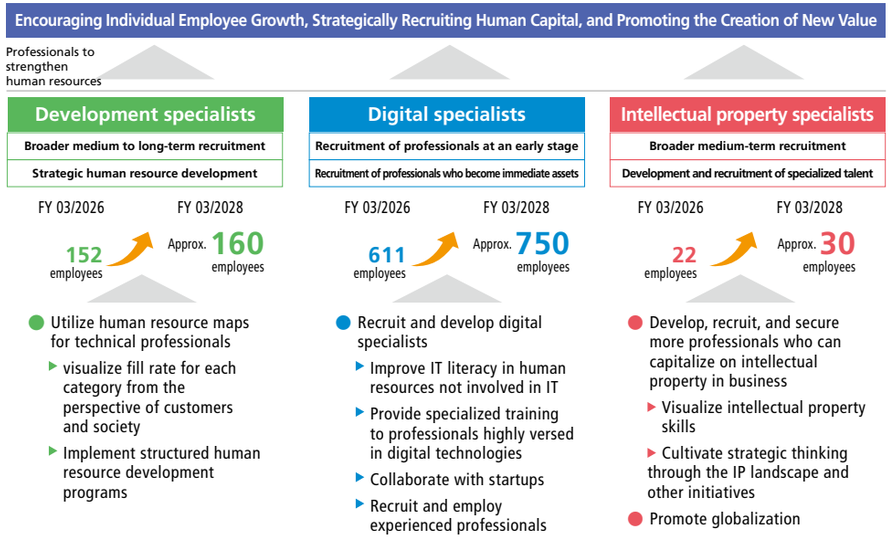
Development specialists are responsible for creating the technologies that form the foundation of Kurita's competitive advantage, making it essential to develop successor talent capable of inheriting and advancing these technologies over the medium to long term. The Kurita Group systematically maps personnel engaged in technical fields to visualize the availability of talent in each area and promotes the strategic development and deployment of human resources. Based on this framework, we are working to strengthen our talent pipeline over the medium to long term and systematically develop successors through the Kurita-Technical Education Program, a structured talent development program. At the same time, we leverage the skills, knowledge, and experience of our people across the Group in technology development to further deepen and advance water treatment technologies. For the fiscal year ending March 31, 2028, our target is approximately 160 development specialists.

### ・Digital specialists

Digital specialists play an essential role in promoting Kurita's digital strategy (DX/AX), including formulating and executing strategies, developing business models, building infrastructure, and providing IT services. Their importance continues to grow amid the advancement of digital technologies and the rapid evolution of AI. To address this need, Kurita is working to develop and secure digital specialists who can create new value by combining diverse customer touchpoints and operational insights with digital technologies. At the same time, efforts are being made to improve IT literacy among all employees and foster a corporate culture that actively embraces digital technologies and AI. In developing digital specialists, training is provided to employees with strong digital aptitude based on assessment results. Participants work on business proposals and business process reforms that leverage digital technologies and AI. In addition, Kurita is strengthening its pool of specialized talent through collaborations with startup companies and the recruitment of experienced professionals, without being constrained by existing organizational boundaries. For the fiscal year ending March 31, 2028, our target is approximately 750 digital specialists.

### ・Intellectual property specialists

In addition to intellectual property (IP) protection and risk reduction activities (defensive IP initiatives), we launched IP information analysis (defensive IP initiatives), including IP landscape analysis. The aim is to use IP information to support management, business, and innovation strategies. The Kurita Group is improving the quality and ramping up its global intellectual property activities. To achieve this, we require human capital with highly specialized intellectual property professionals, including patent attorneys and IP analysts, and who can also step outside conventional intellectual property activities to coordinate with individuals involved in various aspects of our businesses. For the fiscal year ending March 31, 2028, our goal is to have roughly 30 intellectual property specialists.




## Personnel Systems

As uncertainty in the global business environment continues to increase, creating innovation rooted in social value requires people with diverse backgrounds and expertise to fully demonstrate their strengths and generate synergies with one another. The Company's human resources system had not undergone major revisions for many years, and engagement surveys revealed growing calls for its review. In response, the Company launched a comprehensive revision of the system as a key initiative of its Human Resources Strategy. In addition to the revision implemented in April 2024 for managerial employees covered by the annual salary system, the scope of the reform was expanded to other employee groups in April 2026. Under the revised system introduced in April 2026, the Company moved away from age-based treatment and adopted a framework in which evaluation, compensation, and grades are determined based on demonstrated capabilities, expertise, and assigned responsibilities. Specifically, the Company abolished the common employee grade system, introduced a comprehensive evaluation framework that combines performance and behavior, and established a compensation system linked to evaluation results. In developing the revised system, the Company conducted extensive interviews and discussions with officers and employees across a wide range of positions and grades. By doing so, we aim to foster an organization where diverse talent can autonomously demonstrate its strengths, deepen its expertise, and take on the challenge of creating new value.



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## Fostering Organizational Culture

### Initiatives for instilling the D&I Vision

We are implementing initiatives suited to the circumstances of each division of the Company and Group Company as a way of becoming a "group with a high level of engagement and instilled with D&I." Action principles to enable the Kurita Group to transform itself to a group of highly engaged people with a deeply ingrained sense of D&I are represented by nine icons. These icons are utilized in D&I promotion activities by individual Kurita Group companies.

1. **Recognition:** Understand the D&I Vision
2. **Awareness:** Organize workplace chat sessions and other activities to encourage the employees to embrace D&I as their personal theme.
3. **Action:** Practice the nine recommended action principles to realize the D&I Vision
4. **Positive changes in business practice:** Create value through practicing the recommended action principles

Example: Promote cross-organizational projects throughout the Group involving various functions such as development, sales and procurement across the value chain

### Nine recommended action principles




## Organizational Structure

### Ensuring diversity

The Kurita Group aims to drive innovation by leveraging the diversity of experiences, knowledge, and skills of people from various backgrounds. In particular, we are placing a strong focus on initiatives at the Company, where achieving diversity remains a greater challenge than in other Group Companies. To promote D&I, we have established a dedicated D&I team that works in collaboration with departments across the Company and Group Companies to implement various initiatives.

| | |
|---|---|
| Supporting globally minded personnel | The Kurita Group aims to deliver value globally while responding to the unique characteristics of each region. To maximize this value, it is essential that Kurita and its Group companies collaborate and interact closely under a shared corporate philosophy, continuously enhancing operational excellence across the Group while enabling every Group employee around the world to play an active role. To develop talent with the mindset and skills needed to succeed in a global business environment, the Company has conducted an overseas trainee program for three consecutive years since the fiscal year ended March 31, 2024, and is working to strengthen the global capabilities of its employees. In addition, the Company is developing executive talent at overseas Group companies and promoting qualified individuals to management positions. As a result of these efforts, locally hired employees account for 68% of representatives and positions directly below the representative level at overseas Group companies. This demonstrates that talented individuals from diverse countries and regions are actively serving in key management roles throughout the Group. |
| Creating a comfortable working environment for a diverse workforce | We provide various programs and benefits to support our employees to balance their work with life events such as child care and nursing care for the elderly and to promote diverse work styles including at-homework. We also actively assist SOGIE* minorities in the workforce, for example by applying benefits designed for married employees to legally unmarried couples and same-sex partners. We make effort to make these programs and benefits better known to our officers and employees to promote greater utilization. We also provide online training and periodic education sessions to provide an environment where a diverse group of people can work together without friction.<br>*Sexual orientation, gender identity, and gender expression |
| Empowering female employees | With the aim of enhancing decision-making through diverse perspectives and supporting sustainable growth, the Company seeks to increase the proportion of women in business execution management roles and key talent positions over the long term. As of December 2025, women accounted for 5.8% of managers at the Company, and we are working toward our target of increasing this ratio to 10% by the fiscal year ending March 31, 2028. Since establishing this target, we have conducted annual career development workshops primarily for women in career-track positions. By supporting participants in clarifying their future career aspirations and vision, we are building a pipeline of female management candidates. Supported by these initiatives, the percentage of female managers has continued to rise steadily. In the fiscal year ended March 31, 2026, we held workshops for employees aspiring to become Chief Specialists and Senior Chief Specialists, providing opportunities to reflect on their careers and future aspirations through mentors' experiences and advice. Going forward, we will provide opportunities for employees at earlier career stages to consider their career development and further strengthen the pipeline of female management candidates. |
| Encouraging male employees to take childcare leave | The Company encourages male employees to take childcare leave as part of its efforts to build a secure and work-friendly environment for all employees. Since the fiscal year ended March 31, 2022, the Company has also worked to promote understanding of balancing childcare and work, for example, by holding regular networking meetings as a forum for sharing experiences and concerns related to life events and career development. As a result of these cumulative efforts, in the fiscal year ended March 31, 2026, the rate of male employees taking childcare leave and similar leave at the Company reached 78.7%, and the average period of leave taken was 65 days, both up from the previous fiscal year. In addition, the Company's efforts to balance work and childcare have been recognized, and it received the Platinum Kurumin certification from Japan's Minister of Health, Labour and Welfare. |
| Supporting mid-career hires | The Company actively promotes the hiring of experienced professionals, recognizing their ability to make immediate contributions in line with business expansion. As of December 2025, mid-career hires accounted for 17.1% of positions equivalent to management roles, exceeding the level of the previous year.<br>The Company aims to increase the proportion of mid-career hires in its overall workforce to approximately 30% by April 2031. To achieve this goal, we will expand recruitment primarily of R&D personnel and intellectual property professionals who are expected to contribute to the promotion of CSV businesses. In addition, we are creating an environment in which mid-career hires can thrive by providing education on Kurita-specific knowledge and technologies, conducting regular follow-up interviews through the Human Resources Department, and supporting the development of internal networks. Through these efforts, we will accelerate the development of mid-career hires into key talent for the Company. |



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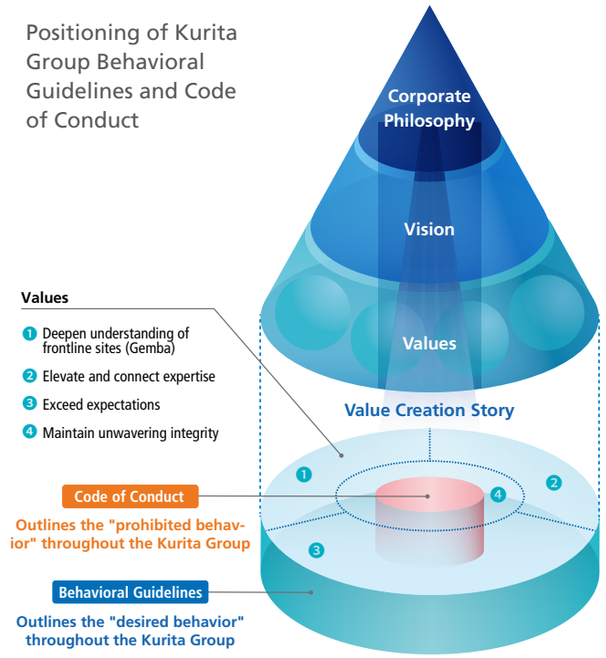
# Values

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

* Activities fostering an autonomous approach to work based on doing what is right and good in our conscience.

Positioning of Kurita Group Behavioral Guidelines and Code of Conduct




## Kurita Group Behavioral Guidelines

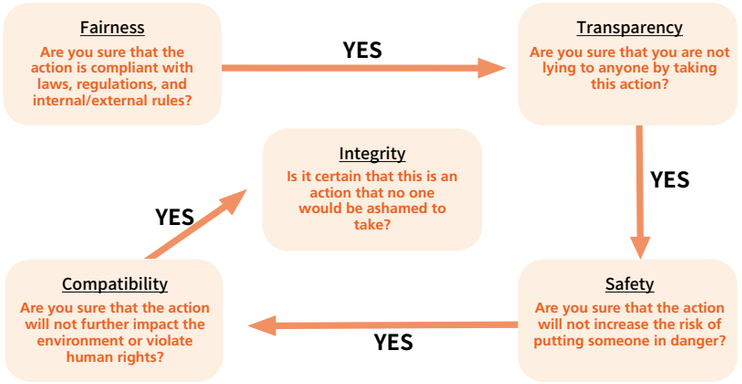
The Kurita Group Behavioral Guidelines outline the direction of behavior that is common across the Kurita Group to embody our Values. These guidelines were developed through workplace discussions based on aspects of common behaviors identified from positive experiences like gratitude, enjoyment and sense of pride, as well as from interviews with employees about their vision of the work they seek in the future. We are also focusing efforts on disseminating these guidelines throughout the Group. More specifically, disseminating the stories, actions, ideas, and visions that Kurita Group employees have at their work through workplace communications reminds readers of their specific actions and increases their level of empathy—this fosters each employee to take proactive steps toward achieving the corporate vision and philosophy.

## Kurita Group Code of Conduct

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

### Five questions to ask

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




## Integrity Surveys

The Kurita Group conducts an annual Integrity Survey for all employees, including temporary staff. The survey primarily assesses the penetration of the Kurita Group Behavioral Guidelines and the Kurita Group Code of Conduct, workplace culture, the effectiveness of integrity activities, and potential signs of risks related to various basic policies and operational policies. Based on the survey results, we incorporate the findings into risk response measures and future initiatives. The survey is conducted in a manner that ensures respondent anonymity.

### Integrity survey response rate in FY 03/2026

| Candidates | Respondents | Response rate |
|---|---|---|
| 8,969 | 8,218 | 91.6% |



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# Values

## Conduct Business Activities Respecting Human Rights

Based on international human rights standards, the Kurita Group has identified "Conduct Business Activities Respecting Human Rights" as one of its materialities, in line with the "human" dimension of the "an environment in which nature and humanity are in harmony" envisioned in our corporate philosophy, and is committed to respecting the human rights of all people.

### Materiality Targets and Achievement

| Metrics | Result for FY 03/2025 | Target (top figure)/ Result (bottom figure) for FY 03/2026 | Target for FY 03/2027 | Target for FY 03/2028 |
|---|---|---|---|---|
| **Conduct business activities respecting human rights** | | | | |
| Conducting human rights due diligence on suppliers | Continuous implementation | Continuous implementation<br>Achieved (Continuous implementation) | Continuous implementation | Continuous implementation |
| Rate of participation in human rights-related training | 100% | 100%<br>Achieved (100%) | 100% | 100% |
| Establishment of a liaison for remedies from human rights violations (grievance mechanism)* | - | -<br>- | - | Completed |

* Surveys and other preparatory activities for installation were conducted from FY 03/2024 to FY 03/2026, with completion of installation targeted by FY 03/2028. Installation was completed in April 2026, and going forward, targets related to awareness and dissemination will be established and the system will be operated accordingly.

### Conducting Human Rights Due Diligence on Suppliers

The Kurita Group recognizes the identification of human rights risks throughout its supply chain, as well as the prevention of their occurrence and mitigation of their impacts, as a key issue.In the fiscal year ended March 31, 2026, in order to confirm whether concerns related to conflict minerals exist, the Group conducted raw material traceability investigations using the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT)* with suppliers that have significant procurement volumes of electronic components, which frequently contain conflict minerals as raw materials. With regard to foreign workers, the Group conducted surveys that covered suppliers that had previously been identified as employing foreign workers but had not yet been assessed, as well as suppliers of domestic Group companies. Among these suppliers, on-site audits were conducted at four companies that accepted trainees and other foreign workers from countries considered to present particularly high risks. As a result of these audits, the Group identified the possibility that trainees and other foreign workers at certain suppliers had been required to pay recruitment-related fees exceeding applicable standards before arriving in Japan, potentially resulting in debt burdens. Accordingly, the Group requested that these suppliers verify fee collection practices prior to hiring new workers. In addition, follow-up assessments were conducted during the fiscal year ended March 31, 2026 for suppliers where similar risks had been identified in audits conducted during the fiscal year ended March 31, 2025.
Going forward, the Group will expand the scope of investigations to include suppliers of domestic Group companies, continue conducting raw material traceability investigations for suppliers with substantial procurement volumes of electronic components, and maintain its efforts to understand and monitor the working conditions of foreign workers.

* This refers to the Conflict Minerals Reporting Template (CMRT) of the industry-standard Responsible Minerals Initiative (RMI) and the Extended Minerals Reporting Template (EMRT).

### Human Rights-related Training Sessions

The Kurita Group believes that enhancing the understanding and awareness of human rights among directors, officers, and employees contributes to reducing human rights risks in its business activities. Based on this belief, we identify target participants each year and continuously provide human rights education and training programs.
In the fiscal year ended March 31, 2026, we conducted training for directors, officers, employees, and temporary staff of the Company and domestic Group companies under the theme, "Creating a Workplace Where Everyone Can Work with Peace of Mind: Awareness for Preventing Harassment Before It Occurs." A total of 4,705 participants attended the training, achieving a 100% attendance rate and meeting the target.

### Establishment of a Liaison for Remedies From Human Rights Violations (Grievance Mechanism)

The Kurita Group is working to reduce, remediate, and prevent adverse human rights impacts on stakeholders who may be affected through its business activities. As part of efforts to further strengthen its human rights initiatives, the Group became a full member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) and established a Human Rights Remedy Mechanism (Grievance Mechanism; hereinafter, the "Reporting Hotline") on April 1, 2026, utilizing the Engagement and Remedy Platform provided by JaCER. The Reporting Hotline serves as a mechanism for receiving human rights-related concerns and grievances connected to the Group's business activities and for providing appropriate remedy. The Group utilizes the Reporting Hotline as a mechanism to promote dialogue and remedy while ensuring fairness, transparency, and predictability in responding to human rights-related concerns and grievances. The Reporting Hotline expands the scope of existing consultation channels and is available to employees, suppliers, contractors and other business partners, customers, local communities, Indigenous Peoples, and migrant workers. Human rights-related concerns and grievances associated with the Kurita Group's business activities may be submitted anonymously. The Group prohibits retaliation against individuals who raise concerns and investigates and addresses grievances through fair and predictable procedures, placing emphasis on dialogue throughout the process.



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Conduct business activities respecting human rights

# Values

## Conduct Fair Business Activities

The Kurita Group has identified "Conduct fair business activities" as one of its materialities. Through practicing fair, transparent, and sincere conduct and carrying out business in an open and honest manner, we aim to foster pride in their work among people working throughout the Kurita Group while continuously enhancing the trust placed in us by society.

### Materiality Targets and Achievement

| Metrics | Result for FY 03/2025 | Target (top figure)/ Result (bottom figure) FY 03/2026 | Target for FY 03/2027 | Target for FY 03/2028 |
|---|---|---|---|---|
| **Conduct fair business activities** | | | | |
| Rate of participation in whistle-blowing system related training | 100% | 100%<br>Achieved(100%) | 100% | 100% |
| Rate of participation in training related to laws and internal rules for the compliance of anti-bribery and antitrust laws, etc. | 100% | 100%<br>Achieved(100%) | 100% | 100% |
| Number of violations of anti-bribery and antitrust laws | 0 cases | 0 cases<br>Achieved(0 cases) | 0 cases | 0 cases |

### Establishment of an Internal Whistleblowing and Consultation Desk

The Kurita Group has established and operates whistleblowing and consultation desk in accordance with the Internal Reporting Channel Management Regulations as a mechanism for directly reporting actual or potential violations of laws and regulations, the Code of Conduct, compliance-related policies, internal rules, and other requirements. In addition to channels that connect directly to the responsible internal department, we also provide channels managed by independent third parties, including external service providers and law firms. These channels accept reports via email, written submissions, and other means. Reporting channels for overseas Group companies are available in multiple languages. Reports may be submitted anonymously, and mechanisms are in place to protect those who seek advice or make reports from retaliation or other forms of disadvantageous treatment. When an investigation determines that corrective action is necessary, the relevant departments work together to take appropriate action and provide feedback on the outcome to the reporting party. Information on how to use the system is communicated through the intranet and other awareness-raising activities. The operational status of the whistleblowing and consultation desk is reported to the Board of Directors annually.
In the fiscal year ended March 31, 2026, a total of 71 reports and consultations were received through the channels across the Kurita Group. Of these, consultations related to harassment and other interpersonal relationship issues accounted for the largest number, with 50 cases. Going forward, the Group will continue to provide training each year for designated participants, including officers, employees, and temporary staff, with the aim of promoting awareness of and willingness to use the reporting channels.

### Training on the whistle-blowing system

The Kurita Group conducts annual education and training programs for designated participants, including officers, employees, and temporary staff, with the aim of enhancing understanding of and encouraging the use of whistleblowing and consultation desk. In addition, we continuously promote awareness of the whistleblowing system through communications on the intranet and workplace dialogue sessions, among other initiatives. In the fiscal year ended March 31, 2026, we conducted training for employees and temporary staff who had newly joined the Company,, and achieved our target rate of 100% attendance.

### Training on laws and internal rules related to anti-bribery and antitrust compliance

The Kurita Group provides education and training on laws, regulations, and internal rules, including anti-bribery and compliance with competition laws, to reduce the risk of officers and employees violating laws and regulations. With respect to bribery prevention, the Anti-Bribery Policy stipulates the establishment and implementation of a framework for regularly conducting compliance education and training on the prevention of bribery and other improper conduct.
In the fiscal year ended March 31, 2026, we conducted e-learning on anti-bribery and achieved our target rate of 100% attendance.

### Discovery of Improper Practices in Analytical Services at a Group Company

In July 2026, it was discovered that, in certain analytical services provided by Kurita Analysis Center Co., Ltd., documents containing analytical results had been issued to customers without the analyses actually being performed (for details, please refer to the news release ). To prevent recurrence, the Kurita Group will conduct a thorough investigation into the facts and underlying causes of the incident and further strengthen compliance by reviewing its operational framework.
We will report updates on our response to this matter on our website as appropriate.



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Conduct fair business activities

# Risk Management

## Basic Concept

The Kurita Group promotes risk management based on the belief that opportunities for business growth should not be missed due to decision-making that favors risk avoidance. To this end, we work to clarify which risks should be accepted for the sake of sustainable growth and enhancement of corporate value, while implementing appropriate measures to reduce potential losses.

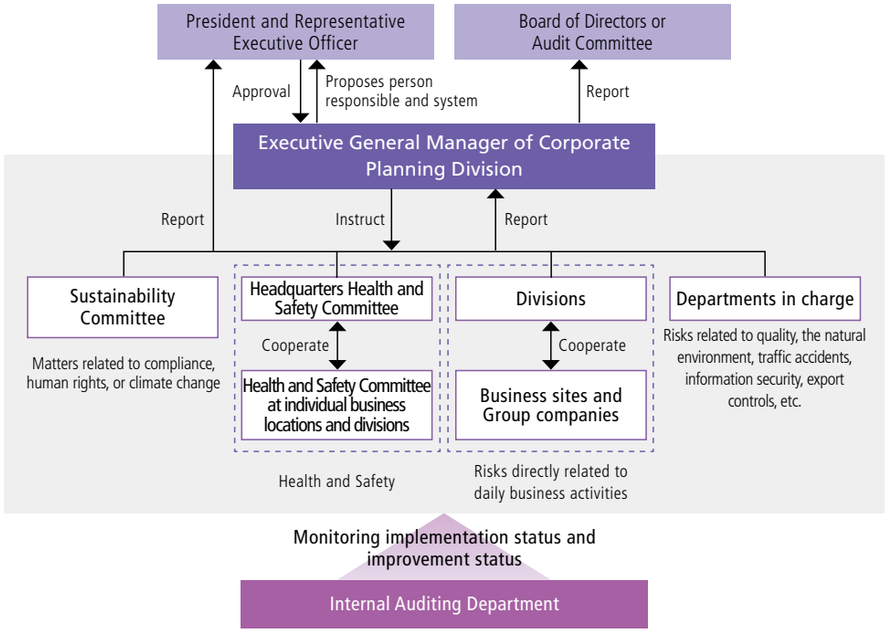
## Risk Management System

The executive general manager of the Corporate Planning Division is responsible for monitoring risks and implementing risk management in the Kurita Group. The executive general manager regularly analyzes and evaluates the Group's risks and conducts ongoing monitoring based on the Group-wide risk map, and also takes steps to prevent risks from occurring. In the event of a risk materializing that could have a serious impact on group's business, the executive general manager formulates systems with the person in charge, obtains approval from the president and representative executive officer, and immediately issues instructions. The person in charge promptly takes action and reports to the president and representative executive officer and the executive general manager of the Corporate Planning Division, as well as the Board of Directors or the Audit Committee, regarding the impact of the risk, progress with mitigation and measures to prevent reoccurrence.
The chairperson of the Sustainability Committee is responsible for tackling material risks related to compliance, human rights, climate change, and other matters, while the chairperson of the Headquarters Health and Safety Committee is responsible for material risks related to health, and safety. The executive general manager of each division is responsible for responding to risks directly associated with day-to-day business operations, and each division identifies and evaluates risks related to the operations and group companies it is in charge of. Also, responding to risks relating to quality, the natural environment, traffic accidents, information security, export controls, and so on are handled by the respective departments responsible. The executive general manager of the Corporate Planning Division, the chairperson of each committee and the executive general manager of each division report periodically to the Board of Directors on the status of risk management implementation. Furthermore, the Internal Auditing Department monitors the execution status and improvement status of risk management measures.

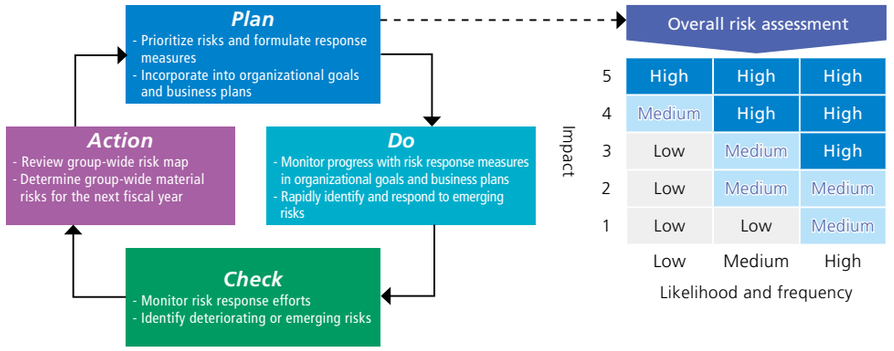
## Identification of Risks and Preparation of Countermeasures

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

**Risk Management System**




**PDCA of risk management**



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# Risk Management

### Company-wide risk map

| Risk category | Main risks | Report section/information related to response measures | |
|---|---|---|---|
| Operating environmental risk | • Contraction in existing markets due to customers reducing factory operating rates and reining in capital investment<br>• Decline in prices for products and services due to intensifying competition<br>• Decline in profitability and slowdown in business growth due to spikes in prices for raw materials and energy costs as well as supply chain disruptions<br>• Decline in yen translation amounts due to changes in exchange rates and other factors<br>• Decline in profits following the introduction and increase of carbon tax on $CO_2$ emitted by the Kurita Group's facilities and products, etc. | • The Kurita Group's Vision and Sustainability<br>• he Kurita Group's Businesses | ▶P.9-29<br>▶P.30-44 |
| Country risk | • Risk of loss of business opportunities and inability to recover investments due to changes in regulatory frameworks and abrupt political and economic changes in Kurita's markets | • The Kurita Group's Businesses | ▶P.30-44 |
| Disaster risk | • Human losses and loss of business opportunities caused by pandemics<br>• Human losses and loss of business opportunities caused by natural disasters including those caused by climate change | • BCM<br>• Contribute to the Realization of a Decarbonized Society | ▶P.75<br>▶P.79-80 |
| Strategic risk | • Failure to attain goals in medium-term management plan due to delays with organizational reforms, business restructuring<br>• Slow pace of business expansion caused by delays with launching new businesses, executing growth strategy<br>• Delays with developing businesses matched to customer needs and characteristics of each country/region<br>• Failure to remain competitive in water treatment market due to delays with introducing IT and building digital businesses | • The Kurita Group's Management<br>• The Kurita Group's Businesses<br>• Innovation Strategy<br>• Digital Strategy (DX/AX) | ▶P.9-29<br>▶P.30-44<br>▶P.47-50<br>▶P.58-62 |
| Business risk | • Failure to provide competitive products, services or business models in a timely manner<br>• Accidents/injuries in the Kurita Group's businesses<br>• Claims for damages and additional costs due to defects or deficiencies in products or services<br>• Loss of competitiveness due to outflow of technical expertise<br>• Slowdown or lack of progress with improving the profitability of overseas businesses driving the Kurita Group's growth<br>• Suspension of business operation due to cyber-attacks and security accidents<br>• Degradation of operation quality due to delay in securing and fostering human resources<br>• Degradation of ability to respond to changes in the business environment due to insufficient effort for diversity<br>• Decrease in productivity and loss of business opportunities due to decline in employee engagement | • The Kurita Group's Businesses<br>• Intellectual Property Strategy<br>• Human Resource Strategy<br>• Information Security Management | ▶P.30-44<br>▶P.51-53<br>▶P.63-69<br>▶P.76 |
| Financial risk | • Loss of public trust caused by inadequate internal controls related to financial reporting<br>• Deterioration in profitability or cash flow due to poor management of Group Companies<br>• Impairment of goodwill resulting from the underperformance of acquired companies<br>• Impact of interest rate fluctuations on fundraising | • Financial Strategy<br>• Basic Policies for Constructing an Internal Control System | ▶P.17-21<br>- |
| Labor, legal, and compliance risk | • Health impacts caused by long working hours due to insufficient awareness of physical and mental safety<br>• Legal and regulatory violations, and the resulting loss of social trust, due to a lack of integrity in business dealings<br>• Loss of social trust due to information leaks and other incidents caused by a lack of ethical responsibility | • Conduct Business Activities Respecting Human Rights<br>• Conduct Fair Business Activities<br>• Information Security Management | ▶P.71<br>▶P.72<br>▶P.76 |

* The above table is not an exhaustive list of the Kurita Group's risks.
* Please visit our website for more details about risk factors related to the Group's business conditions, financial accounts and other items in the Annual Securities Report that could have a material impact on investor decisions.



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Business risks and other risk factors

# Risk Management

## BCM(Business Continuity Management)

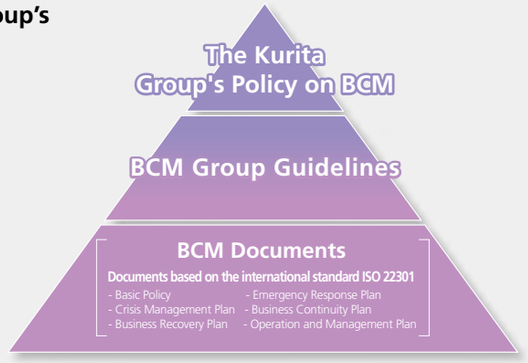
### Approach for BCM Activities

The Kurita Group has taken steps to prepare for sudden unexpected events such as major natural disasters, pandemics, geopolitical risks, and security incidents, with a focus on both "ensuring the safety of employees" and "maintaining business continuity". This includes establishing operational priorities, criteria for decision-making and action in emergencies, as well as response policies, procedures, and organizational structures. During normal times, meanwhile, we engage in management activities such as formulating and updating emergency response plans, securing budgets and resources, implementing countermeasures, and conducting education, training, and inspections. The Kurita Group formulated the Kurita Group's Policy on BCM as the basic approach of this effort. In the event of an emergency, our highest priority is to ensure the safety of directors, employees, and their family members. Once employee safety has been secured, we work toward the rapid recovery of business operations, the stable supply of products and services, and support for local communities. To support directors and employees to take appropriate decisions and actions during emergencies, the Group has also prepared a system of documentation consisting of the BCM Group Guideline, which supplements the Kurita Group's Policy on BCM, as well as BCM Documents prepared based on the framework of the international standard for BCM, ISO 22301.

**BCM basic policy**

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

**The Kurita Group's Policy on BCM**




### BCM Promotion System

We have established an organization that integrates the Kurita Group's business continuity functions within the Corporate Planning Division. The executive general manager of the Corporate Planning Division, who is the lead executive, has been appointed as the person responsible for promoting BCM activities. The organization rolls out BCM activities based on an ISO 22301 compliant management system to Group companies globally. In addition, by appointing BCM promoters at each Group company, we are progressively strengthening Group-wide initiatives designed to ensure both employee safety and business continuity in response to natural disasters, geopolitical risks, and other potential threats.

### Initiatives to Strengthen BCM Activities

#### Operation of the Group management system

The Kurita Group formulates and implements initiatives in light of business characteristics and risks unique to the countries and regions of group companies based on the Group-wide BCM system, and the company governs and provides support for these initiatives conducted by group companies, aiming for the steady practice of the PDCA cycle of BCM initiatives and the steady use of the report line in the event of incidents throughout the Group. To promote these activities, the person responsible for promoting BCM activities and the representatives of Group companies communicate messages to employees, while continuous education and training programs are implemented throughout the Group. With these efforts, the Kurita Group as a whole operates the management system effectively based on the BCM Documents, in order to ensure the safety of employees, elevate the effectiveness of measures against business continuity risks, and strengthen measures against incidents that have major impact on the Kurita Group.

#### Strengthening Resilience to Country- and Region-Specific Risks, Including Major Earthquakes

With half of the Group employees working in Japan, which is under the threat of the high probability of the occurrence of an inland earthquake in the Tokyo metropolitan area and the Nankai Trough earthquake, it is important to check that the
measures against large-scale earthquakes are functioning effectively, while also elevating their effectiveness. For that purpose, we will first estimate the magnitude of damage on business locations of the Kurita Group based on publicly available information from the Cabinet Office and other sources and then identify and prioritize issues to be strengthened from both the perspective of "ensuring safety of employees" and "business continuity" and implement the necessary actions. In the fiscal year ended March 31, 2026, as part of efforts to strengthen preparedness for a major earthquake, we conducted exercises on the operation of the disaster response headquarters based on a Nankai Trough earthquake scenario, and identified key issues and developed specific countermeasures. Additionally, overseas, we are working to strengthen our response capabilities to country- and region-specific risks, including natural disasters and geopolitical risks.



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# Risk Management

## Information Security Management

### Basic Concept

Information security control is a basic practice for the Kurita Group, which uses digital technologies for the transformation of its business models and business processes. Recent years, information security accidents including cyber-attacks are increasing and their methods are getting more sophisticated. In these circumstances, the risk of malicious attacks is increasing, further highlighting the need for appropriate information security control. In addition to the development, maintenance, and operation of information systems, the Kurita Group has defined "Kurita Group Digital Management Policy"— the policy of information security control necessary for driving DX. Furthermore, to address risks associated with the protection of personal information and the utilization of data, the Kurita Group has established and publicly disclosed policies such as its Privacy Policy, Security Policy, and AI Policy, which are implemented under a unified management framework across the Group. The Kurita Group regards information security not merely as an IT management issue, but as a material management priority that supports business continuity and enhances corporate value. The Kurita Group also engages in the global implementation of security measures to prevent security accidents and minimize the opportunity loss caused by security accidents. Under these policies, the Kurita Group has established fundamental requirements for the development, maintenance, and operation of information systems, including the implementation of information security measures from the design and development stages, the establishment of communication and recovery frameworks for system failures, and the planning and execution of business continuity measures (IT-BCP) to address cyberattacks and information security incidents. Furthermore, recognizing that the protection of information assets cannot be achieved through technical measures alone, we have established rules governing the definition, classification, labeling, and sharing of confidential information, as well as the use of information systems to reduce incidents arising from user behavior. Through ongoing education and awareness initiatives, we promote a comprehensive security culture across the Group from the perspectives of people, organization, and technology.

### Efforts in Ordinary Times

The Kurita Group works in normal times to strengthen information security control for the prevention of information security accidents. The Kurita Group evaluates its IT risks periodically, implements measures with the security assurance organization established and a budget secured, and has established the reporting system used in the event of a security accident. The Kurita Group also provides information security training and phishing email simulation exercises for employees. In addition to these efforts, the Kurita Group has established a global, multilanguage, round-the-clock security monitoring system. The Kurita Group regards the OT (Operational Technology) environment used for monitoring and controlling water treatment facilities and other operations as an important area of management and implements security measures based on its OT Security Management Standards. Furthermore, the Kurita Group is working to assess and improve the OT environments of its domestic and overseas Group companies and is committed to ensuring appropriate management and operation from the perspectives of business continuity and safety.
The Kurita Group has established and operates rules for the appropriate handling of information systems and information assets, with clearly defined scopes and responsibilities. In addition, we conduct security assessments and management of outsourced service providers and cloud services, working to reduce information security risks across the entire supply chain. Confidential information is classified according to the potential impact of leakage or unauthorized use (Strictly confidential, Confidential, and Restricted), and is managed through rules governing labeling, sharing, and the handling of third-party information, which are integrated into daily operations. We also operate reporting and response procedures based on established protocols in the event of, or when there is a possibility of, an information security incident. Through these initiatives, we monitor implementation across the Group and continuously strengthen information security measures through an ongoing PDCA cycle.

### Organizing and Operating CSIRT (Computer Security Incident Response Team)

Although the Kurita Group endeavors to prevent security accidents, it considers that it is impossible to implement perfect measures. Thus, the Kurita Group has organized CSIRT, an organization for taking prompt and appropriate actions in the event of a security accident as well as enhancing the organization's capability to respond and recover. CSIRT is considered to pertain to business continuity, so it is positioned as a part of the BCM system. CSIRT consists of a wide range of members including those from departments in charge of information security, as well as public relations, sales, management planning, accounting, and legal affairs. Similar frameworks have also been established at overseas Group companies. This organization develops and maintains operational manuals that define the potential impact of information security incidents and the corresponding response procedures, conducts training based on these manuals, and strengthens its capabilities through collaboration and information sharing with external organizations as necessary. In the event of a security incident, the Kurita Group has established a response process covering detection, containment and temporary measures, investigation of the root cause and assessment of the scope of impact, consideration of response actions and coordination with external organizations, and recovery and recurrence prevention. This process is based on the premise of a company-wide response that may include not only investigating the cause and implementing corrective measures, but also, depending on the circumstances, notifying customers and disclosing relevant information to stakeholders. In addition, we have defined key response principles, including prompt initial action, company-wide involvement in cases with significant business impact, stakeholder-focused communication, and the resumption of operations only after confirming that the cause has been eliminated. Furthermore, as part of its ongoing activities during normal operations, the CSIRT conducts regular exercises and reviews response procedures and communication frameworks to enhance the effectiveness of incident response. In the fiscal year ended March 31, 2026, to strengthen our capabilities for responding to cyber risks, we identified IT systems critical to business continuity at overseas Group companies and conducted exercises simulating system outages caused by cyberattacks.



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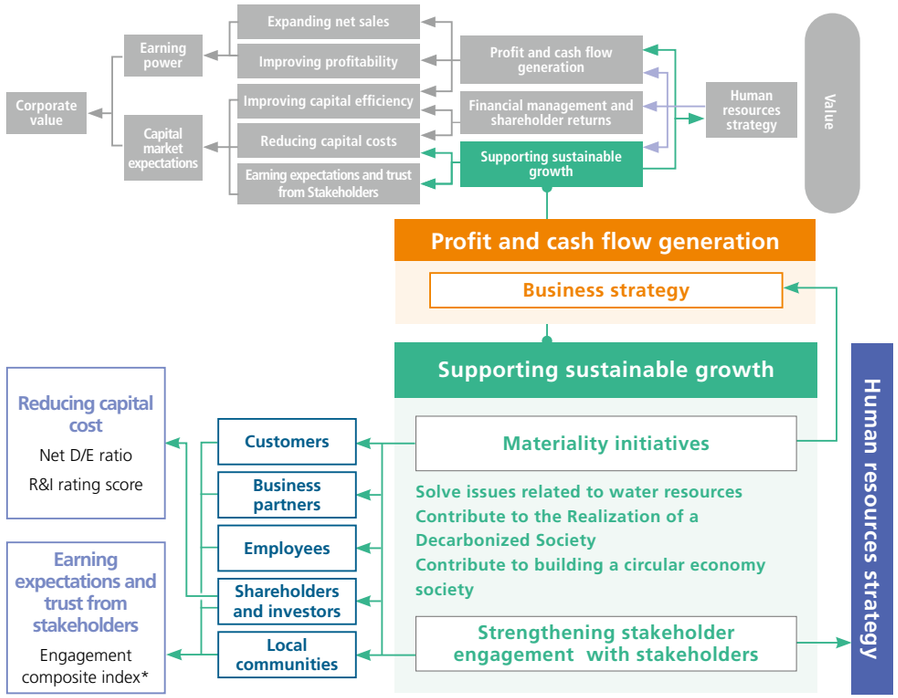
# Initiatives for Supporting Sustainable Growth

## Initiative Priority

Materiality initiatives and the strengthening engagement with stakeholders are important efforts that support the Kurita Group's sustainable growth. Based on the expectations and requests identified through dialogue with stakeholders, the Kurita Group has identified materialities that are shared with customers and society. By addressing these materialities through its business activities, the Group enhances the value it provides to customers and society and contributes to the realization of a sustainable society. In addition, by incorporating the diverse perspectives and expectations gained through stakeholder dialogue into management, the Group strengthens its business strategies and advances its value creation efforts.

Value Creation Tree ▶ P.16




* A proprietary indicator that comprehensively integrates various metrics related to stakeholder engagement.

## Solve Issues Related to Water Resources

### Solve Issues Related to Water Resource

## Materiality Initiative Targets and Achievement

The Kurita Group has identified Solve Issues Related to Water Resources as one of its Materiality themes. By providing solutions that leverage "Kurita Water Intelligence" and collaborating with various organizations, the Group works to address water resource issues from the perspectives of water quantity, water quality, and access to water, while also aiming to maintain the proper circulation of water as an ecosystem service.

| Metrics | Result for FY 03/2025 | Target (top figure)/ Result (bottom figure) FY 03/2026 | Target for FY 03/2027 | Target for FY 03/2028 |
|---|---|---|---|---|
| Solve issues related to water resources | | | | |
| Total number of basins where collective actions are implemented (and total population in the basins)*1 | 3 basins, 93 million people | 4 basins<br>Achieved (4 basin) | 4 basins | 5 basins |
| Rate of reduction of water withdrawal intensity (compared to FY 03/2023, excluding the ultrapure water supply business) | 30.3%*2 | 27%<br>Achieved(33.8%) | Meet or exceed 30% | Meet or exceed 30% |
| Number of individuals, organizations and groups we engage with to raise awareness on water resources | Meet or exceed the previous year | Meet or exceed the previous year<br>Achieved | Meet or exceed the previous year | Meet or exceed the previous year |

*1 To more appropriately reflect the outcomes of the Kurita Group's activities, the Board of Directors resolved in March 2025 to remove the total population in basins and to use only activity basins as the target from the fiscal year ended March 31, 2026 onward.
*2 Past performance figures were revised as of September 2025 and March 2026 following the inclusion of newly consolidated companies that commenced environmental improvement activities, a review of calculation methodologies, correction of aggregation errors, and the reorganization and verification of calculation data for the base year (fiscal year ended March 31, 2023).

## Implementation of Collective Actions

Solving water resource issues at the watershed level requires collaboration with diverse stakeholders rather than action by individual companies alone. Accordingly, the Kurita Group participates in the Water Resilience Coalition (WRC) and the Alliance for Water Stewardship (AWS), promoting Collective Actions at the basin level.
As part of its participation in the WRC since 2020, the Kurita Group has implemented Collective Actions in four river basins, contributing to the resolution of water resource issues. In the fiscal year ended March 31, 2026, the Group conducted internal discussions, while consulting with relevant stakeholders, on how the Company could contribute to watershed conservation efforts in the Kumamoto region and decided to formally participate in the Kumamoto Water Positive Action initiative from the fiscal year ending March 31, 2027, with the aim of creating a model case for watershed stewardship.



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# Initiatives for Supporting Sustainable Growth

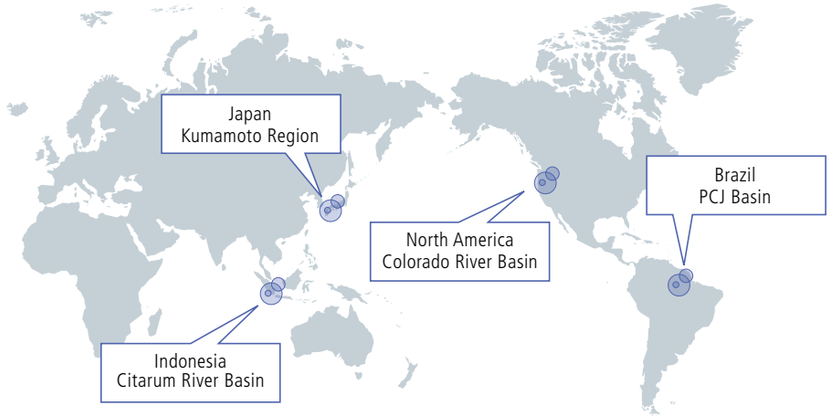
Solve Issues Related to Water Resources

In the Colorado River Basin in the United States and the PCJ Basin in Brazil, the Group supported water conservation initiatives led by The Nature Conservancy. In addition, in Indonesia's Citarum River Basin, the Group supported a project to install household wastewater treatment systems for local communities.
In addition, since 2024, the Kurita Group has also participated in AWS and joined Japan Water Stewardship (JWS), a leadership group established by AWS member companies in Japan, as a founding member. Through its involvement in AWS and JWS, the Group promotes activities based on the *International Water Stewardship Standard (AWS Standard)*[1] at its Priority Sites and within the basins in which those sites are located.
JWS activities focus primarily on raising awareness of water resource issues in Japan and promoting Collective Actions. The Japanese version of AWS Standard Version 3.0, published in the fiscal year ended March 31, 2026, was reviewed with the participation of the Kurita Group, contributing to greater understanding of and interest in water stewardship*[2] in Japan.

*1 An international framework for managing water resources through collaboration with stakeholders at the basin level in order to ensure socially and culturally equitable, environmentally sustainable, and economically beneficial water use.
*2 An approach that seeks to achieve socially and culturally equitable and economically beneficial water use by collaborating with stakeholders and pursuing integrated water resource management from a basin-wide perspective, extending beyond the boundaries of individual facilities and operating sites.

## Areas of Collective Action Activities

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




## Reduction of Water Withdrawal Intensity

The Kurita Group is working to reduce Water Withdrawal Intensity with the objectives of improving water-use efficiency in its business activities, reducing environmental impacts, and lowering costs. To promote these initiatives effectively and strategically, the Group has conducted nature-related risk assessments based on the geographic locations of its operating sites, as well as quantitative assessments of impacts and risks related to natural capital. Based on these assessments, 42 sites have been designated as priority sites for environmental impact reduction initiatives. At these Priority Sites, annual targets are established using intensity denominators that are closely correlated with water consumption, such as production volume, net sales, and total floor area, taking into account the specific characteristics of each site. Efforts are then undertaken to reduce water withdrawals on an intensity basis. The reduction rate of Water Withdrawal Intensity has been established as one of the Metrics and Targets for materiality. For the purpose of ensuring consistent management across the Group, the calculation method* uses net sales as the denominator. In the fiscal year ended March 31, 2026, the Group achieved its target through improvements in water-use efficiency at Group Companies with production functions.

* Water Withdrawal Intensity = (Total Group Water Withdrawal – Water Withdrawal for Water Supply Services) ÷ (Consolidated Group Net Sales – Net Sales from Water Supply Services)

## Raising Awareness of Water Resources

The Kurita Group is committed to stakeholder engagement aimed at raising awareness of water resources in order to ensure that efforts to solve issues related to water resources are effective and sustainable. In the fiscal year ended March 31, 2026, the Group introduced its water-related initiatives to a wide range of stakeholders, including customers and business partners, while also holding sustainability briefings for shareholders and investors, conducting employee volunteer activities, and organizing educational site visits for local communities. Through these efforts, the Group achieved its target.



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# Initiatives for Supporting Sustainable Growth

Contribute to the Realization of a Decarbonized Society

## Contribute to the Realization of a Decarbonized Society

### Materiality Initiative Targets and Achievement

The Kurita Group has identified Contribute to the Realization of a Decarbonized Society as one of its Materiality themes. Through the development and provision of solutions that contribute to the reduction of greenhouse gas (GHG) emissions across industry and society, as well as the implementation of low-carbon business operations, the Group aims to contribute to the realization of a decarbonized society throughout the supply chain. In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Kurita Group is committed not only to continuously reducing GHG emissions generated through its own business activities, but also to helping customers reduce their GHG emissions through its products and services.

| Metrics | Result for FY 03/2025 | Target (top figure)/Result (bottom figure) for FY 03/2026 | Target for FY 03/2027 | Target for FY 03/2028 | Target for FY 03/2031 | Target for FY 03/2051 |
|---|---|---|---|---|---|---|
| Contribute to the realization of a decarbonized society | | | | | | |
| Rate of reduction in Scope 1+2 emissions (compared to FY 03/2020) | 45.5%* | 52%<br>Achieved (54.7%) | 62% | 73% | 80% | Net-Zero |
| Rate of reduction in Scope 3 emissions (compared to FY 03/2020) | 22.6%* | 17%<br>Not Achieved (10.4%) | 18% | 22% | 30% | Net-Zero |

* Past performance figures were revised as of September 2025 and March 2026 following the inclusion of newly consolidated companies that commenced environmental improvement activities, a review of calculation methodologies, correction of aggregation errors, and the reorganization and verification of calculation data for the base year ( the fiscal year ended March 31, 2020).

### Scope 1: Initiatives to Reduce Direct Emissions from Our Operations

To reduce Scope 1 emissions, the Kurita Group is progressively replacing company-owned gasoline-powered vehicles with hybrid vehicles and electric vehicles, while also working to reduce GHG emissions associated with fuel use other than transportation.
In the fiscal year ended March 31, 2026, the Group conducted a survey of fuel consumption at its sites, including boilers, and confirmed that kerosene, heavy fuel oil (A fuel oil), and diesel fuel, all of which have relatively high $CO_2$ emission factors, are the primary fuels used. Going forward, the Group will promote fuel switching to gas and the introduction of high-efficiency equipment in the short to medium term. Over the longer term, the Group will also consider the use of biofuels, synthetic methane (e-methane), electrification, and hydrogen, focusing first on sites with relatively high emissions.
In addition, a survey of automotive fuel use at overseas sites confirmed that certain overseas Group companies use bioethanol-blended fuels, which have lower $CO_2$ emission factors than gasoline. Accordingly, from the fiscal year ended March 31, 2026 onward, the Group has added fuel categories to its emissions management system and calculates emissions based on the actual fuels used. This approach enables more accurate understanding of emissions and supports further emission reduction efforts.

### Scope 2: Initiatives to Reduce Energy-Related Indirect Emissions

The Kurita Group has primarily reduced its Scope 2 emissions through the use of non-fossil certificates. However, in light of rising prices and increasing procurement risks associated with non-fossil certificates in recent years, as well as growing external expectations regarding renewable energy procurement methods that contribute to the development of new renewable energy sources and the expansion of renewable energy adoption, the Group will move forward with examining a diversified portfolio that expands the use of renewable energy while avoiding excessive reliance on certificates and appropriately managing associated risks. As a transitional measure, the Group will continue to utilize non-fossil certificates while further expanding the introduction of renewable energy. In Japan, the Group will promote the adoption of on-site solar power generation for self-consumption and Power Purchase Agreements (PPAs). Outside Japan, taking into account local systems and procurement methods in each country, the Group will also consider expanding the use of highly additional renewable energy solutions that contribute to the adoption of renewable energy, thereby further increasing its use of renewable energy.

### Scope 3: Reduction Initiatives

For Category 11 (Use of Sold Products) and Category 13 (Downstream Leased Assets), which account for the majority of the Kurita Group's Scope 3 emissions, the Group is implementing measures from two perspectives: optimizing customers' usage and operating levels to reduce activity data, and enhancing emissions calculations by improving the accuracy of emissions factors and better reflecting actual operating conditions. To reduce activity levels, facility capacities for pumps and other systems were traditionally determined with safety margins incorporated. However, the use of automated design tools has enabled the calculation of required performance with greater accuracy, and sample evaluations have confirmed that pump capacities can be optimized in certain cases. Going forward, the Group will continue verification by increasing the number of samples while promoting broader adoption of these tools and expanding their scope of application. With respect to emissions factors, since the fiscal year ended March 31, 2025, the Group has surveyed customers that have installed its facility regarding their use of renewable energy and has incorporated the results into emissions calculations. As a result, the Group confirmed an approximately 15.4% reduction in calculated Scope 3 emissions. Based on these initiatives, the Group has established milestones for Scope 3 emission reductions through the fiscal year ending March 31, 2031. Going forward, while taking into account external factors such as slower global progress in the adoption of non-fossil power sources, the Group will deepen existing initiatives and pursue its targets through the consideration and implementation of new measures to reduce both activity levels and emissions factors.



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# Initiatives for Supporting Sustainable Growth

Contribute to the Realization of a Decarbonized Society

## Initiatives for Supporting Sustainable Growth

The Kurita Group has organized its approach to climate change-related initiatives. Using two climate scenarios presented in sources such as the IPCC Special Report on Global Warming of 1.5°C (SR1.5) and IPCC RCP8.5 (a 1.5°C scenario and a 4°C scenario)*1, the Group identifies climate-related risks and opportunities over the short-, medium-, and long-term*2 based on two dimensions: likelihood of occurrence and magnitude of impact. Based on these assessments, the Group develops appropriate measures and evaluates the potential financial impacts of selected risks and opportunities on its business.

| Type | | Risks and Opportunities | Time horizon | Financial Impact/Measures |
|---|---|---|---|---|
| Policy and Legal | Risk | Introduction or increase of carbon tax. | Med to long term | <Financial Impacts on the Business (as of FY 03/2051)><br>• 1.5°C scenario: approximately ¥2.2 billion*3<br>• 4°C scenario: none<br><Measures><br>• Invest approximately ¥1.0 billion by FY 03/2031 to achieve an 80% reduction in Scope 1 and 2 emissions through the adoption of renewable energy and the introduction of hybrid and electric vehicles.<br>• Achieve an annual 30% reduction in Scope 3 emissions by FY 03/2031 through the expansion of CSV businesses and the procurement of low-carbon raw materials. |
| | Risk | Regulations for products and services with high GHG emissions. | Med to long term | <Measures><br>• Decarbonize products and services through the use of digital technologies and the review of design specifications.<br>• Reduce Scope 1 and 2 emissions through the adoption of renewable energy and the introduction of hybrid and electric vehicles.<br>• Expand CSV businesses that contribute to GHG emissions reductions, including biomass power generation, energy recovery, resource recovery, flue gas treatment, $CO_2$ capture, and battery-related businesses. |
| | Opportunity | Dissemination of supportive policy incentives to the conversion to energy with low GHG emissions. | Med to long term | |
| Technology | Risk/ Opportunity | Substitution of existing products and services with lower emissions options. | Short to long term | |
| Market | Risk | Decreased demand from fossil fuel-related sector. | Med to long term | <Measures><br>• Shift the business portfolio through the decarbonization of products and services by leveraging digital technologies and reviewing design specifications, as well as through the expansion of CSV businesses that contribute to GHG emissions reductions, including biomass power generation, energy recovery, resource recovery, flue gas treatment, $CO_2$ capture, and battery-related businesses. |
| | Risk | Soaring costs of material and energy. | Med to long term | <Measures><br>• Decarbonize products and services through the use of digital technologies and the review of design specifications.<br>• Reduce Scope 1 and 2 emissions through the adoption of renewable energy and the introduction of hybrid and electric vehicles.<br>• Expand CSV businesses that contribute to GHG emissions reductions, including biomass power generation, energy recovery, resource recovery, flue gas treatment, $CO_2$ capture, and battery-related businesses. |
| | Opportunity | Increased demand in the electronic industry due to the acceleration of DX. | Med to long term | |

| Type | | Risks and Opportunities | Time horizon | Financial Impact/Measures |
|---|---|---|---|---|
| Physical Risks | Risk | Increased factory shutdowns and construction delays due to extreme weather events such as cyclones and floods. | Short to long term | <Financial Impacts on the Business (after FY 03/2021)><br>• 1.5°C and 4°C scenario: Identified risks at domestic production sites, with an estimated annual cost impact of approximately ¥15.7 billion.<br><Measures><br>• Approximately ¥14 million was invested to install flood barriers at one site.<br>• Strengthen business continuity systems in preparation for climate-change-related disasters, including flooding. |
| | Opportunity | Increased operating rate of cooling equipment. | Short to long term | <Measures><br>• Decarbonize products and services through the use of digital technologies and the review of design specifications.<br>• Expand CSV businesses that contribute to GHG emissions reductions, including biomass power generation, energy recovery, resource recovery, flue gas treatmentt, $CO_2$ capture, and battery-related businesses.<br>• Purchase renewable energy certificates with relatively low GHG emissions. |
| Resource Efficiency | Opportunity | Dissemination of efficient production and distribution processes. | Short to long term | |
| | Opportunity | Reduction of water usage. | Short to long term | |
| Energy Source | Opportunity | Dissemination of energy with low GHG emissions. | Short to long term | |
| | Opportunity | Conversion to distributed energy resources. | Short to long term | |
| Products and Services | Opportunity | Increased demand for products and services with low GHG emissions | Short to long term | <Financial Impacts on the Business (after FY 03/2028)><br>• 1.5°C scenario: Approximately ¥960 billion per year*4<br>• 4°C scenario: None.<br><Measures><br>• Decarbonize products and services through the use of digital technologies and the review of design specifications.<br>• Reduce Scope 1 and 2 emissions through the adoption of renewable energy and the introduction of hybrid and electric vehicles.<br>• Expand CSV businesses that contribute to GHG emissions reductions, including biomass power generation, energy recovery, resource recovery, flue gas treatment, $CO_2$ capture, and battery-related businesses. |
| | Opportunity | Increasing diverse technical needs for reducing GHG emissions. | Short to long term | |
| Resilience | Risk/ Opportunity | Substitution and diversification of fuel and water resources | Short to long term | <Measures><br>• Decarbonize products and services through the use of digital technologies and the review of design specifications.<br>• Reduce Scope 1 and 2 emissions through the adoption of renewable energy and the introduction of hybrid and electric vehicles.<br>• Expand CSV businesses that contribute to GHG emissions reductions, including biomass power generation, energy recovery, resource recovery, flue gas treatment, $CO_2$ capture, and battery-related businesses. |

*1 One scenario has a 1.5℃ temperature rise from the pre-industrial level, and the other scenario has the highest temperature rise predicted by the Intergovernmental Panel on Climate Change.
*2 The short term is 1-3 years, the me-dium term is 3-5 years, and the long term is 5-25 years.
*3 (Scope 1 and 2 + Scope 3 category 1 in the business operation area) x (Carbon price in the business operation area) es-timated based on the FY 03/2051 forecast.
*4 This estimate calculates the Serviceable Available Market (SAM) for new CSV business that contribute to GHG emission reductions.



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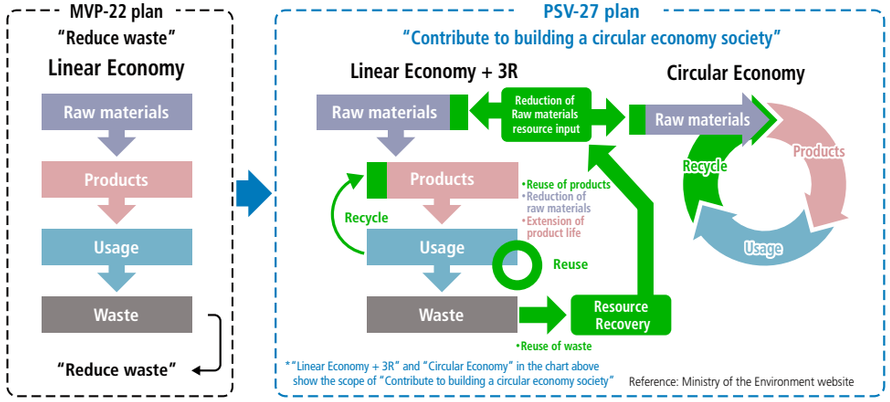
# Initiatives for Supporting Sustainable Growth

## Contribute to Building a Circular Economy Society

## Contribute to Building a Circular Economy Society

### Materiality Initiative Targets and Achievement

The Kurita Group has identified Contribute to Building a Circular Economy Society as one of its Materiality themes. Through the development and provision of products and services that effectively utilize and reuse finite and renewable resources in optimal ways, the Group aims to contribute to the realization of a sustainable industrial and social framework, as well as the prevention and restoration of nature loss. Under the previous medium-term management plan, MVP-22, the reduction of waste generated under a linear economy model was identified as a materiality issue. Under the current medium-term management plan, PSV-27, this approach has evolved toward realizing a Circular Economy. Leveraging the technologies and expertise developed through its water-related businesses, including technologies for reducing waste generated through water treatment processes and transforming waste into new resources, the Kurita Group is focused on reducing resource inputs and advancing the Resource Recovery or Reduction of Resource Input.




| Metrics | Result for FY 03/2025 | Target (top figure)/Result (bottom figure) for FY 03/2026 | Target for FY 03/2027 | Target for FY 03/2028 |
|---|---|---|---|---|
| Contribute to building a circular economy society | | | | |
| In-house waste r ecycling rate | Meet or exceed the previous year | Meet or exceed the previous year<br>Achieved | Meet or exceed the previous year | Meet or exceed the previous year |

### Promoting Recycling of Waste Generated by the Kurita Group

To reduce the environmental impacts of its business activities, the Kurita Group is committed to continuously improving the recycling rate of waste generated at its own sites. To enhance the effectiveness of these initiatives and promote them strategically, the Group conducted nature-related risk assessments based on the geographic locations of its operating sites, as well as quantitative evaluations of impacts and risks related to natural capital. Based on the results of these assessments, 42 sites were identified as Priority Sites for environmental impact reduction initiatives.
At these selected sites, the Group has established intensity denominators that closely correlate with waste generation, such as production volume, sales revenue, and total floor area, taking into account the characteristics of each site. Using these indicators, the Group continuously works to reduce waste generation on an intensity basis and improve waste recycling rates.
In the fiscal year ended March 31, 2026, the Group achieved its target and outperformed the previous fiscal year by reducing the volume of expired products disposed of through strengthened production management at Group companies and increasing recycling volumes.



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# Corporate Governance

Kurita is working to establish highly effective corporate governance to achieve long-term growth. This section presents the underlying approach and governance structure, as well as how the Board of Directors exercises oversight.



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# Message from the Chairperson of the Board of Directors



Director
Chairperson of the Board of Directors

Norikazu Kachi

## The Board of Directors' responsibility for further enhancing corporate value

### Deepening the Board of Directors' deliberations on growth

The Board of Directors has defined its primary roles as determining the Company's overall direction, centered on deciding basic management policy; providing objective supervision of the business execution of the President and Executive Officers; and supporting appropriate risk-taking by management. From a medium- to long-term perspective, it is holding discussions on enhancing Kurita's corporate value into the future. During the fiscal year ended March 31, 2026, the Board of Directors discussed and confirmed the "long-term direction" toward 2050, which will serve as the foundation for Kurita's medium- to long-term management strategy. Based on this direction, discussions have now begun on formulating the next medium-term management plan following the PSV-27 Plan.

In examining the long-term direction, we received substantial input not only from members of the Board of Directors but also from members of the Executive Committee, and broadly incorporated candid opinions from employees in Japan and overseas. In addition, making use of forums such as the meetings for exchanging director opinions and the Sustainability Advisory Council, we held discussions on a total of eight occasions. One of the points we emphasized was the will and aspirations of employees regarding what kind of company Kurita should be in 2050. At the same time, we also examined the environmental, social, political, and economic changes expected at that point, while always maintaining a global perspective.

Another important point was whether the younger generation that will lead the Kurita Group in the future could feel confident in and optimistic about this direction. Although the Kurita Group currently develops its businesses with water as its core domain, we also engaged in extensive discussions on whether that focus should be maintained in 2050. As a result, through interviews with employees, it was confirmed that they have a strong commitment to and pride in water. Therefore, we decided to continue to uphold the Corporate Philosophy: "Study the properties of water, master them, and we will create an environment in which nature and humanity are in harmony." On the other hand, given future changes in the environment, we also recognized that our business domains should not be defined too narrowly. With water as our starting point, but without overly restricting our scope, we established four broad strategic directions, along with the level of achievement the Group should reach in order to embody the kind of company we aspire to be.

From this fiscal year, with this long-term direction as the starting point, discussions have begun in earnest on formulating specific strategies for the next medium-term management plan. The executive team will first develop the strategy, after which the proposed strategy will be presented to the Board of Directors for further discussion. In doing so, taking into account the purpose of the Corporate Governance Code revision in July 2026, I believe it is important for the Board of Directors to go beyond supervising management execution and to continuously assess whether resources are being appropriately allocated and contributing to growth. By continuously assessing whether growth investments generate returns exceeding the cost of capital, whether the business portfolio is being optimized, and whether management resources, including human capital, are being appropriately allocated, we will enhance the effectiveness of these initiatives and support the sustainable enhancement of corporate value. P.22

At the same time, we recognize that safeguarding "trust," the foundation of corporate value, is also an important role of the Board of Directors. We will also strengthen the supervisory function with respect to risks that affect the foundation of management, such as quality, compliance, and data reliability.

Based on this awareness, as Chairperson of the Board of Directors, serving as a bridge between the supervisory side and the executive side, I intend to support risk-taking by the executive side in its growth strategies while leading constructive discussions that allow the Board of Directors to fully exercise its supervisory function.

### Strengthening the corporate governance structure

I believe that my role as a non-executive internal director is also to eliminate as much as possible the asymmetry of information regarding the business that exists between internal and external directors. As one such effort, we have expanded opportunities for External Directors to gain exposure to discussions at Executive Committee meetings. Specifically, in addition to enabling them to attend the meetings as observers on the day they are held, the Executive Committee secretariat periodically shares agendas and outlines of discussions, and opportunities for questions and answers regarding agenda items are also provided. Going forward, we will continue to work to eliminate information asymmetry with the cooperation of the executive side.

We also believe that agenda-setting at Board of Directors meetings is an important factor that determines the Board's effectiveness. In cooperation with the Lead Independent External Director and the Secretary General of the Board of Directors, we are narrowing down the points to be discussed and advancing efforts to enhance the quality of discussions. With regard to communication among directors, we will continue to utilize forums such as meetings for exchanging opinions, while also creating new opportunities for dialogue such as luncheons after Board of Directors meetings, thereby deepening mutual understanding.

For Kurita to achieve further growth, it is essential to continually enhance the governance function of the Board of Directors and further develop its specific roles. Following the General Meeting of Shareholders held in June 2026, the independence and diversity of the Board of Directors have been further enhanced. We believe that bringing together directors with diverse experience and expertise will enable higher-quality discussions, candid exchange of opinions, and responsible decision-making. Each director will engage in management with a strong sense of ownership and enthusiasm, and the Board of Directors as a whole will fulfill its responsibility for enhancing corporate value. Creating an environment conducive to this and revitalizing discussions is my mission as Chairperson. Going forward, I will work to ensure that the Board of Directors continues to engage in high-quality discussions and contribute to the sustainable enhancement of Kurita's corporate value by further strengthening governance that emphasizes transparency and effectiveness, while also incorporating an appropriate level of tension.





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# Round Table Discussion among External Directors



Following the appointment of two new External Directors in June 2026, the participants reflected on the Board of Directors' discussions during the fiscal year ended March 31, 2026, and exchanged views on the future operation of the Board.

## Discussion on "long-term direction," a key theme for the Board of Directors in the fiscal year ended March 31, 2026

**Miyazaki:** Discussions by the Board of Directors normally proceed with some guidance from the executive side, but we started discussing the "long-term direction" from scratch. This entailed a review from the ground up, including the Corporate Philosophy and Corporate Vision. In deciding the framework for our future vision, it was symbolic that we did not simply present it from above, but instead listened to employees, including those overseas, who will carry Kurita forward, and developed the discussion from there.

**Matsuo:** As an Audit Committee member, I had opportunities to speak directly with employees, and what I felt through those conversations was that all employees share a strong desire to solve social issues through the power of water. The survey conducted in discussing this topic also strongly reflected that sentiment, and I believe the directions for expanding business domains derived from it made sense to me as a director and were convincing for employees as well.

**Takayama:** Although our Corporate Philosophy talks about studying and mastering the properties of water, when discussing our business domain, we made a conscious effort not to define our business domain too narrowly, even as we maintained this fundamental stance of being focused on water. Personally, while naturally placing importance on studying and mastering the properties of water, I also believed that, amid major social change and high uncertainty about the future, it is equally essential to adopt a perspective of "going beyond water." I engaged in our discussions with both of these viewpoints constantly in mind. Through these discussions, my understanding of the business deepened further, and I found it beneficial to be able to organize my thoughts.

## Growth strategy for further enhancing corporate value

**Ishiguro:** When I heard that Kurita was focusing on its "long-term direction," I found much about the effort that resonated with me. For management, the most important task is to get people to take action. A company's future must be described through dreams rather than numbers, and people must be inspired to embrace it. If this dream takes root among employees, it will become a unifying force that fosters teamwork. In addition, determining the areas where we should grow, determining what kind of value to create there, and having a strong focus on capital allocation are significant. I feel this is an initiative that will strengthen group governance in two respects: teamwork and growth strategy.

**Matsuo:** Our discussions extended to the level we aspire to reach over the long term, and I think it was very positive that we were able to establish a clear direction from both financial and non-financial perspectives, including our aspiration to become a sustainable corporation. To achieve this, we must be strongly committed to business growth and grow faster than the average in the global water treatment market. We will continue discussing how to strengthen our earning power and how to translate our materiality initiatives into enhanced corporate value. The level we aim to reach over the long term is very high, so inorganic growth through M&A and other means is also important. As the supervisory side, I want to closely monitor whether we can pursue bold growth strategies while strengthening investment discipline.

**Takayama:** Discussions on materiality will deepen from here, and I believe that in reviewing it, it is important to consider whether it is based on the "long-term direction" and whether the materiality is linked to the growth strategy. In particular, alignment with the growth strategy is closely related to the allocation of management resources, so I intend to verify key matters by linking them to the growth strategy.

**Torayama:** Precisely because Kurita operates its business around water, a resource common to all humanity, I believe it can maintain a strong focus on sustainability and a long-term perspective. With the addition of the perspective of mastering water and going beyond it, Kurita's business creates value not only through close engagement with individual customers but also through relationships with the various actors that comprise society. Therefore, I expect that discussions on materiality will naturally lead to discussions on the growth strategy P.22 .

**Miyazaki:** The growth strategy was also a topic of vigorous debate with the executive side during the fiscal year ended March 31, 2026, in discussions regarding share buybacks and the review of the business portfolio. Capital policy is of course important, but for sustainable growth and the enhancement of corporate value, the growth strategy is more important. I would like to support proactive investments that will contribute to future growth. On the other hand, regarding the business portfolio, we had been aware of issues for some time. After the executive side engaged in serious and thorough deliberations, the decision was made to divest its shares in Pentagon Technologies Group. I feel that management has become more focused, with clearer priorities.

## Enhancing the effectiveness of the Board of Directors

**Ishiguro:** This is a general point, but diversity is indispensable not only for improving effectiveness but also for enhancing corporate value. Having different perspectives in discussions is important. Although the executive side often provides explanations based on the current business environment, we must evaluate these explanations from different perspectives. By conducting thorough



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# Round Table Discussion among External Directors

discussions from a different perspective, we can provide insights to the executive side and also deepen our understanding of the business as external directors.

**Matsuo:** In terms of diversity, the backgrounds of the Company's External Directors are diverse, and opinions from a variety of perspectives are voiced at Board of Directors meetings, resulting in lively discussions. Moreover, Mr. Kachi, the Chairperson of the Board of Directors, has been involved in core operations as an executive of the Company for eight years, giving him an internal perspective, while also having long experience at other companies. I believe that he is a Chairperson able to drive highly effective discussions by bringing both external and internal perspectives to the table.

**Ishiguro:** Having an external director, who also represents shareholders, serve as Chairperson of the Board of Directors can be effective in ensuring independence and transparency. Personally, however, I have no reservations whatsoever about an iInternal director serving as Chairperson. In particular, I believe the unique role of a non-executive internal director is one that should be used effectively, because such a director understands internal circumstances while still being able to view the executive side objectively. Bridging the gap between oversight and execution can be challenging for an external director. However, when the Chairperson coordinates this effectively, it enables discussions to be approached from multiple angles, and I believe that leveraging those perspectives is the proper way forward. I believe that the debate over internal versus external is unproductive. What matters is how to improve the Board's effectiveness.

## Impressions of the Board of Directors from External Directors

**Miyazaki:** Discussions at Board meetings are very open, and I believe this is largely attributable to the leadership of Mr. Kadota, the former Chairperson. Transitioning to a company with a Nominating Committee, etc. was a bold decision, and there was also a strong commitment to enhancing transparency. In addition, many members of the Board of Directors clearly express their opinions, including on difficult topics, so we are always able to have substantive discussions.

**Ishiguro:** It may be because of my position as an Audit Committee member, but I feel that there is close communication between the Board and the executive side, and a high degree of transparency. Furthermore, compared with other companies, information arrives more quickly and with greater immediacy. In some organizations, information may not always flow to the Board of Directors in a timely and comprehensive manner. However, I feel that this never happens at Kurita. The executive side presents the current situation in a proactive manner, encouraging us to see it for ourselves, and the fact that there are many such opportunities is also distinctive.

**Matsuo:** As the two of you have said, I also feel that discussions at the Board of Directors are lively and information transparency is high. Among the information provided to Audit Committee members, it sometimes took time to judge which information was important, but I think it is wonderful that we receive all information without any information being hidden from us. In my first year in office, I sometimes felt there were issues with how information was shared, but after continuing to ask the secretariat for improvements, the situation has been improving steadily. For the fiscal year ending March 31, 2027, the number of external directors has increased and diversity has grown. I believe the Board of Directors is now in the best situation, with opinions offered without reserve.

**Takayama:** The Nominating Committee's selection of director candidates was particularly important, as it would result in external directors constituting a majority of the Board. The fact that External directors engaged in this proactively, rather than passively, is an important point that I would like to convey to shareholders and investors. The same proactive approach is always demonstrated in the Board of Directors' discussions as well.

**Torayama:** My impression is that the Board of Directors receives comments from a variety of perspectives, demonstrating that the Directors' expertise and diversity were being put to effective use. I think corporate governance is somewhat like a spiral staircase. First, we go around once, then review things on the next turn, and then review them again on the following turn. In this way, as society evolves, the functions required of governance also continue to improve. I feel that our Board of Directors successfully incorporates these aspects.

## Messages from Newly Appointed External Directors

External Director

### Shigenao Ishiguro



Water, which is at the heart of Kurita's business, is an indispensable, vital resource that supports cutting-edge industrial infrastructure while also underpinning a prosperous and better future for humanity. I believe the future is full of promise for Kurita as a "water expert" dedicated to maximizing the value of water.

I have accumulated 43 years of experience in the electronic components industry, which is characterized by intense global competition. It was an extremely demanding and fast-changing industry, marked by dramatic shifts in the global business environment, fierce competition in the development of cutting-edge technologies, cost pressure from emerging manufacturers in Asia and elsewhere, and stringent performance requirements from customers. Drawing on the expertise in global group management that I have gained in this industry, as well as my experience in enhancing added value amid rapidly changing competitive environments, I will devote all of my knowledge and capabilities to creating the future of Kurita together with all of you.

External Director

### Kuniko Torayama



At DIC Corporation, I was primarily involved in M&A and group governance, while also contributing to corporate value enhancement through work in legal affairs, human capital managementl, ESG, and sustainability.

Although the contribution of ESG initiatives to corporate value is not always easy to quantify, Kurita places "water," a subject of vital importance to society, at the core of its business, and its business activities themselves contribute to resolving social issues. I am greatly attracted to Kurita's ability to create a positive social impact worldwide through water.

Drawing on the experience I have gained throughout my career, I will support efforts to strengthen governance across the Group, including at overseas group companies, and reinforce the foundations of management, thereby contributing to Kurita's sustainable growth as a global company and the enhancement of its corporate value.



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# Corporate Governance Structure

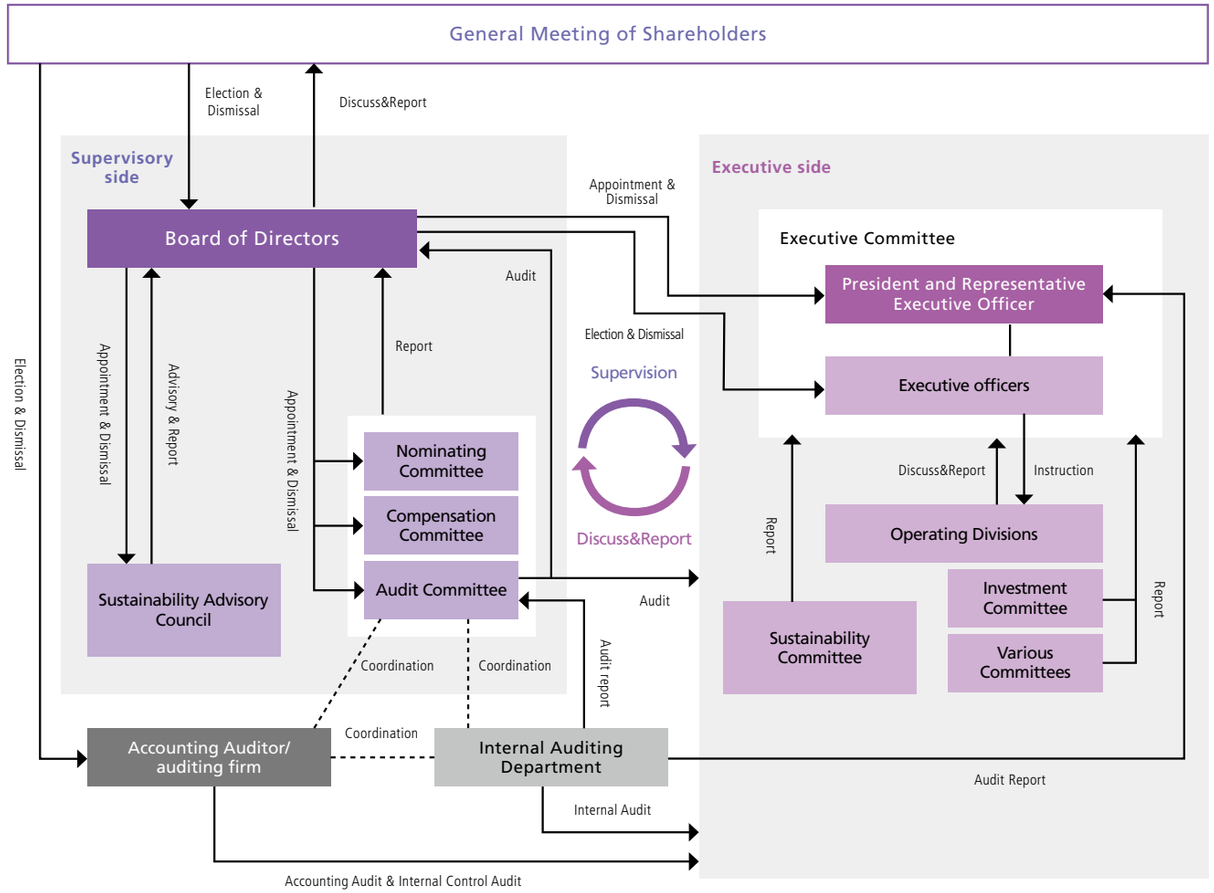
## Basic Concept

The Kurita Group corporate philosophy of "Study the properties of water, master them, and we will create an environment in which nature and humanity are in harmony" means that we aim to widely contribute to society via business activities in the field of water and the environment. We respect the rights and positions of various stakeholders, including our customers, business partners, employees, shareholders, and local communities. We also aim to meet their expectations while ensuring continuous growth and improving our corporate value in the medium to long term. That is why we strive to establish corporate governance, enabling transparent, fair, swift, and decisive decision-making, as well as the supervision of highly effective management.

## Corporate Governance Structure

Kurita Water Industries has recently transitioned to an organization with a nominating committee for the purpose of establishing a more effective and transparent corporate governance system by strengthening management supervision and business execution functions in order to further enhance the Group's sustainable growth and corporate value.
Through a system that clearly separates management supervision and execution, the company focuses on supervision based on the perspectives of various stakeholders in management supervision, while in management execution, the company utilizes the knowledge and appropriate monitoring functions of the supervisory side to make decisions on business execution.

**Corporate Governance Structure**



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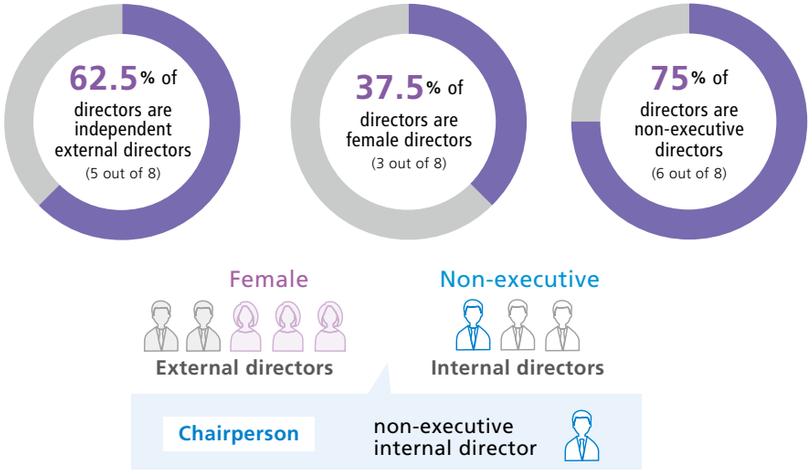
# Board of Directors

## Structure of the Board of Directors

To fulfill the highly effective supervisory function over operational execution, the Board of Directors will consist of personnel with the necessary knowledge, experience and competence, taking into consideration gender and diversity. With regard to this knowledge, experience and competence, the Company will identify skills regarding corporate management, management planning and other aspects of corporate governance and management, skills required to realize the direction sought by the Kurita Group of leveraging diversity to deepen "Kurita Water Intelligence" and using water knowledge to create social value, and necessary skills, etc., for realizing the Corporate Philosophy. The Board of Directors as a whole will be organized in a way that complements the above.
Currently, our Board of Directors consists of eight members: three internal directors and five external directors (ratio of external directors: 62.5%), with external directors comprising a majority. This further strengthens the supervisory function from an objective standpoint independent of management and also works to enhance the effectiveness of discussions at the Board of Directors and improve the transparency of decision-making. In addition, in June 2026, the Company appointed a lead independent external director to serve as a liaison between external directors and management and to support the chairperson of the Board of Directors in meeting facilitation, agenda setting, and dialogue with management and stakeholders.
Directors and executive officers exchange information with one another by using opportunities, such as Board of Directors meetings and other individual meetings, in order to share awareness regarding the status of business execution and other matters so that external directors can fully fulfill their roles and responsibilities.

**Board of Directors(8)**




## Discussions by the Board of Directors

The role of the Board of Directors is to consider the future of the Kurita Group from a medium to long-term perspective. It does so by deciding on the major direction of the Company, with a focus on deciding basic execution policy. It also provides objective supervision via the nomination of Executive Officers including the President, and allows top management to assist appropriate risk-taking.

## Measures to deepen discussions

To improve the effectiveness of discussions by the Board of Directors and other meeting bodies, we are working to enhance the provision of information to directors. We also promote initiatives to help directors deepen their understanding of management issues and engage in more active and effective discussions, including through meetings for exchanging director opinions and study sessions for directors, providing opportunities for external directors to engage in dialogue with stakeholders, and visits to business sites and customer sites. In the fiscal year ended March 31, 2026, in deciding the "long-term direction," which forms the outline of the Kurita Group's medium- to long-term management strategy, we held repeated meetings for exchanging director opinions in coordination with the Sustainability Advisory Council, and we also invited external lecturers to conduct study sessions on important management themes, including innovation. In addition, external directors participated in dialogue with shareholders and investors, and we invited executive officers and corporate officers at the division head level who reported to the Board of Directors to luncheon meetings with external directors in small groups (one to two people per session) to promote mutual understanding. Furthermore, we worked to enhance information provision to directors, including by regularly providing information on the global water treatment market.



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# Board of Directors

## Status of Board of Directors Meetings in FY 03/2026

| | |
|---|---|
| Main topics discussed | • Decisions on matters to be exclusively resolved by the Board of Directors based on laws and the Company's regulations, including the appointment of top management<br>• Discussion and formulation regarding the "long-term direction," which forms the outline of the Kurita Group's medium- to long-term management strategy<br>• Monitoring of the key initiatives to achieve the PSV-27 Plan<br>• Evaluation of the effectiveness of the Board of Directors and its follow-up<br>• Confirmation of actions taken by the Nomination Committee, Audit Committee, Compensation Committee, and Sustainability Advisory Council<br>• Revisions of the Corporate Governance Policies and the Basic Policies for Constructing an Internal Control System |
| Results | Number of meetings<br>16*<br>Attendance rate of each director<br>100%<br>(Results for April 2025 to March 2026) |

* Including regular meetings held every month except August, extra quarterly meetings, and one meeting held in written form.

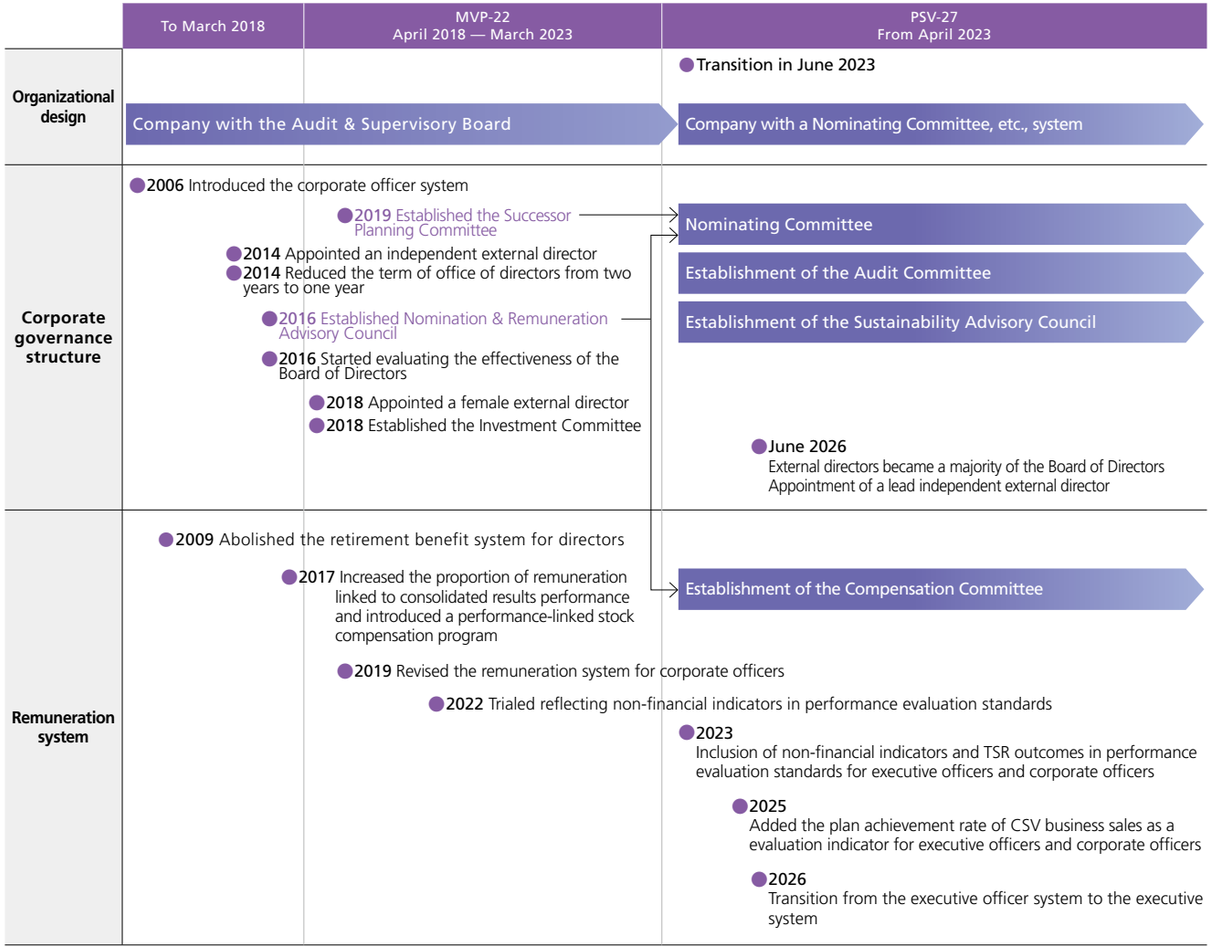
### Comparison with the previous fiscal year regarding regular Board of Directors operations

| | |
|---|---|
| Number of topics discussed | 111 Items (up 6 items from the previous fiscal year) |
| Total deliberation hours | 31 hours 7 minutes (up 5 hours 36 minutes from the previous fiscal year) |
| Deliberation hours per meeting | Approx. 2 hour 4 minutes (up 22 minutes from the previous fiscal year)* |
| Deliberation hours per topic | Approx. 17 minutes (up 2 minutes from the previous fiscal year)* |

* Excluding meetings held in writing

## Timeline of Corporate Governance Improvements

Kurita Water Industries has sought to develop its governance structure to ensure that it fulfills its social obligations as a global enterprise while continuing to grow. In June 2026, external directors came to constitute a majority of the Board of Directors, and the Company appointed a lead independent external director, further strengthening its corporate governance.




* Fiscal years ended March 31



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# Board of Directors

## Skills Matrix of Directors

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 classified into two categories. One is corporate governance and management, with three essential basic elements set as skills : corporate management, finance and accounting, and legal and HR management. The other category is creation of shared value with society through the provision of solutions driven by "Kurita Water Intelligence," obtained by leveraging the diversity* including human resources. To promote this initiative, we have set five skills: global management, understanding and solving issues on site, R&D, technology, and engineering, DX(Digital Transformation), and sustainability. In June 2026, the Company reviewed its skill categories and integrated the perspectives of respect for human rights and diversity into the categories of sustainability and global management.

* 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.

| Name | Corporate governance and management | | | Leveraging diversity ▶ Making full use of Kurita Water Intelligence ▶ Creating social value | | | | |
|---|---|---|---|---|---|---|---|---|
| | Corporate management | Finance and accounting | Legal and HR management | Global management | Understanding and solving issues on site | R&D, technology, and engineering | DX | Sustainability |
| Norikazu Kachi | ● | ● | | ● | | | | |
| Hirohiko Ejiri | ● | | | ● | ● | ● | ● | ● |
| Kunihiro Kuse | ● | | | ● | ● | ● | ● | |
| Masahiro Miyazaki (External) | ● | ● | ● | ● | ● | | ● | |
| Yoshiko Takayama (External) | ● | ● | | ● | | | | ● |
| Mie Matsuo (External) | ● | ● | | ● | | | ● | |
| Shigenao Ishiguro (External) | ● | | | ● | ● | ● | | |
| Kuniko Torayama (External) | ● | | ● | ● | | | | ● |

● indicates areas of strength among the knowledge and experience possessed by each Director

### Skills and reason for selection

| High-level concepts | Skills | Reason for selection |
|---|---|---|
| Corporate governance and management | Corporate management<br>Finance and accounting<br>Legal and HR management | These are regarded as the skills, knowledge, and experience that provide a foundation for conducting management oversight. |
| Leveraging diversity ▼ Making full use of "Kurita Water Intelligence" ▼ Creating social value | Global management | To accelerate global business development, the Kurita Group is working to speed up the development of products and services tailored to local and regional market characteristics. The category "Global management" represents a level of response capabilities based on international experience and understanding of these regions and countries. We see it as one of the essential elements in cultivating the "diverse points of contact with sites" that constitute a source of the Group's competitive advantage. We also believe that diversity in human resources is the foundation for generating innovation and the driving force for value creation that leads to sustainable growth, and we consider it important to leverage this diversity. "Global management" has been selected as a skill category for Board oversight of management because we consider response capabilities based on a deep knowledge of global markets as essential for developing business globally and increasing corporate value. |
| | Understanding and solving issues on site | The Kurita Group delivers solutions addressing water-related issues at the sites of various customers worldwide. At "diverse points of contact with sites," we engage seriously with customers' issues, utilizing our "Kurita Water Intelligence" in the form of accumulated information and data to create proprietary and innovative solutions. We see this as the source of shared value creation with customers and society. This area has been selected as a skill category for Board oversight of management because we value having a deep understanding of the points of contact with customer sites as a source of value creation, alongside extensive experience of addressing such issues. This skill category may be applicable to even External Directors on condition that he or she has a deep knowledge of the "site" matters, such as manufacturing processes and utilities of the Group's customers. |
| | R&D, technology, and engineering | The Kurita Group combines technology and expertise acquired from various business domains to create new products, services, and technologies. Amid significant recent changes in the external environment, we work on reviewing our methods to deliver product, service, and technology that also emphasize value in customer business continuity and improving our cost competitiveness and production capacity by reviewing the procurement and production set-up. Because we see strengthening of development, technology, and production as a key platform for creating and providing solutions, this area has been selected as a skill category for Board oversight of management. |
| | Digital Transformation (DX) | The Kurita Group aims to achieve DX by utilizing digital technology to change business processes and to transform business models. "DX" has been selected as a skill category for Board oversight of management since we consider it a priority for the deployment of digital tools, AI, and IoT, and for the utilization of information and data collected from diverse customer sites as "Kurita Water Intelligence," resulting in creation of innovative shared value with customers and society. |
| | Sustainability | The Kurita Group's corporate vision for 2030 is "Pioneering 'new value for water' to contribute to the realization of a sustainable society." We consider that corporate activities are positioned in the natural environment and social system, and we are aiming to achieve sustainable growth based on the interaction of them, with sustainability underpinning our management. The key issues for achieving this vision are set forth in the "Kurita Group's Materiality," which comprises three shared value themes chosen from global issues related to sustainability: "Solve issues related to water resources," "Contribute to the realization of a decarbonized society" and "Contribute to building a circular economy society," and five basic themes that support efforts to achieve them: "Develop and disseminate innovative products, technologies, and business models," "Strategic development and utilization of human resources," "Provide highly safe and quality products and services," "Conduct business activities respecting human rights" and "Conduct fair business activities." With indices and targets set, we are working on these themes. "Sustainability" is a core of the Group's management and has been selected as a skill category for Board oversight of management. |



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# Board of Directors

## Evaluation of the effectiveness of the Board of Directors

### Evaluation method

The Board of Directors analyzes and evaluates its effectiveness every year in order to fulfill its expected roles and functions more effectively.
The evaluation is carried out via a written survey with each of the respondents identified. Following a discussion using the aggregated results, the Board of Directors evaluates its effectiveness, identifies problems, and establishes future policies and measures. These matters are then adopted by a resolution of the Board. The survey is revised each fiscal year based on the results of the previous year's survey.

| | |
|---|---|
| Method | Self-evaluation. First a signed questionnaire is completed by each respondent, followed by a personal hearing to complement the questionnaire response.<br>The Board of Directors examines and discusses the findings to assess their own effectiveness and identify potential issues, in order to determine the tasks and actions to be undertaken in the future. |
| Evaluation items | 1) Roles and responsibilities of the Board of Directors and Directors<br>2) Size and composition of the Board of Directors<br>3) Supervision and operation of the Board of Directors<br>4) Compositions, roles, and statuses of operation of committees<br>5) System for supporting external directors<br>6) Relationship and dialogues with stakeholders<br>7) Overall evaluation |
| Evaluation period | 12 Months from April 2025 to March 2026 |

### Status of initiatives in the fiscal year ended March 31, 2026

In response to the issues identified based on the evaluation result for the fiscal year ended March 31, 2025 which stated "As we enter the latter half of the PSV-27 Plan, it is necessary to place even greater emphasis on achieving the PSV-27 Plan while also keeping in mind the Kurita Group's long-term direction to be made more concrete this fiscal year, and to strongly support the transformation necessary to achieve the plan," we implemented the following initiatives.

- The Board approved the "long-term direction," the core of our medium- to long-term management strategy, after discussions across four meetings for exchanging director opinions and confirmation of points by the Sustainability Advisory Council that needed strengthening. In addition, the "long-term direction" sets the direction for business growth toward 2050 and the envisioned growth position.
- Regarding strategies to achieve the PSV-27 Plan, based on reports from management, we discussed the Kurita Group's growth strategy, financial strategy, and other matters. We also requested reports from management and held discussions on the important management-level issues recognized by the Board of Directors. Through these initiatives, we strengthened dialogue with the execution side regarding the growth strategy and the allocation of management resources to realize it.

### Evaluation results for the fiscal year ended March 31, 2026

The evaluation results for all directors were positive, indicating that the Board of Directors remained effective in performing its duties. We have confirmed that sufficient discussions and constructive exchanges of opinions have been conducted in collaboration with the Sustainability Advisory Council regarding long-term direction, contributing to improved effectiveness of the Board of Directors. In order to continuously assess the Group's competitive advantage, it is necessary to further deepen discussions on the allocation of management resources aimed at realizing growth strategies, including the creation of new businesses and innovation, by understanding stakeholders' opinions and expectations and sharing the recognition of the current situation between the supervisory and executive sides. We have reached a common understanding of the need to further strengthen supervision by the Board of Directors through measures such as revising the incentive remuneration for executive officers to promote medium- to long-term corporate value enhancement based on management strategies.
We also conducted a separate survey to evaluate the supervisory function of the Board of Directors from multiple angles. The survey was given to Executive and Corporate Officers (at the level of Executive General Manager or higher), and the results agreed that the supervision of the Board of Directors is functioning effectively.

### Policy for the fiscal year ending March 31, 2027

We will further bolster the management foundation and processes that enable the Board of Directors to fully exercise its oversight function over key management themes, grounded in a shared understanding of the business environment and the Company's long-term management direction between the supervisory and executive sides.

### Measures for the fiscal year ending March 31, 2027

1) Continue to assess the appropriateness of our medium-term management plan and management resource allocation based on the review of our management resource allocation and capital policies in order to further deepen discussions over our growth strategies and encourage appropriate risk taking. Concurrently, redesign the remuneration system for Directors and Executive Officers and rebuild our governance foundation that supports our long-term value creation.
2) Broaden management-related disclosures from the executive side and further accelerate the materialization of our initiatives to capture the stakeholders' diverse expectations and ongoing market changes while identifying the Group's sources of competitive advantage.
3) Strengthen the effectiveness of the Board of Director's supervisory function by having Lead Independent External Director and Chairperson of the Board of Directors coordinate to appropriately set and periodically review the agenda items for the Board's discussion.



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# Nominating Committee



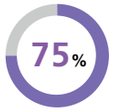
Nominating Committee Chairperson

## Masahiro Miyazaki

(External Director)

| Members | | |
|---|---|---|
| Chairperson | Masahiro Miyazaki | External |
| Committee Members | Yoshiko Takayama | External |
| | Shigenao Ishiguro | External |
| | Hirohiko Ejiri | |

Ratio of External Directors




External: External Director who is registered as an Independent Director pursuant to the rules of the Tokyo Stock Exchange

### Role

- Decide proposals to be submitted to the General Meeting of Shareholders regarding the election and dismissal of directors
- Decide candidates and development measures for president and executive officer succession
- Discuss and recommend nominations for President and Executive Officer and Executive Officers

### Activity status in the fiscal year ended March 31, 2026

**[Matters resolved]**
- Contents of proposals regarding the election of directors to be submitted to the General Meeting of Shareholders
- Selection of candidates for the successors to the President and Executive Officer and Executive Officers, and their succession planning measures, etc.

**[Matters deliberated]**
- Confirmation of the appropriateness of continuing appointment of the President and Executive Officer, Executive Officers, and Corporate Officers
- Selection of candidates for successors to Executive Officers and their succession planning measures, etc.

**[Matters reported]**
- Review of the directors' skill matrix and board succession, measures for developing young management personnel, etc.

### Achievements

Number of meetings ---------- 10
Attendance rate of each committee member ---------- 100%
(Results for April 2025 to March 2026)

### 1) Policies and procedures for nominating directors

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

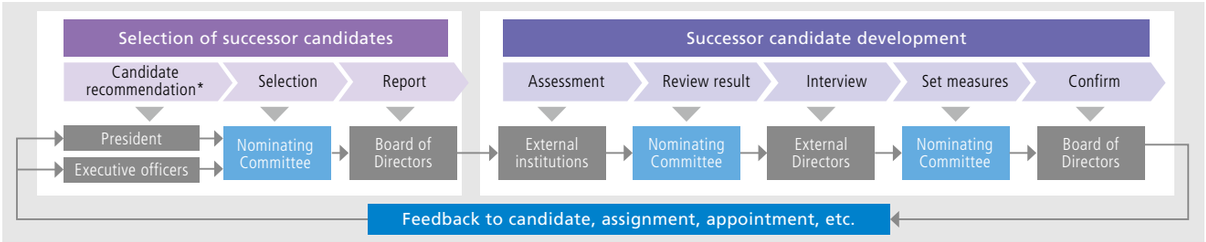
### 2) Policies and procedures for nominating and appointing/dismissing the President and Executive Officer and other Executive Officers

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

### 3) Candidate selection and policy for President succession

The Nominating Committee will deliberate on requirements for the President and Executive Officer in light of the aims of the Company and specific management strategies and then report the results to the Board of Directors. The Nominating Committee will select multiple candidates for the successor to the President and Executive Officer and develop succession planning measures based on requirements set forth by the Board of Directors. The Board of Directors will regularly confirm the selection of candidates for the successor to the President and Executive Officer, development of the succession planning measures, and its progress based on reports from the Nominating Committee.
The successor candidates are selected and trained through an objective and transparent process complemented by inputs from an external body concerning assessment of each candidate.

### Succession planning flowchart (President/Executive Officers)




* The President recommends candidates for successor to the President, and the President and executive officers recommend candidates for executive officer successors.



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### Further Information

Reasons for election

# Audit Committee



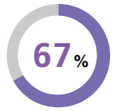
Audit Committee Chairperson

## Mie Matsuo

(External Director)

| Members | | |
|---|---|---|
| Chairperson | Mie Matsuo | External |
| Committee Members | Shigenao Ishiguro | External |
| | Norikazu Kachi | |

Ratio of External Directors




External: External Director who is registered as an Independent Director pursuant to the rules of the Tokyo Stock Exchange

### Role

- Audit the execution of director and executive officer duties
- Create audit reports
- Decide proposals to be submitted to the General Meeting of Shareholders regarding the election or dismissal of the Accounting Auditor

### Activity status in the fiscal year ended March 31, 2026

**[Matters deliberated]**
- Decisions on audit policies, audit plans/role allocation
- Selection of selected members of the audit committee, and specified members of the audit committee
- Audit reports prepared by the Audit Committee
- The accounting auditor's eligibility for reappointment
- Consent to the remuneration of the accounting auditor, etc.

**[Matters reported, etc.]**
- Monthly audit reports prepared by the full-time member of the Audit Committee
- Audits of the business reports
- Receipt of non-assurance services provided by the accounting auditor
- Planning of internal audits, reporting of audit processes and results
- Content of the Audit Committee's reports to the Board of Directors, etc.

### Achievements

Number of meetings ---------- 14
Attendance rate of each committee member ---------- 100%
(Results for April 2025 to March 2026)

### 1) Audit Committee system

The Audit Committee consists of three members: two external directors and one non-executive director with thorough knowledge of our business. At least one committee member is required to have sufficient knowledge of finance and accounting; under the current structure, two members meet this requirement. In addition, our Audit Committee has a full-time member for the purpose of ensuring audit standards, and one person has been appointed as the full-time Audit Committee member.
The full-time Audit Committee member attends important meetings such as Executive Committee and Sustainability Committee meetings to audit the execution of duties by executive officers. The full-time member also plays a central role in the auditing of major managing departments and the on-site auditing of offices and Group companies. This enables audits of the overall financial situation of the Kurita Group and the status of operating internal control systems.
In addition, the full-time Audit Committee member shares in a timely manner with the other Audit Committee members the status of attendance at the Executive Committee and other important meetings, as well as the status and results of audits and on-site inspections conducted by each committee member.
As an organization to assist the duties of the Audit Committee, we have established the Audit Committee Secretariat and assigned dedicated employees. At occasions such as attendance at important meetings, on-site inspections, exchanges of opinions with the President and Representative Executive Officer, and reports on audit results from the Accounting Auditor, these dedicated employees attend as assistants. In addition, as necessary, the Audit Committee may instruct specific employees belonging to the Internal Auditing Department to provide assistance; these employees perform assisting duties independently from Executive Officers.

### 2) Coordination with the internal auditing department and the accounting auditor

The Audit Committee also receives reports from the Internal Auditing Department on the plans, progress, and results of internal audits, as well as assessments on financial report-related internal control and risk management, and exchanges opinions accordingly. The committee also coordinates with the Accounting Auditor to mutually check audit plans and periodically exchange opinions at meetings where key audit matters (KAM) and accounting audit reports are given.
The Audit Committee also receives reports on quality control systems and their status from the Accounting Auditor, and formulates standards for assessing the independence and professionalism of those reports. The committee then obtains information from executive officers and related internal departments to conduct an overall assessment in order to determine the necessity of the appointment, dismissal, or non-reappointment of the Accounting Auditor.



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# Compensation Committee



Compensation Committee Chairperson

## Yoshiko Takayama

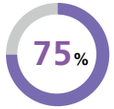
(External Director)

**Members**

| | | |
|---|---|---|
| Chairperson | Yoshiko Takayama | External |
| Committee Members | Masahiro Miyazaki | External |
| | Kuniko Torayama | External |
| | Hirohiko Ejiri | |

External: External Director who is registered as an Independent Director pursuant to the rules of the Tokyo Stock Exchange

Ratio of External Directors




**Role**

- Decide individual remuneration for directors and executive officers
- Decide policies for deciding individual remuneration for directors and executive officers, as well as performance evaluations for individual executive officers

**Activity status in the fiscal year ended March 31, 2026**

**[Matters resolved]**
- Revising internal regulations for remuneration, etc. of Officers, and determining individual remuneration amounts for Directors, and Executive Officers, etc.

**[Matters deliberated]**
- Performance evaluations for corporate officers, etc.

**[Matters reported]**
- Revisions to the remuneration system in conjunction with the transition to the Executive System, etc.

**Achievements**

Number of meetings ---------- 5
Attendance rate of each committee member ---------- 100%
(Results for April 2025 to March 2026)

### Basic policy on determining remuneration for Directors and Executive Officers

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

The policies relating to remuneration amounts and calculation methods for directors and executive officers are determined for each position in line with the Group's relevant basic remuneration policy.
With the aim of increasing the objectivity and transparency of related decision-making processes, the structure and levels of remuneration for directors and executive officers as well as the performance evaluation of executive officers are determined by the Compensation Committee, with related status updates promptly reported to the Board of Directors.

### Remuneration for each officer category

The information below indicates the total remuneration for each officer category as of the fiscall year ended March 31, 2026 (April 2025 to March 2026), the total remuneration of each type, and the total remuneration of each target officer.

| Classification | Total amount (millions of yen) | Total amount by type of remuneration, etc. (millions of yen) | | | Number of payees |
|---|---|---|---|---|---|
| | | Base remunerations, etc. | Performance-linked remuneration, etc | | |
| | | | Short-term incentive remuneration (monetary compensation) | Long-term incentive remuneration (stock compensation) | |
| Director (excluding external directors) | 201 | 201 | – | – | 3 |
| Executive officer | 489 | 252 | 119 | 117 | 5 |
| External officer | 62 | 62 | – | – | 5 |

*1 The above directors do not include the two directors who concurrently serve as executive officers.
*2 The total remuneration for directors (excluding external directors) includes 78 million yen in fixed remuneration and 122 million yen in non-performance-linked stock remuneration



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# Compensation Committee

## 1) Director remuneration system

We have adopted a fixed remuneration system for all our directors, excluding those who concurrently serve as executive officers, to ensure that these directors can focus on supervision. The fixed remuneration for directors, excluding directors who are external directors or Audit Committee members, is a fixed sum based on the position of each director. Part of the fixed remuneration is non-performance-linked stock compensation, to ensure that directors share the risk of share price fluctuations with shareholders. The non-performance-linked stock compensation system assigns points to directors, who are then provided with restricted stock equivalent to the number of points they have. Part of the fixed remuneration for directors who are external directors or Audit Committee members is also transferred to a shareholding scheme and used to acquire Kurita Group stock, ensuring that these directors share the risk of share price fluctuations with shareholders.
If a director resigns or is dismissed due to a violation of the law or damages to the Kurita Group, or a director is deemed by the Remuneration Committee to have committed a serious violation against the Kurita Group, that director will lose all the points they have accumulated for non-performance-linked stock remuneration and the Kurita Group will take back the stock given to the director, without compensation.

■ Directors (excluding directors who are External Directors or Audit Committee members and directors who concurrently serve as executive officers)

Fixed remuneration (100%)

| Fixed remuneration | Non-performance-linked stock remuneration |
|---|---|

**Timing of payment**: Every fiscal year served (restricted until retirement)

■ Directors who are External Directors or Audit Committee members

Fixed remuneration (100%)

| Fixed remuneration | Shareholding scheme remuneration |
|---|---|

Part of the fixed remuneration for directors who are external directors or Audit Committee members is also transferred to a shareholding scheme and used to acquire the Company's stock.

## 2) Remuneration system for executive Officers

Remuneration of executive officers is composed of a base remuneration based on job position plus a performance-linked portion split into short-term and long-term incentive components.
The performance-linked remuneration that forms short-term incentive is divided into multiple parts, where one part is linked to the overall consolidated performance of the Group, another is linked to the outcome of the business unit under the recipient officer's supervision, and the remaining parts are linked to other contributing factors including environmental impact coefficients. The performance indicator used for the remuneration linked to consolidated performance is the difference in return on invested capital (ROIC) to plan, as well as the rate of achieving plan for consolidated CSV business sales. To determine the amount of the remuneration part linked to the outcome of the business unit under the recipient officer's supervision, the applied performance indicators include the difference between the planned target of the consolidated overall operating profit margin and its actual result and also the difference between the planned target of the consolidated business profit of the business unit under his or her supervision and its actual result. For the remuneration parts related to other contributing factors, we apply the implementation record of large investment projects, e.g. strengthening the corporate structure, M&A, etc., which may not be reflected in the performance for the relevant fiscal year, as the evaluation perspective. We set an environmental impact coefficient that assesses average value of degree of achievement in each indicator of water saving, avoided GHG emissions, and increase in resource recovery or reduction of resource input, through CSV business, with the aim of accelerating business operations with social value as the starting point and enhancing corporate value through the realization of social value. The amount of short-term incentivized remuneration is determined by calculating a variable payment rate from the level of achievement reflected in the performance indicators that are used for determining the remuneration parts linked to consolidated performance, the outcome of the business unit under that officer's supervision and other contributing remuneration. This calculated payment rate is then multiplied by a couple of coefficients, one of which corresponds to the level of achievement reflected in the environmental impact coefficient and another corresponds to the base amount for the officer's position relating to short-term incentive remuneration, to finally determine the short-term incentive remuneration amount.



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# Compensation Committee

Long-term incentive remuneration uses return on equity attributable to owners of parent (ROE) and total shareholder return (TSR) as performance indicators. The amount is calculated by applying a variable payment rate based on the level of achievement against ROE, multiplying that rate by a coefficient corresponding to the level of achievement against TSR, and then applying the resulting figure to the position-based base amount for long-term incentive remuneration. ROIC, consolidated CSV business revenue, consolidated operating profit margin, ROE, and TSR have been selected as indicators for performance-linked remuneration because they are management indicators that directly reflect business results and are also of high interest to shareholders. Performance-linked remuneration is determined by the Remuneration Committee, and the status of the Committee's execution of its duties is reported to the Board of Directors without delay.

If a director resigns or is dismissed due to a violation of the law or damages to the Kurita Group, or a director is deemed by the Remuneration Committee to have committed a serious violation against the Kurita Group, that director will lose all the points they have accumulated for non-performance-linked stock remuneration and the Kurita Group will take back the stock given to the director, without compensation.

## ■ Executive Officers (including two who also serve as Directors)

*1 The payment rate is that when the plan by the president is achieved.

**Fixed (45% *1)**

**Base remuneration**

**Variable (25% *1)**

**Performance-linked stock compensation: Short-term incentivized remuneration**

+

**Variable (30% *1)**

**Performance-linked stock compensation: Long-term incentivized remuneration**

| Evaluation Indicators | | | Weight |
|---|---|---|---|
| ●Consolidated performance-linked remuneration (all executive officers) | | Variance of ROIC versus plan and the rate of achievement against plan for consolidated CSV business sales | 50.0% |
| ●Compensation linked to performance in assigned duties | President, Group Corporate Control and Administration Division | Variance of consolidated operating profit margin versus plan | 50.0% |
| | Corporate Planning Division, Advanced Innovation Division, Value Providing Strategy Division | Variance of consolidated business profit margin versus plan | |
| | Engineering Division | Variance of consolidated gross profit margin versus plan | |
| | West Division, Asian Regional Management Division, Electronics Industry Division | Rate of achievement against plan for consolidated net sales of the organization, and variance of consolidated business profit margin versus plan | |
| ●Other incentive remuneration (Executive officers other than the President) | | The President evaluates contributions on a 5-point scale from the perspectives given below | |
| Evaluation perspectives | Creation of new recurring contract-based service businesses and CSV businesses, track record in winning orders, etc. that are made part of each organization's targets, policies, and initiatives, and contribute to the building of a strong business. Contributions to each committee, improvements in the Group's corporate structure, implementation of large-scale investment projects such as M&A, or significant orders, etc. that are not reflected in the business performance for the fiscal year in question. | | |
| ●Non-financial indicators (environmental impact coefficient) In accordance with the degree of attainment relative to the evaluation standards below, the total payment amount calculated for each eligible individual (the above three items) is multiplied by the coefficient to derive the amount paid | | | |
| Evaluation standards | ・Amount of water savings through CSV business ・Avoided GHG emissions through CSV business ・Rate of increase in resource recovery or reduction of resource input through CSV business | | |

The payment rate of short-term incentive remuneration is increased/decreased according to the achievement of performance indicators

| Evaluation Indicators | Weight |
|---|---|
| ROE | 100.0% |
| Relative TSR of TOPIX growth rate | |

The payment rate of long-term incentive remuneration is increased/ decreased according to the achievement of performance indicators

**Timing of Payment**

Every fiscal year during their term of office (transfers are restricted until they are retired*2)

*2 However, in cases where an eligible person under this plan are not resident of Japan, and where there are particular circumstances that require special legal or taxation treatment, a resolution of the Compensation Committee may be used to deliver shares of the Company without transfer restrictions.



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# Sustainability Advisory Council



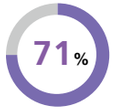
Sustainability Advisory Council Chairperson

## Yoshiko Takayama

(External Director)

| Members | | |
|---|---|---|
| Chairperson | Yoshiko Takayama | External |
| Members | Masahiro Miyazaki | External |
| | Mie Matsuo | External |
| | Shigenao Ishiguro | External |
| | Kuniko Torayama | External |
| | Norikazu Kachi | |
| | Hirohiko Ejiri | |

Ratio of External Directors




External: External Director who is registered as an Independent Director pursuant to the rules of the Tokyo Stock Exchange

### Positioning and roles

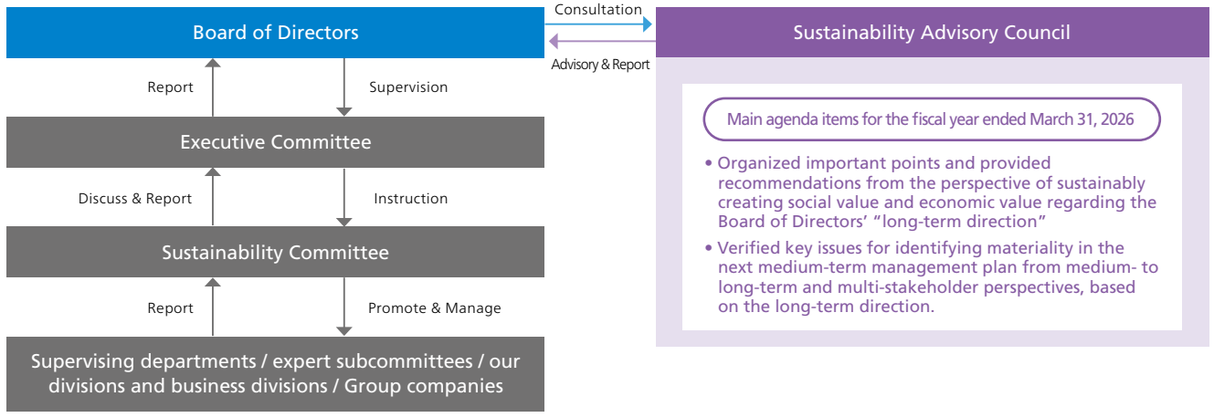
- An advisory body to the Board of Directors to provide the Board of Directors with advice so that it can provide long-term direction toward sustainable growth through solving environmental and social issues
- Based on the Value Creation Story, to provide recommendations to the Board of Directors, from a multi-stakeholder and long-term perspective, on the creation of environmental and social value expected of the Kurita Group (issues expected to be solved)

### Achievements

Number of meetings ---------- 4
Attendance rate of each committee member ---------- 100%
(Results for April 2025 to March 2026)

### Sustainability Advisory Council

The Kurita Group promotes efforts regarding key themes of Materiality, and the status of these efforts are in principle reported to the Board of Directors twice a year, after discussion or reporting by the Executive Committee. The Board of Directors oversees the status of our Materiality and the direction of our initiatives from a medium to long-term perspective. It also assists management decisions that contribute to continuously improving our corporate value. We have established the Sustainability Advisory Council to provide advice to the Board of Directors and thereby complement this supervisory function. The council predominantly consists of external directors. It discusses the vision of sustainable management at the Kurita Group and provides advice and reports to the Board of Directors, based on trends inside and outside Japan, from a multi-stakeholder viewpoint.
The Board of Directors utilizes the expertise of the council to help determine its long-term direction and enhance governance with sustainability at its core.




**Main agenda items for the fiscal year ended March 31, 2026**

- Organized important points and provided recommendations from the perspective of sustainably creating social value and economic value regarding the Board of Directors' "long-term direction"
- Verified key issues for identifying materiality in the next medium-term management plan from medium- to long-term and multi-stakeholder perspectives, based on the long-term direction.



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# Strategic Shareholdings / Dialogue with Institutional Investors

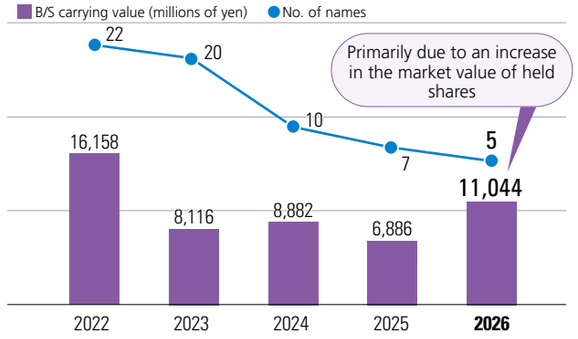
## Strategic Shareholdings

The Company holds listed shares as policy shareholdings for purposes such as promoting business and innovation and strengthening business relationships. We verify economic rationality for each shareholding and also closely examine transaction results with the investee to verify the relationship. Based on these results, the Board of Directors regularly or as needed reviews the appropriateness of holding such shares and works to reduce policy shareholdings.

[Shareholding Policy]

- We may hold listed shares as strategic shareholdings for purposes such as promoting business and innovation and strengthening business relationships.
- We aim to minimize the risk of shareholdings, review the suitability of individual strategic shareholdings at Board of Director meetings, and strive to reduce our shareholdings as a result of such reviews
- We exercise voting rights on each proposal in regard to how it contributes to the medium to long-term corporate value of the Kurita Group and the companies we hold shares in
- We do not impede the sale of Kurita Group shares if a strategic shareholder expresses their intent to sell

**Size of strategic shareholdings* portfolio (as of March 31)**




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

TOPIC

## Dialogue Between External Directors and Institutional Investors



As an opportunity to promote engagement between External Directors and institutional investors, the Company held a small meeting at the headquarters of Kurita Water Industries Ltd. on March 30, 2026. All four External Directors, Kenjiro Kobayashi, Masahiro Miyazaki, Yoshiko Takayama, and Mie Matsuo, attended the meeting, together with eight representatives of Japanese institutional investors. Active discussions were held on the Board's monitoring and risk management functions through four key themes: (1) discussions regarding the Group's long-term direction, (2) the skills matrix, (3) encouraging appropriate risk-taking by management, and (4) transparency in the succession planning process.

**Selected Questions and Answers**

**Q.** How do the External Directors evaluate the risks and opportunities associated with expanding into business areas adjacent to water treatment under the next medium-term management plan?

**A.** Business domain expansion was one of the key topics discussed when considering the Group's long-term direction. Kurita employees have a strong commitment to water, and we believe this will remain unchanged. At the same time, there were concerns about becoming overly constrained by that focus. Discussions therefore explored whether Kurita's strengths could also be applied to alternative media, such as gases and steam, in addition to water.

**Q.** "Understanding and solving issues on site" is a unique standalone skill item in the skills matrix. What is the rationale behind this?

**A.** The source of the Kurita Group's competitive advantage lies in the workplace. To clearly demonstrate the importance we place on insights gained through direct customer engagement, "Understanding on site" was established as an independent skill item.

**Q.** Many sustainability-related businesses are difficult to evaluate based on short-term profitability. How does the Board view risk-taking from a long-term perspective?

**A.** The Board has discussed that initiatives should be pursued even when short-term profitability is limited, provided there is a reasonable expectation of generating returns over the medium to long term. For example, our space-related business currently generates little return, but it has significant long-term potential and is therefore treated as a strategic investment for the future.

**Q.** To what extent are investors' perspectives considered in the selection of CXOs, including the CEO and CFO? In particular, a CFO's ability to engage with investors can have an impact on market valuation.

**A.** Kurita is currently at an important stage in which it is pursuing growth under a clear vision while strengthening its global management foundation. It is not always necessary for the President alone to address all management challenges. The President and CFO can share responsibilities and operate as a management team. The Nominating Committee conducts practical discussions that take such considerations into account.

For details, please refer to the IR website.
Summary of Dialogue Between External Directors and Institutional Investors

Participants commented that "the meeting provided valuable insight into the initiatives made by the External Directors to enhancing corporate value" and that "the breadth of perspectives and long-term outlook demonstrated in the discussions on the long-term direction were particularly impressive, and participants gained a deeper understanding of external directors' commitment to encouraging appropriate risk-taking by management toward 2050. The meeting provided a valuable opportunity for participants to gain a deeper understanding of the Board's ongoing efforts to improve the quality of its discussions. Many participants expressed a desire for such meetings to be held regularly, and the Company intends to continue hosting them in the future.



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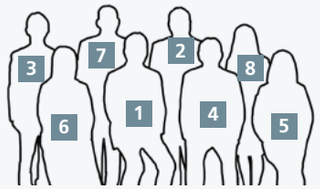
# Directors



1 Norikazu Kachi
2 Hirohiko Ejiri
3 Kunihiro Kuse
4 Masahiro Miyazaki
5 Yoshiko Takayama
6 Mie Matsuo
7 Shigenao Ishiguro
8 Kuniko Torayama




## 1 Norikazu Kachi

Director Chairperson of the Board of Directors
Member of the Audit Committee
Member of the Sustainability Advisory Council

2018 Joined Kurita Water Industries Ltd.
2019 General Manager of International Finance Control Department, Corporate Control and Administration Division
North America Integration Management Office
2020 General Manager of International Finance Control Department, Corporate Control and Administration Division
2021 General Manager of Corporate Finance Department, Corporate Control and Administration Division
Deputy Executive General Manager of Corporate Control and Administration Division
General Manager of Corporate Finance Department, Corporate Control and Administration Division
2022 Corporate Officer
Deputy Executive General Manager of Corporate Control and Administration Division
2025 Director (to present)

## 2 Hirohiko Ejiri

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

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



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# Directors

## 3 Kunihiro Kuse

Director

1992 Joined Kurita Water Industries Ltd.
2013 General Manager of Engineering Dept. II , Engineering Group, Facilities Production Division
2014 General Manager of Engineering Dept. I, Engineering Group, Facilities Production Division
2015 Senior General Manager of Global Facilities Group, Facilities Division
2017 Senior General Manager of Engineering Group, Global Business Division
2018 Corporate Officer
Senior General Manager of Engineering Group, Engineering Division
2022 Senior General Manager of Engineering Group I, Engineering Division
2023 Executive General Manager of Engineering Division (to present)
Executive Officer
2024 Chief Technology Officer (CTO) (to present)
2026 Representative Managing Executive Officer (to present)
Director (to present)

## 4 Masahiro Miyazaki

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

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

## 5 Yoshiko Takayama

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

1980 Joined Bank of America N.A.
1990 Vice President, Merrill Lynch & Co., Inc.
1997 Senior Manager, Thomson Financial Investor Relations
1998 Asia-Pacific Regional Director, Thomson Financial Investor Relations
2001 Managing Director, J-Eurus IR Co., Ltd.
2003 Managing Director/Board Member, J-Eurus IR Co., Ltd.
2010 Governor, International Corporate Governance Network
Director, Japan Corporate Governance Network (to present)
2015 Outside Director, AUTOBACS SEVEN Co., Ltd.
Member of the Council of Experts Concerning the Follow-up of Japan's Stewardship Code and Japan's Corporate Governance Code, Financial Services Agency and Tokyo Stock Exchange, Inc. (to present)
Representative Director, Japan Board Review Co., Ltd.
2022 Committee member representing Japan, ISO/PC 337, Guidelines for the promotion and implementation of gender equality, Japanese Standards Association
2023 Vice Chairperson, J-Eurus IR Co., Ltd. (to present)
Director, Japan Board Review Co., Ltd.
External Director of Kurita Water Industries Ltd. (to present)
Representative Director, Japan Board Review Co., Ltd. (to present)
External Member of the Governance Council, Ernst & Young ShinNihon LLC (to present)
2025 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, FY2025 (From 2014 to present, appointed to the committee every fiscal year)

## 6 Mie Matsuo

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

1987 Joined IBM Japan, Ltd.
1997 Joined Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC)
2000 Joined Konami Hawaii Ltd. Chief Administrative Officer
2001 Joined IBM Japan, Ltd.
2009 Vice President, IBM Business Consulting Services KK
2010 Partner of Global Business Services, IBM Japan, Ltd.
2018 Vice President of Global Business Services, IBM Japan, Ltd.
2019 Managing Partner of Asia Pacific Global Business Services, IBM Global Services Pte. Ltd.
2021 Managing Partner of Global Business Services, IBM Japan, Ltd.
2022 Managing Partner of IBM Consulting, IBM Japan, Ltd.
2023 Audit and Supervisory Board Member, IBM Japan, Ltd.
2024 Outside Director, Sumitomo Mitsui Trust Asset Management Co., Ltd. (to present)
2025 External Director of Kurita Water Industries Ltd. (to present)
Outside Director, Nishi-Nippon Railroad Co., Ltd. (to present)
Representative Director of MG CORP Co. Ltd (to present)

## 7 Shigenao Ishiguro

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

1982 Joined Tokyo Denki Kagaku Kogyo K.K. (current TDK Corporation)
2014 Corporate Officer of TDK Corporation
2015 CEO of Magnetic Heads and Sensors Business Company of TDK Corporation
Senior Vice President of TDK Corporation
2016 President & Representative Director of TDK Corporation
2022 Chairman & Representative Director of TDK Corporation
Chairman & Director of TDK Corporation
Outside Director of NTT DATA Group Corporation
2023 Outside Director of Ricoh Company, Ltd. (to present)
2026 External Director of Kurita Water Industries Ltd. (to present)

## 8 Kuniko Torayama

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

1993 Joined Mitsubishi Electric Corporation
2000 Joined Squire, Sanders & Dempsey LLP (current Squire Patton Boggs LLP)
Registered as an attorney at law (California)
2004 Joined Novartis Pharma K.K.
Joined Milbank, Tweed, Hadley & McCloy LLP (current Milbank LLP)
2005 Joined Squire, Sanders & Dempsey LLP (current Squire Patton Boggs LLP)
2008 Outside Corporate Auditor of RENAISSANCE INCORPORATED
2010 Joined DIC Corporation
2022 Executive Officer, Head of ESG Unit in charge of Diversity of DIC Corporation
Outside Director of RENAISSANCE INCORPORATED
2024 Executive Officer, Head of ESG Unit, General Manager of Sustainability Strategy Department, in charge of Diversity of DIC Corporation (to present)
2026 External Director of Kurita Water Industries Ltd. (to present)



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2 Kunihiro Kuse
3 Katsuya Amano
4 Jordi Verdés Prieto
5 Takehiro Nozue




## Executive Officers

### 1 Hirohiko Ejiri

President and Representative Executive Officer

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

### 2 Kunihiro Kuse

Representative Managing Executive Officer

1992 Joined Kurita Water Industries Ltd.
2013 General Manager of Engineering Dept. II , Engineering Group, Facilities Production Division
2014 General Manager of Engineering Dept. I, Engineering Group, Facilities Production Division
2015 Senior General Manager of Global Facilities Group, Facilities Division
2017 Senior General Manager of Engineering Group, Global Business Division
2018 Corporate Officer
Senior General Manager of Engineering Group, Engineering Division
2022 Senior General Manager of Engineering Group I, Engineering Division
2023 Executive General Manager of Engineering Division (to present)
Executive Officer
2024 Chief Technology Officer (CTO) (to present)
2026 Representative Managing Executive Officer (to present)
Director (to present)



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# Executive Officers and Executives

## 3 Katsuya Amano

Executive Officer

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

## 4 Jordi Verdés Prieto

Executive Officer

2015 Kurita Water Industries Ltd. implemented business acquisition of BK Giulini GmbH
Vice President & Business Director of Kurita Europe APW GmbH
2016 Integration of two German subsidiaries into Kurita Europe GmbH
Vice President Business of Kurita Europe GmbH
2017 Senior Vice President Business of Kurita Europe GmbH
2018 Chief Operating Officer (COO) of Kurita Europe GmbH
2019 Chief Executive Officer (CEO) of Kurita Europe GmbH
2023 Head of West Division, Regional Management Division of Kurita Water Industries Ltd.
Executive Officer of Kurita Water Industries Ltd. (to present)
2024 Executive General Manager of West Division of Kurita Water Industries Ltd. (to present)
2025 Chief Business Officer for General Industries (to present)

## 5 Takehiro Nozue

Executive Officer

2017 Joined Kurita Water Industries Ltd.
Deputy Officer of Operation Group, Global Business Division
2018 Senior General Manager of Marketing Group, Solution Business Division
2020 Corporate Officer
2022 Senior General Manager of Marketing Group, Innovation Division
2023 Executive General Manager of Industrial & Social Infrastructure Division
2024 Executive General Manager of Asian Regional Management Division
Chief Business Officer for General Industry
2025 Executive General Manager of Asian Regional Management Division
2026 Executive Officer (to present)
Executive General Manager of Group Corporate Control and Administration Division (to present)
Chief Financial Officer (CFO) (to present)

## Lead Executives

| | |
|---|---|
| Kosuke Arai | Executive General Manager of Corporate Planning Division |
| Makoto Mizuno | Executive General Manager of Advanced Innovation Division |
| Hiroyuki Suzuki | Executive General Manager of Value Providing Strategy Division |
| Hiroyoshi Tamai | Executive General Manager of Asian Regional Management |

## Executives

| | |
|---|---|
| Shiori Hajati | Senior General Manager of Corporate Control and Administration Group, Group Corporate Control and Administration Division |
| Yushi Maeda | Senior General Manager of Digital Strategy Group, Advanced Innovation Division |
| David Olivet Santana | Head of Business Development, West Division (Kurita Iberica SL.) |
| Kota Yajima | Head of Japan Region, Asian Regional Management Division |
| Jiro Tanaka | Head of ASEAN Region, Asian Regional Management Division |
| Yoichi Makise | Senior General Manager of Digital Industry Group, Electronics Industry Division |
| Chikamasa Ando | Senior General Manager of Global Advanced Group, Electronics Industry Division |
| Yuichiro Wada | Senior General Manager of Digital Engineering Group, Electronics Industry Division |



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# 11-Year Data and Digest

(Fiscal years ended March 31)

(Millions of yen)

| When two item names appear, the left represents Japanese GAAP and the right represents IFRS | Japanese GAAP | | | IFRS | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| Medium-Term Management Plan | CK-17 | | | MVP-22 | | | | | PSV-27 | | |
| **Financial Data** | | | | | | | | | | | |
| Net sales | 214,372 | 214,187 | 236,815 | 257,331 | 264,807 | 267,749 | 288,207 | 344,608 | 384,825 | 388,814 | **402,889** |
| Japan | 150,495 | 149,988 | 158,232 | 161,212 | 161,699 | 161,371 | 159,365 | 178,488 | 198,367 | 196,627 | **211,887** |
| Asia | 37,778 | 39,899 | 48,911 | 66,520 | 52,509 | 48,535 | 58,032 | 76,669 | 85,927 | 100,531 | **89,904** |
| North & South America | 5,401 | 4,526 | 8,320 | 8,300 | 31,465 | 39,160 | 46,351 | 59,931 | 62,566 | 55,023 | **57,122** |
| EMEA | 20,698 | 19,774 | 21,350 | 21,297 | 19,132 | 18,681 | 24,457 | 29,517 | 37,965 | 36,632 | **43,975** |
| Operating income/Business profit*1 | 19,833 | 19,452 | 22,475 | 25,667 | 26,654 | 29,470 | 32,944 | 38,589 | 42,055 | 50,898 | **57,343** |
| Operating income margin/Business profit margin | 9.3% | 9.1% | 9.5% | 10.0% | 10.1% | 11.0% | 11.4% | 11.2% | 10.9% | 13.1% | **14.2%** |
| ROIC*2*4 | - | - | - | 6.8% | 6.6% | 6.7% | 7.1% | 8.0% | 7.2% | 8.8% | **8.3%** |
| Net income attributable to owners of parent /Profit attributable to owners of parent*4 | 12,577 | 14,506 | 17,897 | 12,050 | 18,287 | 19,088 | 18,471 | 20,134 | 29,189 | 20,305 | **15,957** |
| ROE*4 | 5.6% | 6.4% | 7.7% | 5.1% | 7.6% | 7.7% | 7.0% | 7.1% | 9.3% | 6.1% | **4.7%** |
| Capital expenditures (Property, plant and facility*3) | 18,818 | 9,289 | 20,070 | 40,004 | 31,729 | 32,647 | 66,422 | 46,629 | 38,916 | 37,226 | **21,856** |
| Depreciation (Property, plant and facility*3) | 13,409 | 13,248 | 13,507 | 15,588 | 15,804 | 17,900 | 20,079 | 25,796 | 28,278 | 29,362 | **29,986** |
| R&D expenses | 5,269 | 5,038 | 5,258 | 5,490 | 5,693 | 5,317 | 5,386 | 6,344 | 7,412 | 8,095 | **8,111** |
| Earnings per share (yen)*4 | 108.24 | 125.23 | 159.37 | 107.33 | 162.86 | 169.94 | 164.38 | 179.14 | 259.70 | 180.66 | **145.34** |
| Dividend per share (yen) | 48.00 | 50.00 | 52.00 | 54.00 | 62.00 | 66.00 | 72.00 | 78.00 | 84.00 | 92.00 | **112.00** |
| Dividend payout ratio | 44.3% | 39.9% | 32.6% | 50.3% | 38.1% | 38.8% | 43.8% | 43.5% | 32.3% | 50.9% | **77.1%** |
| Fiscal year-end stock price (yen) | 2,567 | 2,693 | 3,375 | 2,827 | 2,498 | 4,745 | 4,545 | 6,040 | 6,301 | 4,590 | **7,328** |
| Market capitalization (adjusted for treasury shares) | 298,277 | 307,740 | 378,926 | 317,414 | 280,516 | 533,060 | 510,771 | 678,902 | 708,096 | 514,836 | **801,889** |

*1 Business profit = Net sales–Cost of sales–Selling, general and administrative expenses *2 Return on invested capital = Profit after tax ÷ Invested capital (Average) × 100 Profit after tax = Business profit - Income tax expense Invested capital = Equity attributable to owners of parent + Bonds and borrowings + Lease liabilities *3 Including right-of-use assets *4 Presented on a combined basis of continuing operations and the discontinued operation (Pentagon Technologies Group).

## TOPICS 1 : Net sales and profit growth

While expanding our business foundation through M&A primarily in Europe and North America, we also grew our electronics industry business globally, supported by the growth of the semiconductor market. As a result, we steadily increased our performance despite changes in the business environment.

## TOPICS 2 : Strategic growth investments

Since the fiscal year ended March 31, 2019, we have accelerated investments aimed at the sustainable growth of the Group. We have continuously invested in recurring contract-based services that help secure stable earnings in the highly volatile semiconductor market, the expansion of business foundations and acquisition of technologies through M&A activities, and research and development and innovation. As a result, we have strengthened our business portfolio to support the next stage of growth.



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# 11-Year Data and Digest

(Fiscal years ended March 31)

(Millions of yen)

| When two item names appear, the left represents Japanese GAAP and the right represents IFRS | Japanese GAAP | | | IFRS | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| Medium-Term Management Plan | CK-17 | | | MVP-22 | | | | | PSV-27 | | |
| Net cash provided by (used in) operating activities | 26,582 | 33,941 | 21,408 | 41,143 | 37,376 | 40,002 | 28,737 | 48,631 | 50,874 | 87,760 | **55,592** |
| Net cash provided by (used in) investingactivities | (33,172) | (1,119) | (15,928) | (51,902) | (43,683) | (10,771) | (39,929) | (46,274) | (35,801) | (52,074) | **(34,021)** |
| Purchase of property, plant and facility | (17,693) | (10,156) | (17,924) | (28,600) | (31,168) | (14,055) | (55,096) | (53,384) | (28,958) | (49,859) | **(25,958)** |
| Spending ratio for recurring contract-based services in the Electronics Industry segment | 40-60% | 40-60% | 60-80% | 60-80% | 60-80% | 40-60% | 40-60% | 60-80% | 60-80% | 60-80% | **40-60%** |
| M&A and Capital Expenditures | (3,857) | (4,506) | (4,148) | (33,374) | (14,416) | (4,599) | (2,401) | 0 | (3,080) | (1) | **(2,546)** |
| Net cash provided by (used in) financing activities | (5,707) | (10,154) | (12,419) | (13,453) | 21,981 | (18,852) | (7,927) | 1,101 | (15,337) | (25,448) | **(23,309)** |
| Dividends paid | (5,474) | (5,694) | (5,753) | (6,011) | (6,539) | (8,083) | (8,797) | (8,699) | (9,236) | (9,956) | **(11,336)** |
| Payments for purchase of treasury stock, net | (990) | (5,195) | (5,592) | (2) | (3) | (4) | (5) | (2) | (356) | (1,631) | **(15,165)** |
| Free cash flow | (6,590) | 32,822 | 5,480 | (10,759) | (6,307) | 29,231 | (11,192) | 2,357 | 15,073 | 35,686 | **21,571** |
| Cash and cash equivalents at end of period | 58,374 | 72,750 | 61,086 | 35,547 | 50,215 | 62,228 | 45,730 | 50,468 | 54,009 | 62,951 | **65,251** |
| Interest-bearing debt*4 | 4,763 | 4,339 | 4,063 | 15,548 | 54,611 | 51,352 | 58,680 | 100,067 | 101,190 | 93,472 | **99,052** |
| Total Asset/Total equity attributable to owners of parent | 228,964 | 228,758 | 240,853 | 237,282 | 242,442 | 253,089 | 271,914 | 293,975 | 331,261 | 336,027 | **341,151** |
| Total net assets/Total assets | 298,107 | 299,249 | 323,046 | 359,500 | 387,749 | 424,928 | 469,981 | 501,538 | 557,407 | 548,949 | **564,422** |
| Equity ratio/Ratio of equity attributable to owners of parent | 76.8% | 76.4% | 74.6% | 66.0% | 62.5% | 59.6% | 57.9% | 58.6% | 59.4% | 61.2% | **60.4%** |
| Net Debt Equity Ratio (times) | (0.23) | (0.30) | (0.24) | (0.08) | 0.02 | (0.04) | 0.05 | 0.17 | 0.14 | 0.09 | **0.11** |

For more data, please refer to the 'Financial Data' of our IR site.

**ESG Data**

For more information, please refer to the 'ESG Data' our sustainability site.

*4 Combined figures for continuing operations and discontinued operations (Pentagon Technologies Group).

## TOPICS 3 : Establishing a stable financial base for growth investments

Since the fiscal year ended March 31, 2019, we have promoted the strengthening of our financial foundation while utilizing interest-bearing debt, including borrowings and bond issuances, to support growth investments such as M&A activities and research and development. We will continue to enhance our earning power through growth investments while maintaining financial soundness.

## TOPICS 4 : Planned dividend increases and flexible share buybacks

Over the past five years, we have maintained a policy of continuous dividend growth while targeting a cumulative dividend payout ratio in the range of 30% to 50%. As a result, we have achieved 22 consecutive years of dividend growth. Regarding share buybacks, we will continue to consider flexible implementation based on factors such as stock price, capital investment needs, and capital structure.



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# Corporate Data

(As of March 31, 2026)

## Corporate Data

| | |
|---|---|
| **Company Name** | Kurita Water Industries Ltd. |
| **Established** | July 13, 1949 |
| **Paid-in Capital** | ¥13,450,751,434 |
| **Number of Employees** | 8,268 (on a consolidated basis)*<br>1,677 (parent company) |
| **Head Office** | Nakano Central Park East (General Reception on 10F), 10-1, Nakano 4-chome, Nakano-ku, Tokyo 164-0001, Japan |

## Credit Rating

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

*The number of employees includes 843 employees of Pentagon Technologies Group, whose share transfer was completed on June 30, 2026.

## Stock Information

| | |
|---|---|
| **Stock Exchange Listing** | Prime Market of the Tokyo Stock Exchange |
| **Stock Code** | 6370 |
| **Number of Authorized Shares** | 531,000,000 |
| **Number of Shares Outstanding** | 116,200,694<br>(Including 6,325,255 shares of treasury stock) |
| **Trading Unit** | 100 |
| **Dividend Payment Record Dates** | Year-end dividend: March 31/<br>Interim dividend: September 30 |
| **Number of Shareholders** | 26,545 |
| **Transfer Agent** | Sumitomo Mitsui Trust Bank, Ltd. |
| **Ordinary General Meeting of Shareholders** | June |
| **Accounting Auditor** | Grant Thornton Taiyo LLC |

## Major Shareholders

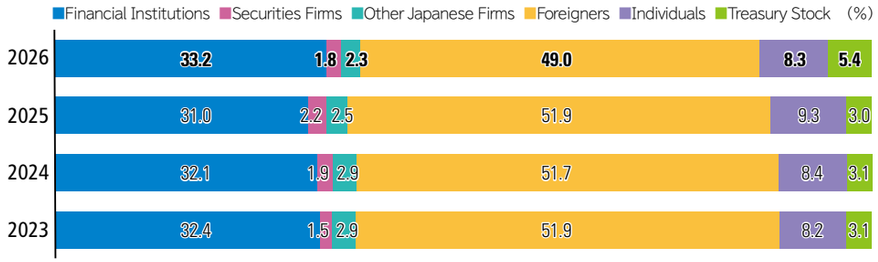
| Name | Number of shares held | Share (%) |
|---|---|---|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 17,259,700 | 15.70 |
| Custody Bank of Japan, Ltd. (Trust Account) | 7,975,793 | 7.25 |
| Nippon Life Insurance Company | 5,979,883 | 5.44 |
| BANK PICTET AND CIE (EUROPE) AG, SUCCURSALE DE LUXEMBOURG REF UCITS | 3,807,873 | 3.46 |
| J.P. MORGAN BANK LUXEMBOURG S.A. 385598 | 2,087,600 | 1.89 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 1,684,965 | 1.53 |
| KBC BANK NV - UCITS CLIENTS NON TREATY | 1,624,700 | 1.47 |
| CLEARSTREAM BANKING S.A. | 1,609,666 | 1.46 |
| JP Morgan Chase Bank 385781 | 1,591,408 | 1.44 |
| MUFG Bank, Ltd. | 1,436,131 | 1.30 |

*1 Treasury shares held by the Company are omitted from the above table.
*2 Ratio of shareholding is calculated based on the number of shares after deduction of the number of treasury shares from the total number of issued shares.

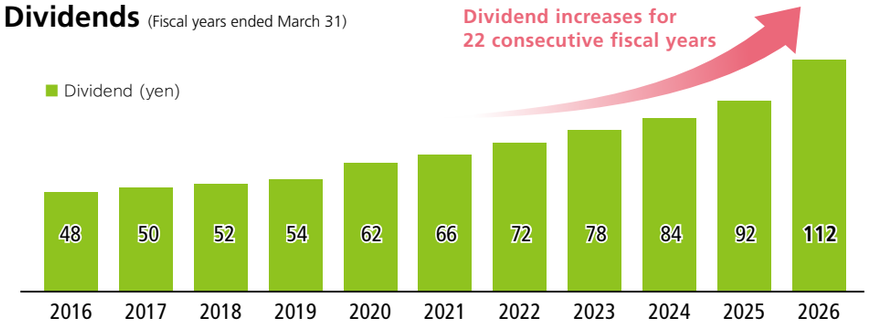
## Distribution of Shares by Shareholder Type

| | Number of shares held | Share (%) |
|---|---|---|
| Financial Institutions | 38,570,473 | 33.2 |
| Securities Firms | 2,088,256 | 1.8 |
| Other Japanese Firms | 2,616,875 | 2.3 |
| Foreigners | 56,958,936 | 49.0 |
| Individuals | 9,640,899 | 8.3 |
| Treasury Stock | 6,325,255 | 5.4 |
| Total | 116,200,694 | 100.0 |

## Changes in Shareholder Distribution




## Dividends (Fiscal years ended March 31)



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# External Evaluation (As of September 30, 2026)

## Inclusion in ESG Indexes

FTSE4Good

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX *1

MSCI Selection Indexes Constituents 2026 *1

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) *1

2026 Sompo Sustainability Index

MORNINGSTAR GenDi J Japan ex-REIT Gender Diversity Tilt Index TOP CONSTITUENT 2026 *2

S&P/JPX Carbon Efficient Index

*1 The inclusion of Kurita Water Industries Ltd. in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names on this page, do not constitute a sponsorship, endorsement, or promotion of Kurita Water Industries Ltd. by MSCI or any of its affiliates.
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*2 Disclaimer: Morningstar, Inc. and/or one of its affiliate companies (individually and collectively, "Morningstar") have granted Kurita Water Industries Ltd. permission to use the Morningstar Japan ex-REIT Gender Diversity Tilt logo (the "Logo") as evidence of its rank as Group 1, the highest scoring group of companies in the Morningstar Japan ex-REIT Gender Diversity Tilt index (the "Index") for workplace gender and diversity for the specific ranking year. Morningstar has only granted permission to Kurita Water Industries Ltd. to use the Logo for informational purposes. The use of the Logo does not represent any recommendation of Kurita Water Industries Ltd. by Morningstar or constitute an offer to buy, sell, or engage in any other securities transaction related to Kurita Water Industries Ltd. The Index is designed to emphasize workplace gender and diversity in Japan. However, Morningstar acknowledges that it cannot guarantee the accuracy, completeness, or timeliness of the index or the data provided in the Index. Morningstar also makes no expressed or implied warranty through the Index or Logo, and expressly disclaims all warranties of the quality of commodities, fitness for particular purposes, or use with respect to the Index data provided in the Index or in the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third-party content providers be responsible for direct or indirect damages arising from the use or reliance on the Index or the Logo by any party, even if Morningstar, Inc. becomes aware of the potential of such damages. The names of Morningstar and the Index as well as the Logo are the trademarks or service marks of Morningstar, Inc. Past performance provides no guarantee of future results.

## Evaluation by ESG Rating Organization

Corporate ESG Performance Prime RATED BY ISS Stoxx

## Evaluation by Supplier Evaluation Organization

BRONZE | Top 35% ecovadis Sustainability Rating AUG 2026

## Others

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女性が活躍しています！

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

水循環認証 ACTIVE

## Our Website

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WITH GRADE AAA Corporate Websites 2025 Nikko Investor Relations Co.,Ltd All Markets Ranking in Japan

Gomez IR Site Ranking IR Site Ranking BRONZE 2025

Gomez ESG Web Awards 2026



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