



Kurita Water Industries Ltd.

Shareholder Relations Meeting for the fiscal year ending March 31, 2022

(Securities code: 6370)

February - March 2022

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I | Kurita Group Overview

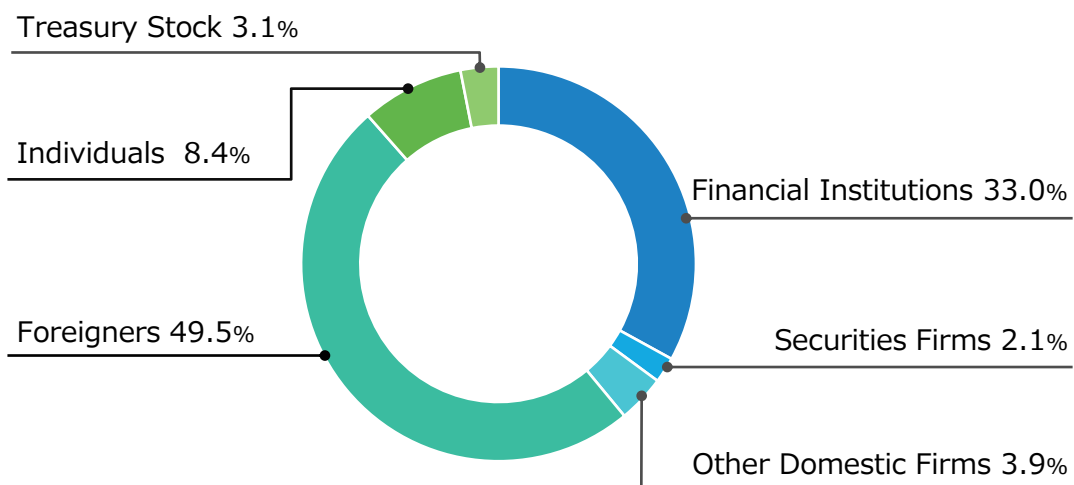
Company Overview & Shareholder Composition



Company Overview

- Name : Kurita Water Industries Ltd.
- Representative : Michiya Kadota, President
- Date of Establishment : July 13, 1949
- Location : Nakano Central Park East, 10-1, Nakano 4-chome, Nakano-ku, Tokyo
- Fiscal Year-end : March 31
- Stock Exchange Listing : First Section of the Tokyo Stock Exchange
- Paid-in Capital : ¥ 13,450,751,434
- Issued Common Stock : 116,200,694 shares
- Number of Shareholders : 20,870 (As of September 30, 2021)

Shareholding Ratio (As of September 30, 2021)

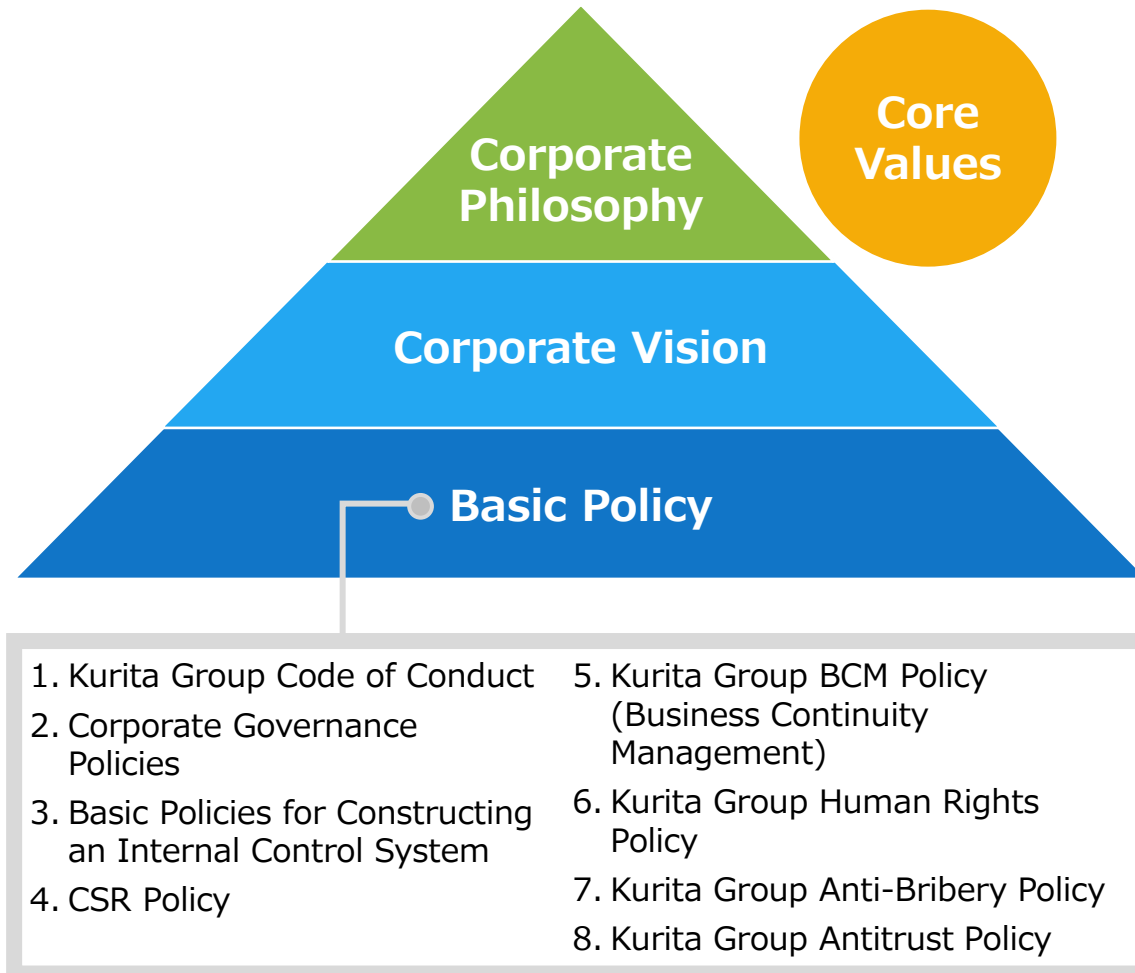


Shareholder Composition (Top 10) (As of September 30, 2021)

Rank	Shareholder	Shares (thousand)	Ratio
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	13,998,300	12.04%
2	Custody Bank of Japan, Ltd. (Trust Account)	6,069,557	5.22%
3	Nippon Life Insurance Company	5,979,883	5.14%
4	Kurita Water Industries Ltd.	3,576,475	3.07%
5	Custody Bank of Japan, Ltd. (Trust Account7)	2,400,700	2.06%
6	MUFG Bank, Ltd.	2,056,131	1.76%
7	CACEIS BANK LUXEMBOURG BRANCH/ UCITS CLIENTS	1,969,078	1.69%
8	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/FIM/ LUXEMBOURG FUNDS/UCITS ASSETS	1,861,500	1.60%
9	STATE STREET BANK AND TRUST 505025	1,826,528	1.57%
10	STATE STREET BANK WEST CLIENT-TREATY 505234	1,821,429	1.56%

* Custody Bank of Japan, Ltd. (Trust Account) includes 244,657 shares for performance-linked stock compensation to directors.

Systemizing our mission and visions based on the corporate philosophy



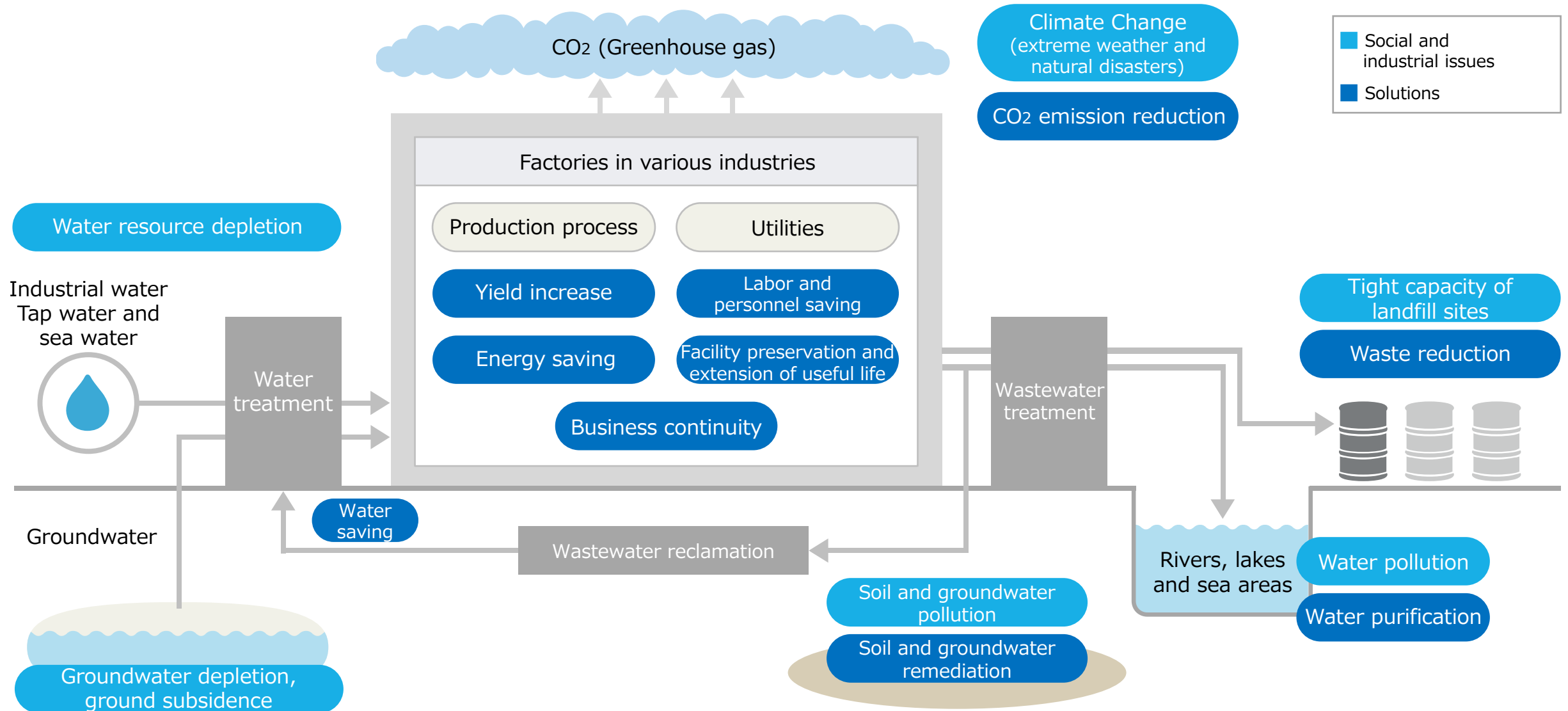
Corporate Philosophy

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

Corporate Vision

“A Creator of unique value to the solution of water and environment,” contributing to the realization of a sustainable society.

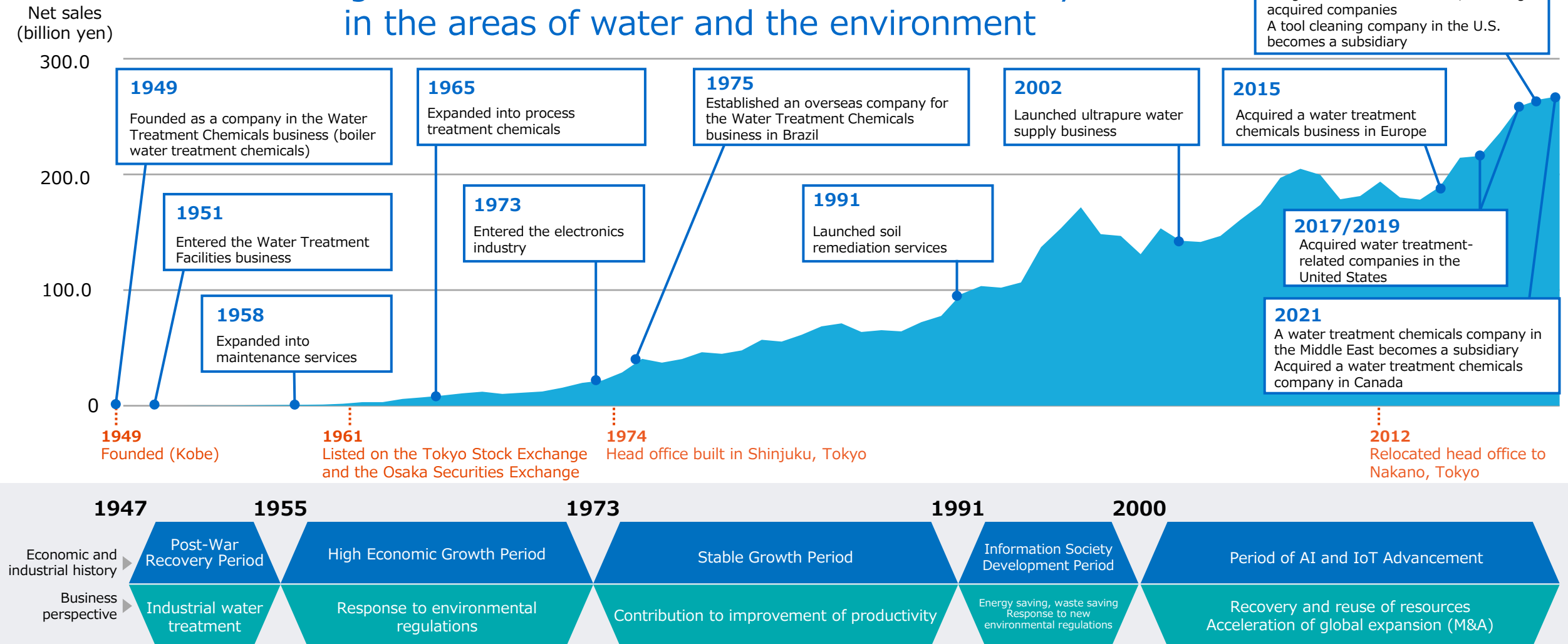
Social/Customer Issues and Kurita's Solutions



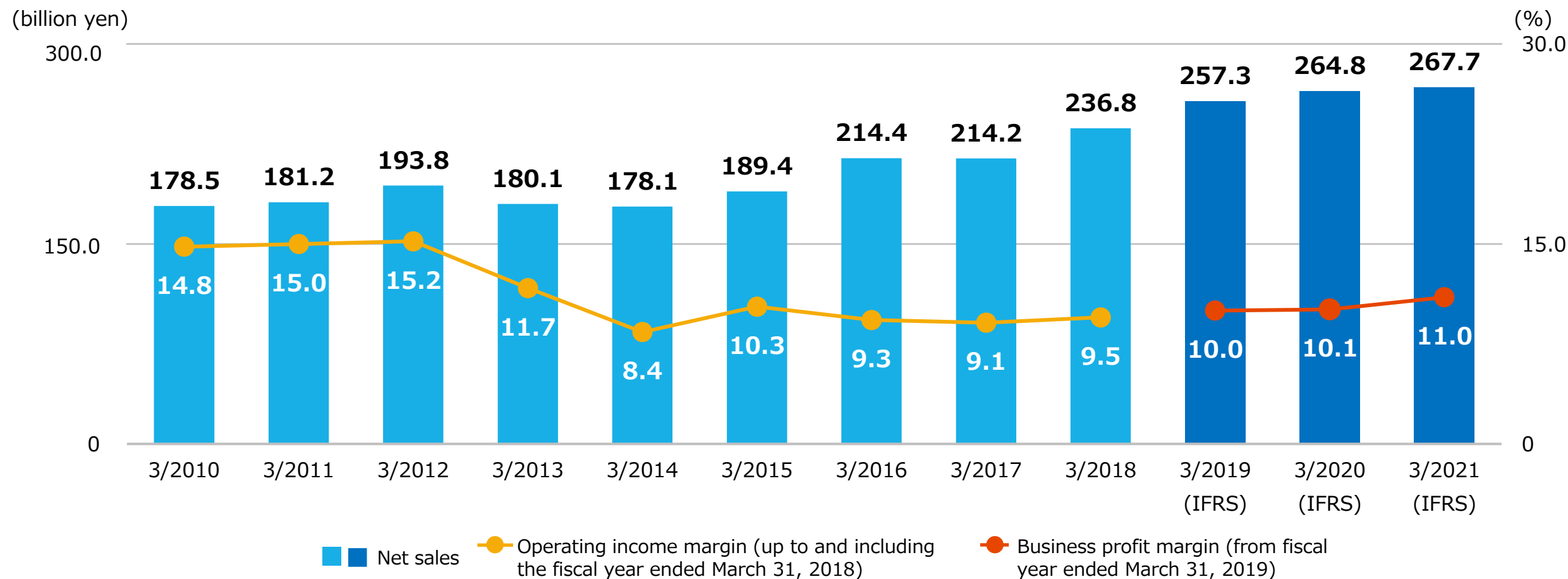
History of Value Creation



Contributing to the resolution of customers' and society's issues
in the areas of water and the environment



Changes in Net Sales and Margin



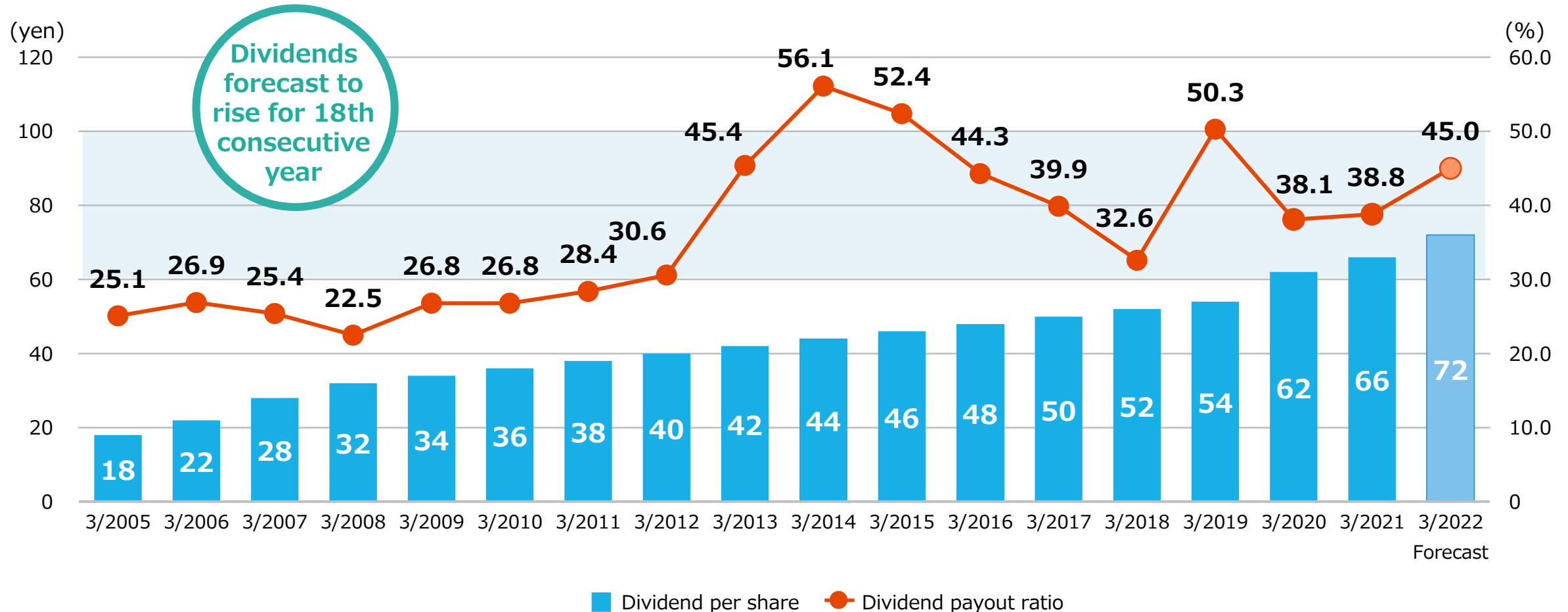
Net sales are accounted for under Japanese GAAP up to the fiscal year ended March 31, 2018, and under IFRS from the fiscal year ended March 31, 2019 onward.

Operating income margin is used up to and including the fiscal year ended March 31, 2018, and business profit margin is used thereafter.

*Business profit is a proprietary earnings indicator, which is calculated by deducting cost of sales and selling, general and administrative expenses from net sales to give a more consistent picture of earnings.

Capital Policy (Changes in Dividends and Dividend Payout Ratio)

The dividend payout ratio target is 30% to 50% over five years



II Medium-Term Management Plan MVP-22 (Maximize Value Proposition 2022)

Basic Policy and Priority Measures/ Management Targets and Required Measures



Basic Policy

Maximize customer intimacy by dismantling preconceived ideas and dramatically raising the quality and speed of our work.

Priority Measures

- Development of CSV Business
- Rebuilding of manufacturing system for water treatment facilities
- Strengthening the foundation and promotion of research and development
- Enhancement of total solutions
- Creation of new business and the promotion of innovation
- Establishment of the Group governance system

Management Targets

Net sales organic growth rate

3% or more

Business profit margin

15%

Measures

- (1) Expansion of the service contract business model for sharing created value with customers
- (2) Creation of comprehensive contracts for maintenance and operations management originating from major EPC projects
- (3) Restructuring and downsizing of low-margin businesses and assets

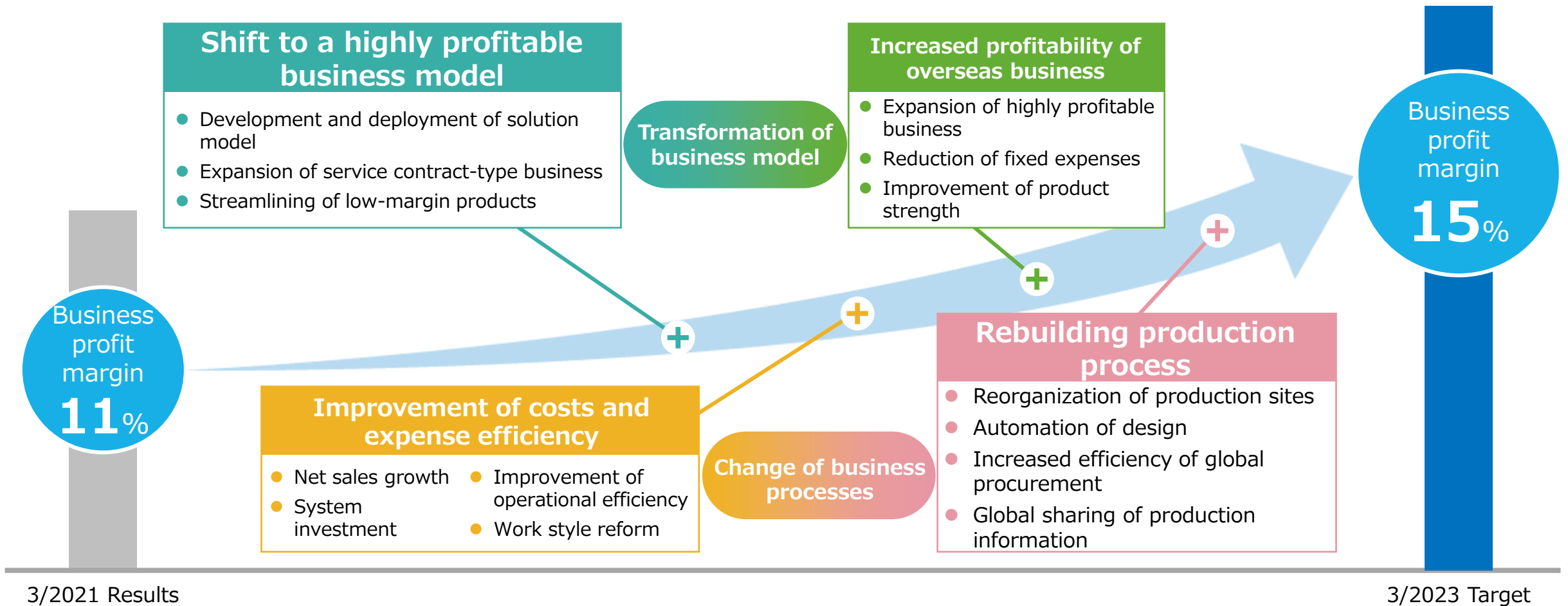
Return on equity (ROE)

10% or more

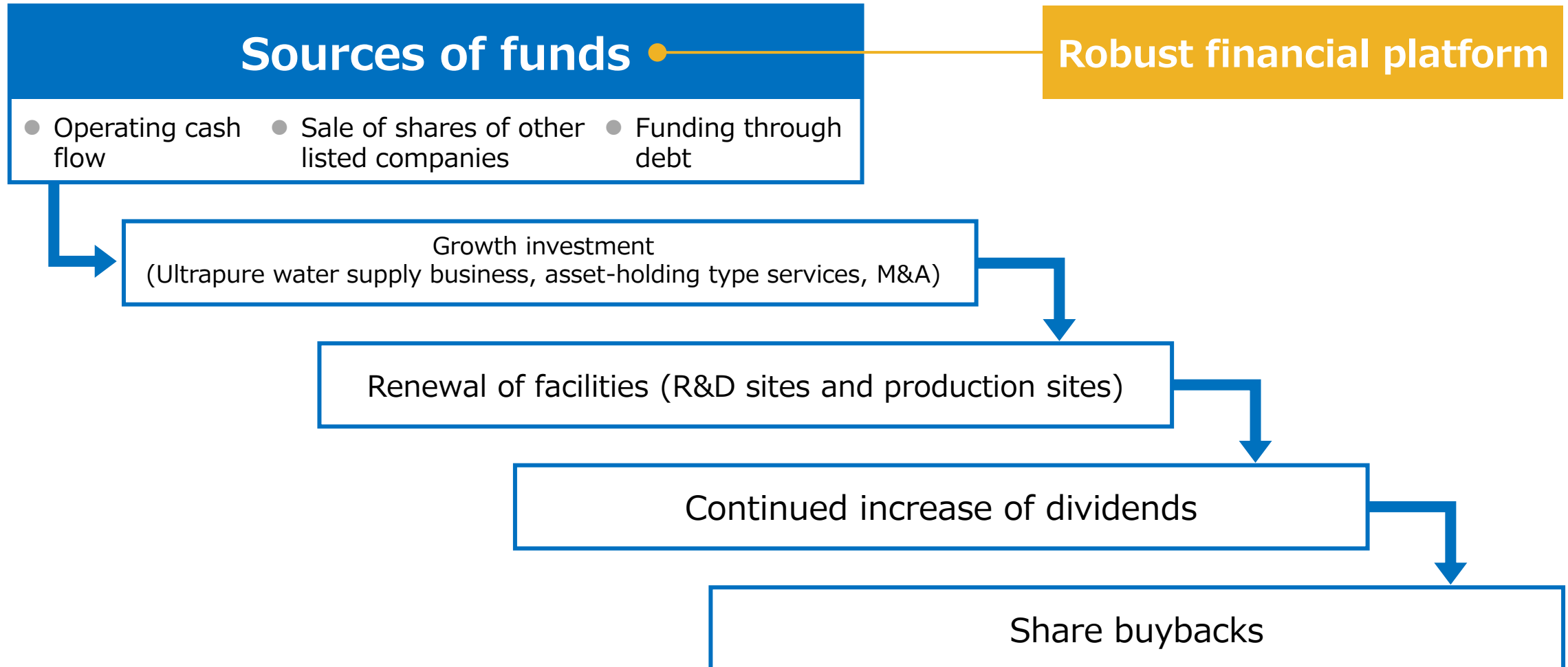
Adoption of business segment management using return on invested capital (ROIC)

Measures Aimed at Improving Profitability

Business Profit Margin 11% (FY3/21) → 15% (FY3/23)



Priorities of Usage of Funds



III | Corporate Governance Initiatives

Basic Concept

Corporate Philosophy

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

Establishment of Corporate Governance

Purpose

- Transparent, fair, prompt, and decisive decision-making
- Highly effective management supervision

Sustainable Growth and Medium- and Long-Term Enhancement of Corporate Value

Respect for the rights and position of stakeholders and meeting their expectations

Customers

Business
Partners

Employees

Shareholders
/ Investors

Local
Communities

Basic Policies (5 Items)

- (1) Ensuring the rights and equality of shareholders
- (2) Appropriate level of cooperation with stakeholders other than shareholders
- (3) Ensuring appropriate information disclosure and transparency of information
- (4) Duties of the Board of Directors and the Audit & Supervisory Board, etc.
- (5) Dialogue with shareholders and investors

Policies (16→21 Items)

Policies were revised in FY2021 in conjunction with revision of corporate governance code

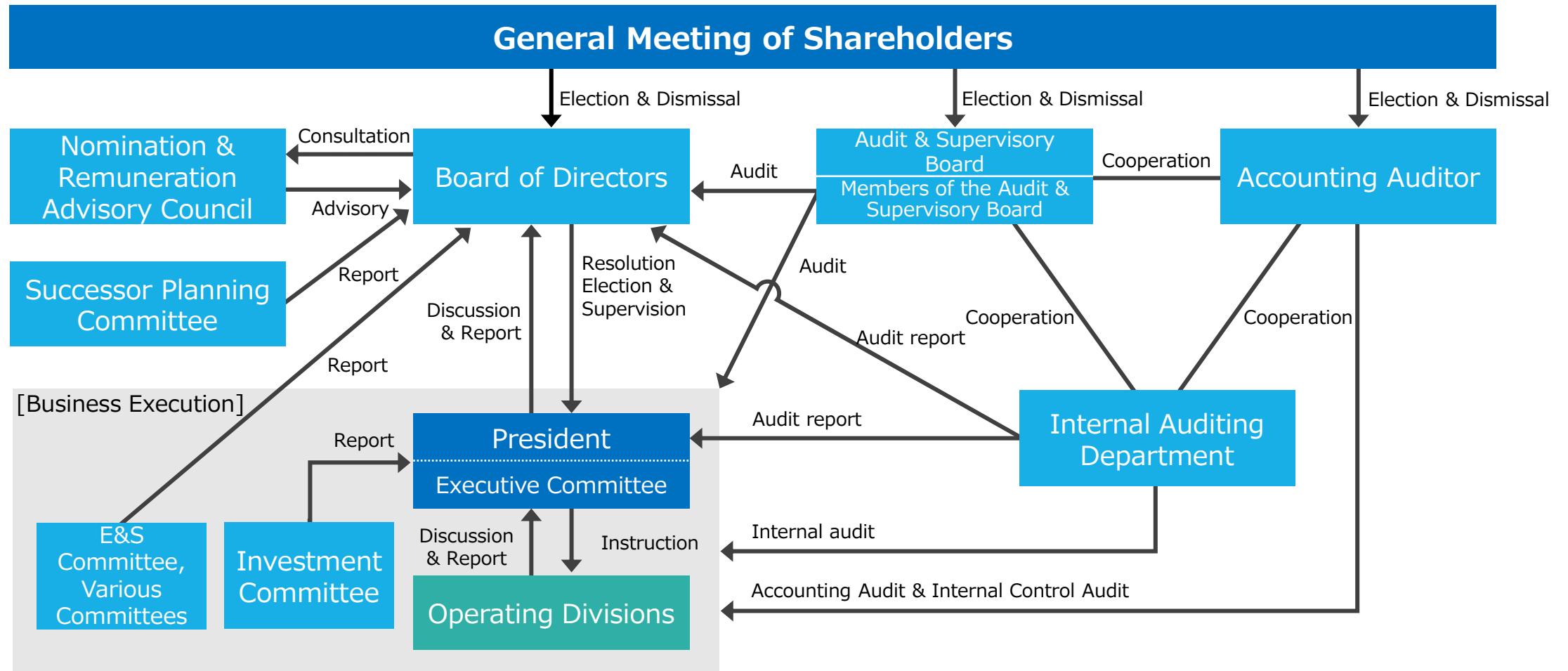
Main points

- Resolution of sustainability issues and disclosure of initiatives (including TCFD)
- Ensuring diversity of core human resources
- Review of skill matrix
- Review of percentage of external directors
- Organization of views concerning the roles, authority and composition of the Nomination & Remuneration Advisory Council and the Successor Planning Committee
- Formulation of plan for business portfolio management

Corporate Governance Structure

Voluntarily establish a Nomination & Remuneration Advisory Council and a Successor Planning Committee

Company with an Audit & Supervisory Board



Size and Composition of the Board of Directors

The Board of Directors as a whole complements the necessary knowledge, experience and diversity for management decision-making

■ Members: 8 (including 3 independent external directors)

■ Term: 1 year

Name	Corporate governance and management			Leveraging diversity ▶ Making full use of water knowledge ▶ Creating social value					
	Corporate management Corporate planning	Finance and Accounting	Legal and HR management	Human rights	Global	Understanding and Solving issues on site	R&D, Technology and Engineering	DX	Environment
Michiya Kadota	●	●	●	●	●				●
Hirohiko Ejiri	●			●	●	●	●	●	●
Yoshio Yamada	●					●	●		
Yasuo Suzuki	●				●	●	●		
Shuji Shirode	●	●			●				
Ryoko Sugiyama (external director)	●								●
Keiko Tanaka (external director)	●		●	●	●				
Kenichiro Kamai (external director)	●						●	●	

Note 1: Among the knowledge and experience of each director, those with ● are fields where they have strength while ● indicates an area where they are especially promising.

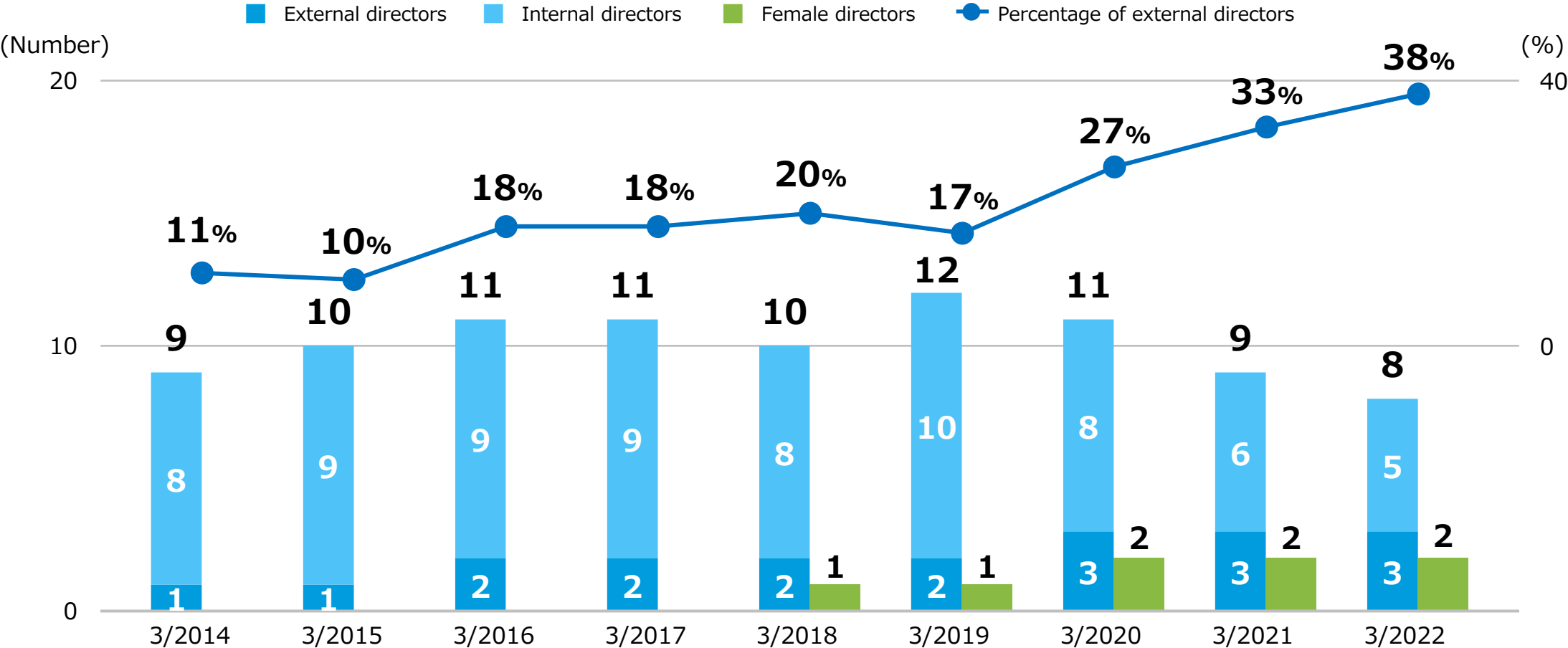
Note 2: This chart is based on information contained in Proposal 2 of the Notice of Convocation of the 85th Ordinary General Meeting of Shareholders.

There shall be three or more directors in total. At least one third of these directors shall be external directors to ensure the independence and objectivity of the Board of Directors.

Changes in Composition of the Board of Directors



38% external directors, two female directors



Nomination & Remuneration Advisory Council

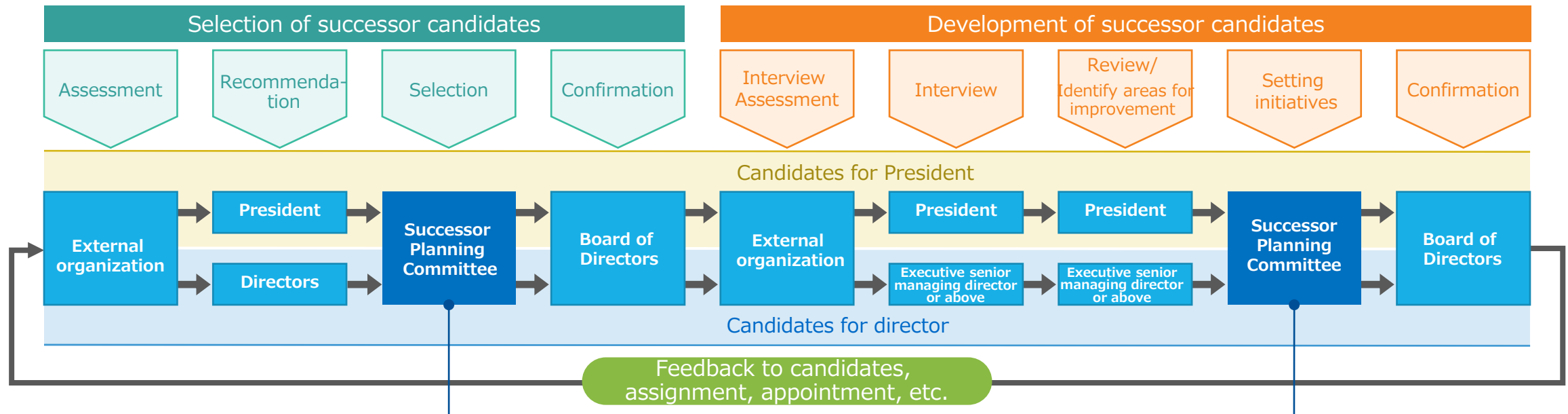


Committee established to improve the transparency of the nomination and remuneration decision-making process

		Members ▼	Results ▼	Main matters discussed ▼
Nomination	Candidates for Director, Representative Director, Executive Director	<ul style="list-style-type: none"> Three external directors One full-time external member of the Audit & Supervisory Board President 	Meetings held 4 times Cases reviewed 6 (April - December 2021)	<ul style="list-style-type: none"> Evaluated all candidates for director Consideration of skill matrix
	Candidates for member of the Audit & Supervisory Board	<ul style="list-style-type: none"> One full-time external member of the Audit & Supervisory Board One full-time member of the Audit & Supervisory Board President Executive GM, Corporate Control and Administration Division 		-
Remuneration		<ul style="list-style-type: none"> Three external directors One full-time external member of the Audit & Supervisory Board President 	Meetings held 5 times Cases reviewed 8 (April - December 2021)	<ul style="list-style-type: none"> Performance evaluation of directors and executive officers Discussed appropriateness of incentive remuneration Discussed appropriateness of fixed remuneration Consideration of adoption of non-financial indicators as performance evaluation criteria

Process of the Successor Planning Committee

Planned development of successors



Successor Planning Committee members		
Matter for discussion	Members	Number of Meetings and Chair
<ul style="list-style-type: none"> Selection of president's successor candidate 	Three external directors One full-time external member of the Audit & Supervisory Board	Meetings held: 3 times (April-December 2021) Chaired by an external director
<ul style="list-style-type: none"> Selection of directors' successor candidates Selection of executive officers' successor candidates Setting of development measures for successor candidates Confirmation of distribution of knowledge and experience making up the Board of Directors 	In addition to the above four, the president and executive senior managing directors	

Enhances the quality of discussions and the speed of investment decision-making by the Board of Directors and the Executive Committee by strengthening the pre-screening of investment and financing projects

Roles	<ul style="list-style-type: none">• Review investment and financing projects to be submitted to the Board of Directors or the Executive Committee for deliberation• Report results of pre-screening and major discussion points to the Board of Directors and the Executive Committee													
Members	Chair	Executive GM, Corporate Control and Administration Division												
	Members	Deputy GM of Corporate Planning and Management Office, Corporate Planning Department GM, Accounting Department GM, Finance Department GM, GMs of business management departments and operation departments in charge of sales and production												
Results (April-December 2021)	Meetings held	10 meetings												
	Cases reviewed	<table><tr><td>Investment, M&A</td><td>1</td><td rowspan="5"><div></div></td><td rowspan="5">Total of 10 projects</td></tr><tr><td>Capex projects</td><td>5</td></tr><tr><td>Borrowing, funding</td><td>2</td></tr><tr><td>Corporate establishment, etc.</td><td>1</td></tr><tr><td>Other</td><td>1</td></tr></table>		Investment, M&A	1	<div></div>	Total of 10 projects	Capex projects	5	Borrowing, funding	2	Corporate establishment, etc.	1	Other
Investment, M&A	1	<div></div>	Total of 10 projects											
Capex projects	5													
Borrowing, funding	2													
Corporate establishment, etc.	1													
Other	1													

The effectiveness of the Board of Directors is analyzed and evaluated to identify future issues

Implementation Method

Frequency	Once a year
Method	<ul style="list-style-type: none">• Self-evaluation Discussion of written survey (with respondents identified) and tabulated results
Evaluation Items	<ul style="list-style-type: none">(1) Board of Directors roles and responsibilities(2) Collaboration with external directors and members of the Audit & Supervisory Board(3) Board of Directors composition(4) Board of Directors operation(5) Contributions of individual directors and members of the Audit & Supervisory Board(6) Dialogue with shareholders

Note: The evaluation of the Board of Directors for the period from January to December 2021 is currently underway.

Evaluation Results (Period Covered: January - December 2020)

- Average self-evaluation results were generally good in all 6 items.
- The evaluation of evaluation item (4) was the highest, and the evaluations of internal directors, external directors and members of the Audit & Supervisory Board all increased.
- Of evaluation item (1) the evaluation of creation and oversight of DX promotion system, which was newly established for evaluation this fiscal year, was low.

Issue

- It is necessary to strengthen involvement of the Board of Directors to accelerate business model transformation and business process reform utilizing DX.

Measures

- Ensure the Board of Directors understands the content of the activities of the DX Committee overseeing DX of the Group as a whole and the Digital Strategy Division that is at the core of companywide measures decided upon.
- Discuss and establish the direction of the prioritization of matters to address in the short term and medium to long term, and allocation of management resources.

Main Governance Initiatives for the Fiscal Year Ending March 2022 (1)



	Initiatives for FY ending 03/2022	Expected Benefits
Composition of the Board of Directors	<ul style="list-style-type: none"> External directors: 3 → 3 Internal directors: 6 → 5 <hr/> Total: 9 → 8	Optimizing the size of the Board of Directors and ensuring independence and objectivity
Reduction of shareholding of other listed companies	Sales in FY ending 03/2022: 4*/24 stocks *Of which 2 were partial sales <div> (Reference) FY ended 03/2020 2*/28 stocks FY ended 03/2021 4/26 stocks *Of which 2 were partial sales </div>	Investment in growth businesses of funds acquired from disposals
Provision of information and training to directors and members of the Audit & Supervisory Board (April - December 2021)	Seminars held..... Total of 5 times	<ul style="list-style-type: none"> Invited outside instructors to conduct seminars on DX, the utilization of ICT and IOT in business, and the Corporate Governance Code Conducted seminar with inside instructors on topics such as examples of DX in the area of R&D
Strengthening of Group governance	<ul style="list-style-type: none"> Evaluating the effectiveness of boards of directors at Group companies in Japan Establishment of system aimed at the realization of the value creation story 	Strengthening mechanisms to ensure that Group governance is being practiced appropriately

Main Governance Initiatives for the Fiscal Year Ending March 2022 (2): Initiatives for Core Human Resources



Approach to human resources diversity (from the Company's Corporate Governance Policies)

The Kurita Group aims to provide value to customers and society through innovative achievements made by its human resources with diverse backgrounds -- including gender, nationality, age, presence or absence of disabilities, how they joined the company, work style (employment status and working arrangements), and experience -- by taking advantage of each other's experience, knowledge, skills, and other qualities, toward realizing the Corporate Philosophy. The Kurita Group is also proactive in ensuring the diversity of its management and employees in management positions (and their equivalents) as its core human resources.

1. Promotion of women to management positions, etc.

			3/2019 Results	3/2020 Results	3/2021 Results	9/2021 Results	→ 3/2023 Targets	→ 3/2028 Targets
Kurita	Ratio of women in management positions		1.1%	2.1%	2.4%	2.7%	5.0% or more	Around 10.0%
	Ratio of women among recruits for career track positions	(New graduates recruits)	21.0%	19.0%	33.0%	-	30.0%	-
		(New graduate and mid-career recruits)	15.0%	20.0%	33.0%	-	-	Around 30.0% to 40.0%
<Reference> Kurita Group	Ratio of women in management positions		9.0%	10.0%	12.0%			
	Ratio of women to all employees		24.0%	24.0%	25.0%			

- There were 9 women in management positions as of September 2021 (2.7% of management positions)
- There were 19 in positions equivalent to management positions (including management positions) in the specialist system
- Through initiatives to encourage the promotion of women to core roles, the Company has been selected as a constituent of the MSCI Japan Empowering Women Index (WIN) since FY2017
- We are also focusing on improving education and training and systems supporting the balance of work and childcare (obtained Kurumin and Eruboshi certification marks)

Main Governance Initiatives for the Fiscal Year Ending March 2022 (2): Initiatives for Core Human Resources



2. Promotion of non-Japanese employees to management positions, etc. (Kurita)

- The Kurita Group
 - (1) will conduct operations with Kurita's headquarters functions working in coordination with overseas Group companies; and
 - (2) will aim to have a system for incorporating ideas from various countries and regions, and operating the Group globally by promoting local employees to executive positions in overseas Group companies.
- Active recruitment and promotion in step with the globalization of business
- As of September 2021, two of the 18 non-Japanese employees worked in positions equivalent to management positions
- Local employees account for 71% of the representatives and personnel working directly under the representatives of overseas Group companies.

3. Promotion of mid-career recruits to management positions, etc. (Kurita)

- Flexible and active recruitment and promotion in step with the expansion of business
- Hiring around 10-20 people every year (equivalent to 10-30% of annual recruitment)
- As of September 2021, 85 of those who joined the Company as mid-career recruits have been promoted to positions equivalent to management positions (constituting 13% of all employees in such positions).

Independent External Directors



Reflecting external perspectives and specialist knowledge in management

■ Term: 1 year

■ Restrictions on concurrent positions: Allowed to serve concurrently at up to three listed companies, including Kurita

Ryoko Sugiyama	
Appointed as director of Kurita	June 2017
Significant positions concurrently held	<ul style="list-style-type: none"> Head and Representative Director, Gifu Shimbun Co., Ltd. External Director and Audit and Supervisory Committee Member, LECIP Holdings Corporation External Director, UACJ Corporation Director, Gifu Sugiyama Memorial Foundation, a public interest incorporated foundation
Board attendance	9/9 (100%)
Reason for election	Ms. Sugiyama is an expert in the environment and wastes, and has held important positions such as external director of listed companies. The Company believes that she is capable of expressing opinions from an outside perspective different from the Company's and increasing the rationality and transparency of the Company's management.

Keiko Tanaka	
Appointed as director of Kurita	June 2019
Significant positions concurrently held	<ul style="list-style-type: none"> Vice President, Nissan Financial Services Co., Ltd.
Board attendance	9/9 (100%)
Reason for election	Ms. Tanaka has been active in business fields that differ from those of the Kurita Group and possesses a great deal of knowledge on public relations and marketing, as well as having held the position of Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay. The Company believes that she is capable of expressing opinions from an outside perspective different from the Company's and increasing the rationality and transparency of the Company's management.

Kenichiro Kamai	
Appointed as director of Kurita	June 2021
Significant positions concurrently held	None
Board attendance	6/6 (100%)
Reason for election	Mr. Kenichiro Kamai has a wealth of experience, including overseas, in business fields that differ from those of the Kurita Group, and he has also considerable insight in DX and development. The Company believes that he is an individual capable of expressing opinions from an outside perspective different from the Company's to increase the rationality and transparency of the Company's management and supervising the execution of the duties of Directors based on his experience of management at multiple companies and expertise in the fields of DX and development.

Effective Functioning of Members of the Audit & Supervisory Board



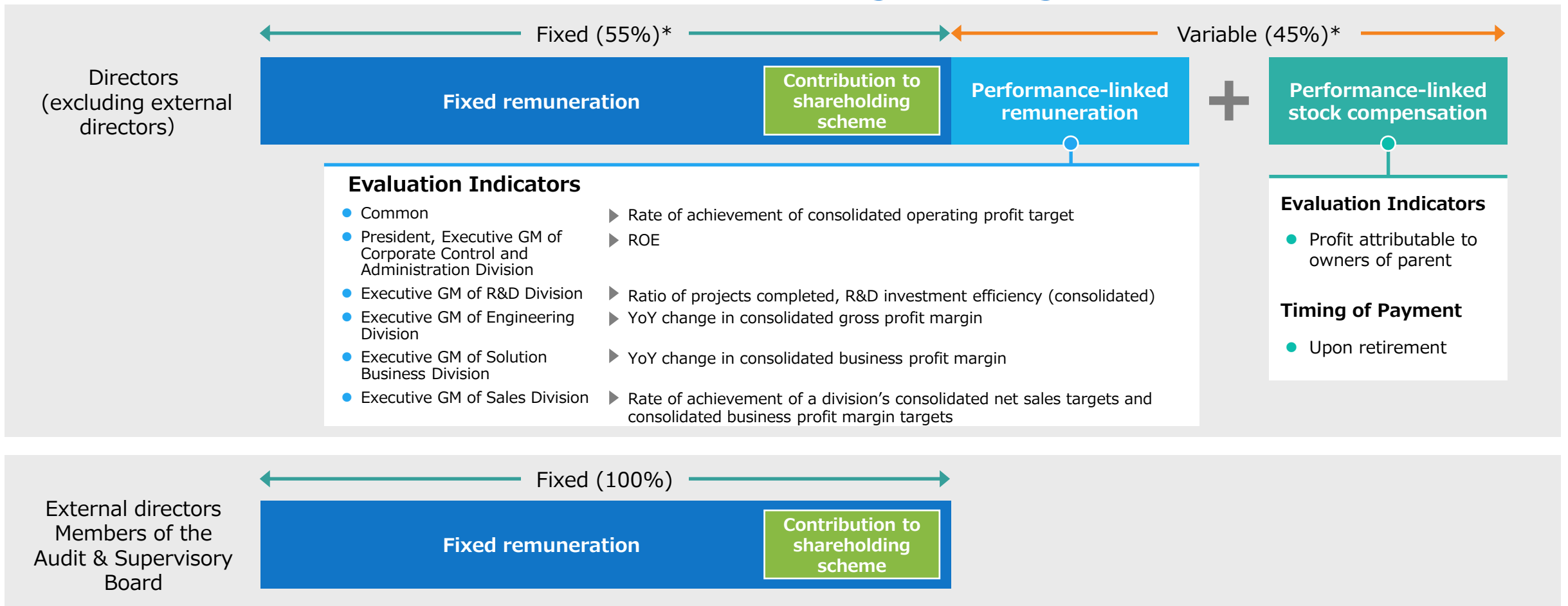
Attendance at Board of Directors meetings and active input

Name	Experience, Capability, and Knowledge	Attendance (April–December 2021)	
		Board of Directors' meetings	Audit & Supervisory Board meetings
Kenjiro Kobayashi <div>External member of the Audit & Supervisory Board</div> <div>Independent Officer</div>	Mr. Kenjiro Kobayashi has been active in different fields to those of the Kurita Group's businesses and has high expertise in the areas of finance, management planning, new business development, M&As, etc., along with a wealth of international experience.	9 / 9	8 / 8
Yukihiko Mutou	Mr. Yukihiko Mutou has held important positions in the Administrative Division. He possesses a wealth of knowledge and experience in the areas of finance, accounting, and management.	9 / 9	8 / 8
Toshiaki Tada <div>External member of the Audit & Supervisory Board</div> <div>Independent Officer</div>	Mr. Toshiaki Tada has special knowledge as well as a wealth of experience and deep insight into corporate legal affairs as an attorney who has worked in Japan and overseas.	9 / 9	8 / 8

- Attendance by members of the Audit & Supervisory Board at meetings of the Board of Directors, Executive Committee, and E&S Committee, and other important meetings, as well as auditing the state of business execution by directors and the oversight duties of the Board of Directors
- Performs audits of key administrative departments, implements field audits at business sites and Group companies, and conducts survey of the asset position of the entire Kurita Group and audits of the status of development and operation of the internal control system at Group companies
- Support for members of the Audit & Supervisory Board and cooperation with Internal Auditing Department
 - Head of Audit Office assists administratively to ensure members can properly perform audit work
 - Members direct audit staff as necessary for support work

Remuneration System for Directors and Members of the Audit & Supervisory Board

Review director performance evaluation indicators to aim for achievement of management goals



* Calculated using actual remuneration amounts for the fiscal year ended March 2021.

Efforts for Dialogue with Shareholders/Investors



Major Initiatives (FY ending 03/2022)

Implementation of a hybrid participatory virtual general meeting of shareholders

Holding of ESG briefing (scheduled for March)

IR Activity in FY ended 03/2021

Institutional investors (including shareholders)

Results briefing (including telephone conferencing) 4 times
 Small meetings 1 time
 Individual meetings Total of 250 times
 ESG briefing 1 time
 Overseas roadshows (Cancelled due to COVID-19)

Individual investors (including shareholders)

Publication of shareholder report 1 time
 Briefings for individual investors 1 time

Initiative to improve the convenience of exercising voting rights

Early forwarding of the notice of convocation June 1999-

Adoption of ICJ, Inc.'s platform for electronic exercise of voting rights June 2006-

Promotion of dialogue through SR visits November 2011-

Preparation of the notice of convocation (reference materials) in English June 2013-

Quick disclosure prior to notice of convocation June 2016-

Preparation of English translation of CG report October 2016-

Produced notice of convocation in color, added more information (published together with shareholder report; added candidate photos, graphs, etc.) June 2018-

Provision of more English-translated information in notice of convocation June 2018-

IV | Initiatives Aimed at the Environment and Society

CSR Policy

Provide solutions to issues related to water and the environment, and fulfill responsibility for the future

Basic themes

1. Provide highly safe services and products



2. Conduct fair business activities



3. Respect human rights



Growth opportunity themes

4. Solve issues related to water resources



5. Realize sustainable energy use



6. Reduce waste



7. Advance industrial production technologies



Reduction of risk
Lowering of
capital cost

Enhancement of
corporate value

Creating of shared value
with society
CSV

Creation of shared value with society through the expansion of CSV business

Definition of CSV Business

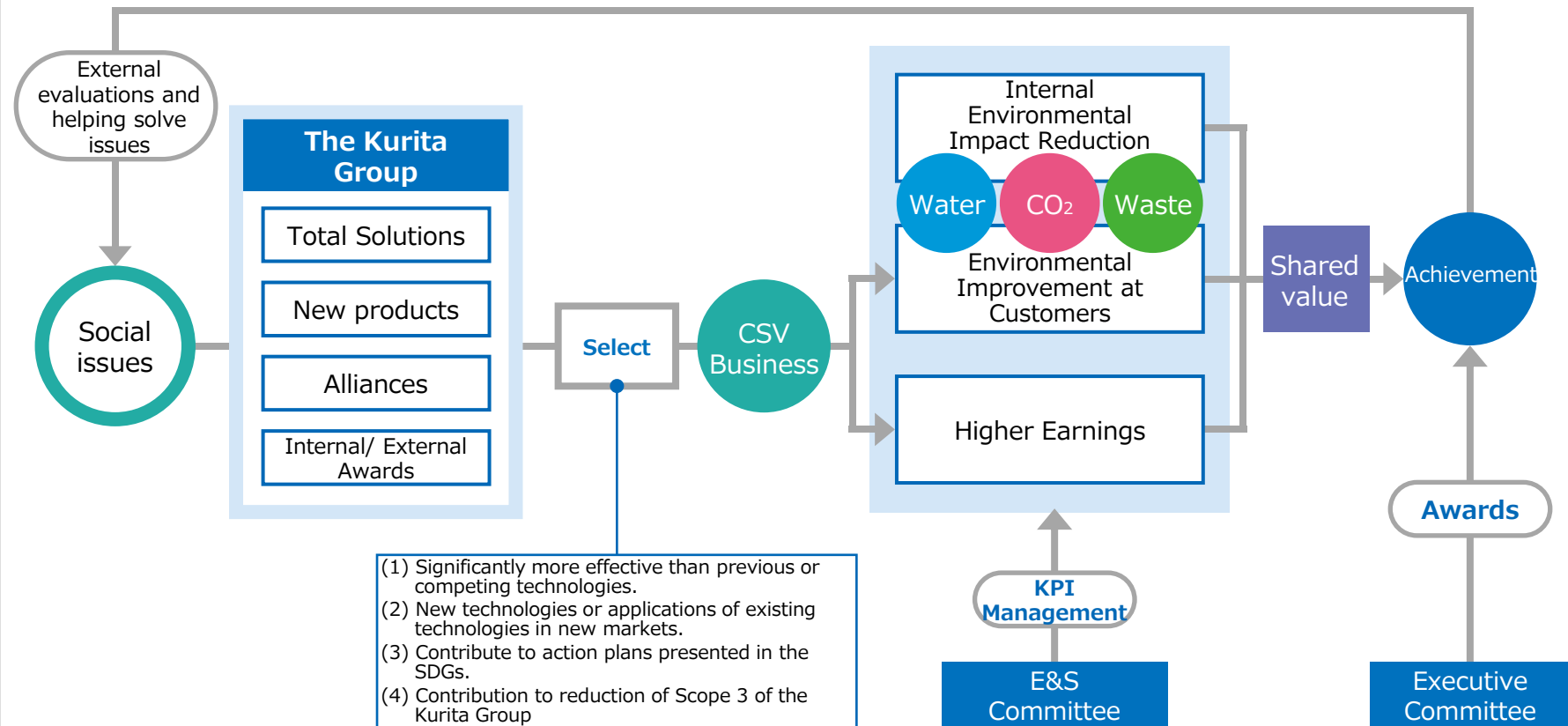
Products, technologies, and business models that contribute significantly to water-saving, CO₂ emissions reduction and waste reduction compared to previous levels

CSV Business Selection Standards

Those that satisfy all or part of the following concerning saving water, reducing CO₂ emissions and reducing waste

- (1) Are significantly more effective than previous or competing technologies.
- (2) Are new technologies or applications of existing technologies in new markets.
- (3) Contribute to the action plans presented in the SDGs.
- (4) Contribute to reduction of Scope 3 of the Kurita Group.

Promotion System for CSV Business

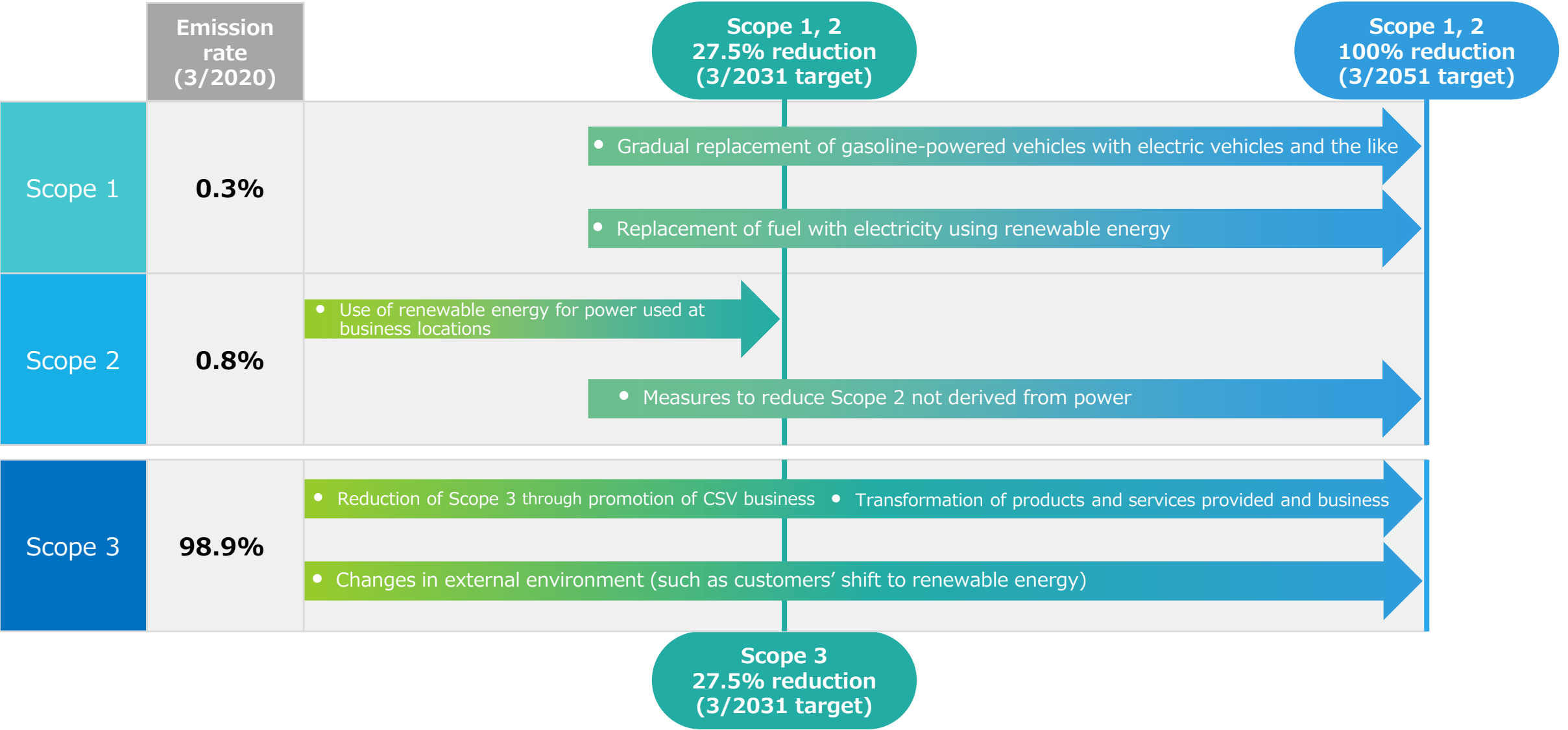


Continuous reduction in greenhouse gas (GHG) emissions based on TCFD recommendations

- Evaluate risks, opportunities, and impact on business, and formulate measures for Kurita Group
- Set long-term targets aligned with the “Well-below 2°C level” for existing CSR policy

Priority themes in CSR Policy	Metrics	3/2023	Long-term targets	
			3/2031	3/2051
5. Realize sustainable energy use	CO2 emission reductions at customers - CO2 emissions from our business activities	10,000 t	-	-
	Scope 1 & 2 emission reductions (percentage reduction from FY ended 03/2020)	-	27.5%	100%
	Scope 3 emission reductions (percentage reduction from FY ended 03/2020)	-	27.5%	-

Initiatives to Address Climate Change (Schedule for Achieving Targets)



Participation in International Initiatives



Serving as Leadership Committee member of the industry-driven Water Resilience Coalition for preserving water resources

Water Resilience Coalition

Vision

Global water resilience

Creating a world in which water can be consistently supplied to the required place, in the required quantity, and at the required quality

Pledge



Improve water availability, quality, and accessibility in basins facing serious water resource problems



Raise the global ambition of water resilience through public and corporate outreach



Implement measures to resolve water resource problems across the entire value chain

Founders & Leadership (11 companies)

- Anheuser-Busch InBev
- Diageo
- PVH
- Gap
- Microsoft
- Cargill
- Dow
- Ecolab
- STARBUCKS
- 3M
- Kurita



Participating companies

Members (15 companies)

- The Coca-Cola Company
- Woolworths
- Cummins
- Levi Strauss
- IHG Hotels & Resorts
- Danone
- Colgate
- HEINEKEN
- gsk
- PhosAgro
- DUPONT
- MARS
- Reckitt Benckiser
- Bayer
- Braskem

(As of January 2022)



Forward-looking Statements

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