

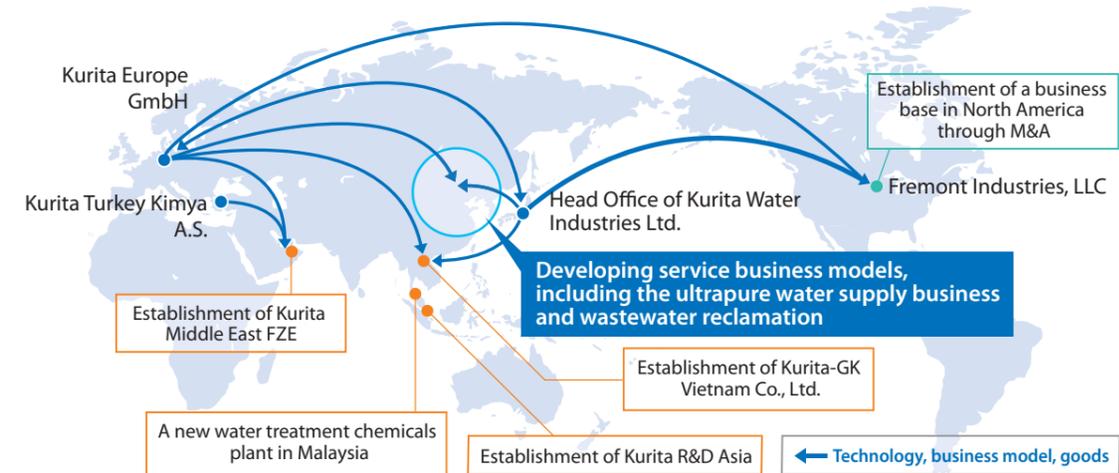
Toward the Final Year of Medium-Term Management Plan CK-17

In the fiscal year ended March 31, 2017, the Kurita Group worked to “expand its overseas business,” “improve profitability,” and “create competitive products and services.” The basic policy of the fiscal year ending March 31, 2018, is to “improve customer intimacy* by providing the best customer solutions” in order to further strengthen Kurita’s value.

* Customer intimacy means more than just physical and / or temporal closeness with customers. It also includes the level of enterprise value offered as an essential partner for customers.

Results of the Fiscal Year Ended March 31, 2017

01 Overseas Business Expansion



United States: In order to accelerate business development activities in the United States, the Company has acquired Fremont Industries, LLC, a manufacturer and sales company for water treatment chemicals, which becomes our business hub in the central west of the United States.

Europe / Middle East / Africa: To raise operational efficiency in the Europe, Middle East, and Africa region, we merged Kurita Europe GmbH with Kurita Europe APW GmbH, combined the technologies and know-how of both companies, and reorganized their sales and manufacturing organizations.

02 Improvement of Profitability

Water Treatment Chemicals: We worked to offer better services to customers by applying our unique sensing technologies and know-how on water treatment data analysis to existing technologies and products.

03 Creation of Competitive Products and Services

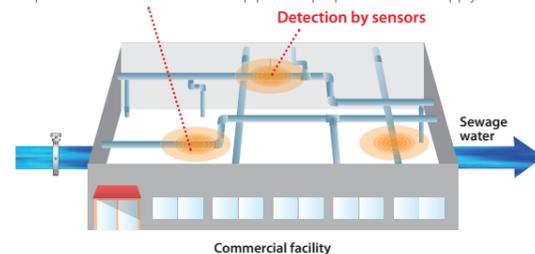
We succeeded in developing a new standardized wastewater reclamation system, which was designed after combining our own water treatment system and the underlying technologies for water treatment chemicals that contribute to the reuse of wastewater. We also started drafting a new service in cooperation with APANA Inc., a U.S. venture firm running services in North America that save water at commercial facilities by analyzing big data using IoT.

Middle East and Vietnam: We established Group companies in the United Arab Emirates (UAE) and Vietnam to sell water treatment chemicals, which have been in short supply in those markets, which allows us to set up organizations that can offer more meticulous solutions.

South Korea: The ultrapure water supply business, launched in the second half of the fiscal year ended March 31, 2016, for a major semiconductor manufacturer, was successful in establishing fundamentals for its business expansion as the business has contributed to the smooth operation of the customer’s plant, which has led to us receiving a second round of orders.

Water Treatment Facilities: We were successful in improving profitability in construction as we focused on jobs that we can offer high added-value creation while reviewing and standardizing operational processes in production.

Overview of APANA’s Water-Saving Service
APANA has made it possible to save water using their unique logics to analyze big data, which is obtained using sensors placed within large-scale facilities as it responds to the structure of water pipes and purposes of water supply.



The Final Year of CK-17: Establishing the Fundamentals of a New Medium-Term Management Plan

In the fiscal year ending March 31, 2018, the final year of CK-17, we will strive to establish the fundamentals of a new medium-term management plan by solving the following issues with a basic policy that is to “improve customer intimacy by providing the best customer solutions.”

01

Reform business process and promote comprehensive solutions

We will seek to strengthen our problem-solving capabilities in order to resolve customers’ issues and to improve the speed at which we respond to customers by reforming business processes that provide the best value to our customers (value chains), so as to further enhance our business quality and efficiencies.

We will promote comprehensive solutions that are achieved using technologies and know-how on water treatment chemicals, water treatment facilities, and maintenance services while introducing competitive products and services produced using IT and sensing technologies.

02

Invest in focused growth areas and reorganization of business

We will continue to concentrate our business resources on overseas business as it has been positioned as a growth area. Along with the establishment and construction of our business base through M&As, we will accelerate the expansion of overseas business by mutually supplying technologies, products, and services as well as business models that are advantageous to each area.

We will attempt to make our Water Treatment Facilities business even more service-oriented. While expanding investment activities in the ultrapure water supply business in Japan and overseas and working to develop and promote a service-type business model in the fields of pure water supply and wastewater reclamation, we will move forward to create a new contract business by effectively using the know-how on operational management and maintenance in the energy and infrastructure markets.

In the Water Treatment Chemicals business, profitability will be improved by speedily providing products and services that meet the needs of each customer, from those in large-scale businesses to small-sized customers, after reviewing the systems for sales operations and service in Japan.

03

Enhance competitive advantage and reduce risk by stepping up CSR activities

The Kurita Group aims to achieve sustainable growth and an enhancement of business value from a long-term viewpoint.

We also strive to minimize potential risks by responding to the needs of society while providing solutions on social issues through our business activities.

We will ensure that all of our employees are happy and satisfied in both their private and work life by promoting work style reform, and will strengthen our competitiveness by securing talented personnel, increasing motivation, promoting learning, and boosting talents.