



Kurita Water Industries Ltd.

Shareholder Relations Meeting for the fiscal year ending March 31, 2020

(Securities code: 6370)

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I | Kurita Group Overview

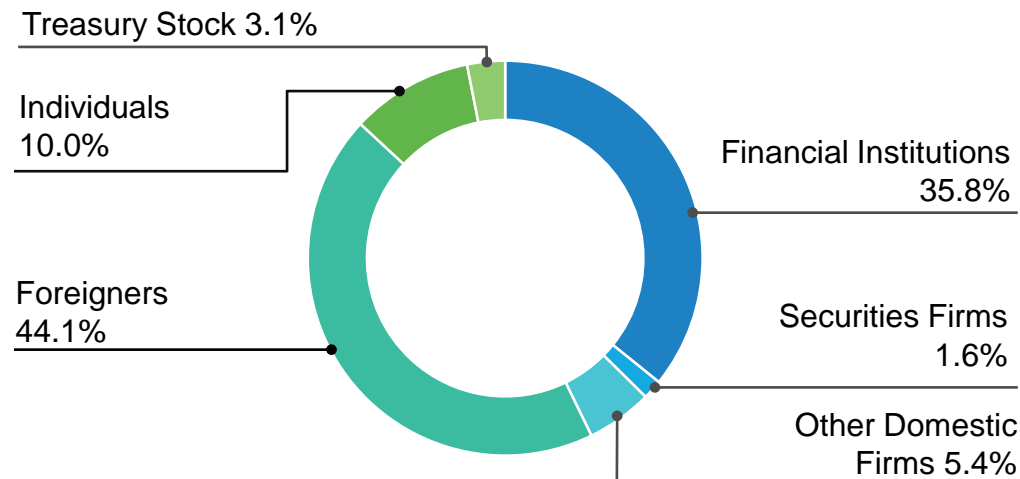
Company Overview & Shareholder Composition



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	: 22,884 (As of September 30, 2019)

Shareholding Ratio (As of September 30, 2019)



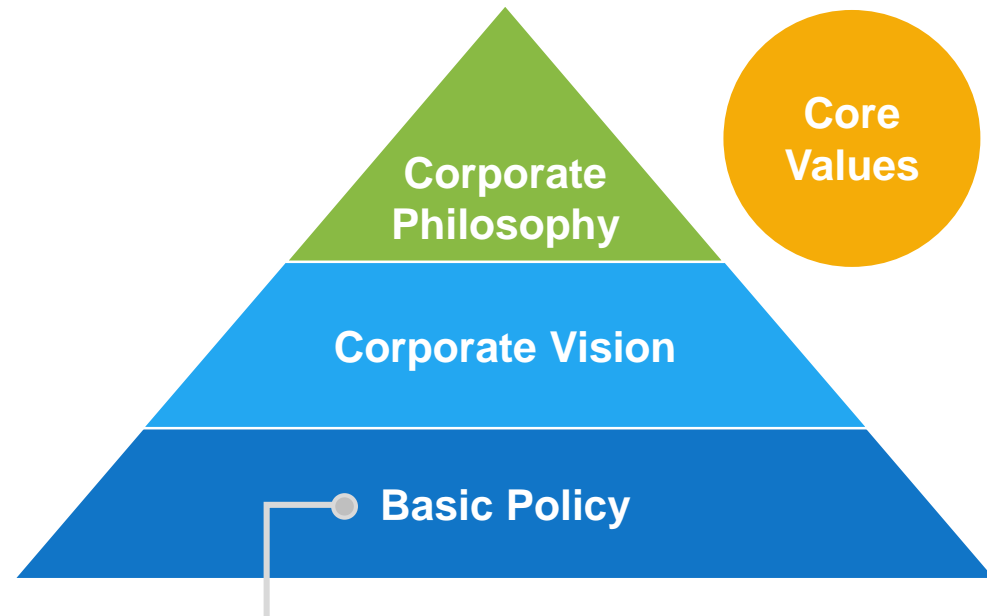
Shareholder Composition (As of September 30, 2019)

Rank	Shareholder	Shares (thousand)	Ratio
1	Japan Trustee Services Bank, Ltd. (Trust Account)	7,937	7.04%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	6,674	5.92%
3	Nippon Life Insurance Company	5,979	5.31%
4	Japan Trustee Services Bank, Ltd. (Trust Account 9)	3,660	3.25%
5	Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,167	1.92%
6	Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,155	1.91%
7	MUFG Bank, Ltd.	2,056	1.82%
8	BNP PARIBAS SECURITIES SERVICES PARIS / JASDEC FRENCH RES / UCITS ASSETS	1,786	1.58%
9	JP MORGAN CHASE BANK 385151	1,784	1.58%
10	BNYMSANV AS AGENT / CLIENTS LUX UCITS NON TREATY 1	1,764	1.56%

Note: In addition to the above, the company has 3,591 thousand shares of treasury stock.

Japan Trustee Services Bank, Ltd. (Trust Account) includes 312 thousand shares of treasury stock for performance-linked stock compensation to directors.

Systemizing our mission and visions based on the corporate philosophy



1. Kurita Group Code of Conduct
2. Corporate Governance Policies
3. Basic Policies for Constructing an Internal Control System
4. CSR Policy
5. Kurita Group BCM Policy (Business Continuity Management)
6. Kurita Group Business Policy

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.

In order for the Kurita Group to continue to grow as it works to realize its corporate philosophy, CSR has been positioned at the heart of management strategy

Definition

The Kurita Group's responsibility for its impacts on society

Objectives

1. Creating and maximizing shared value for the Kurita Group and society
2. Identifying, preventing and mitigating possible adverse impacts by the Kurita Group

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

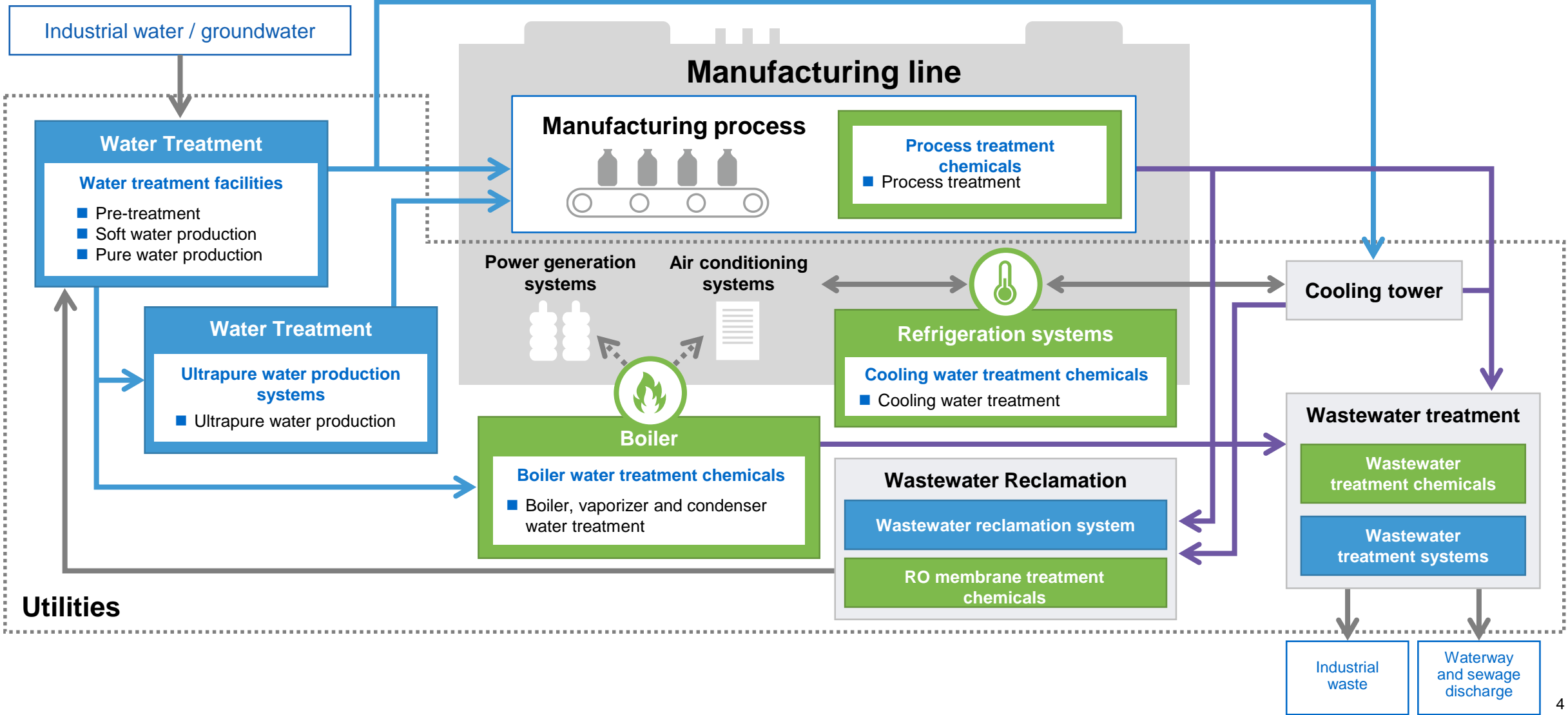
Growth opportunity themes

4. Solve issues related to water resources
5. Realize sustainable energy use
6. Reduce waste
7. Advance industrial production technologies

Kurita's Business Domains

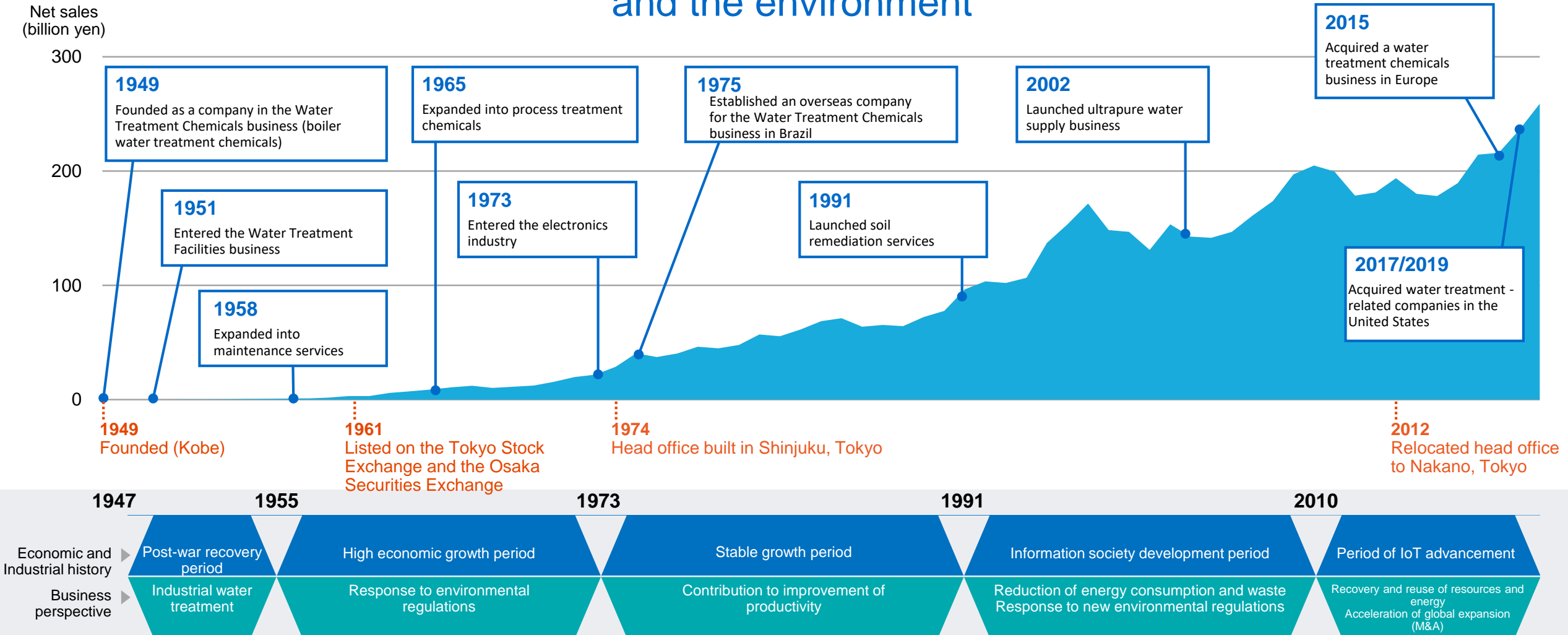


From factory entrance to exit

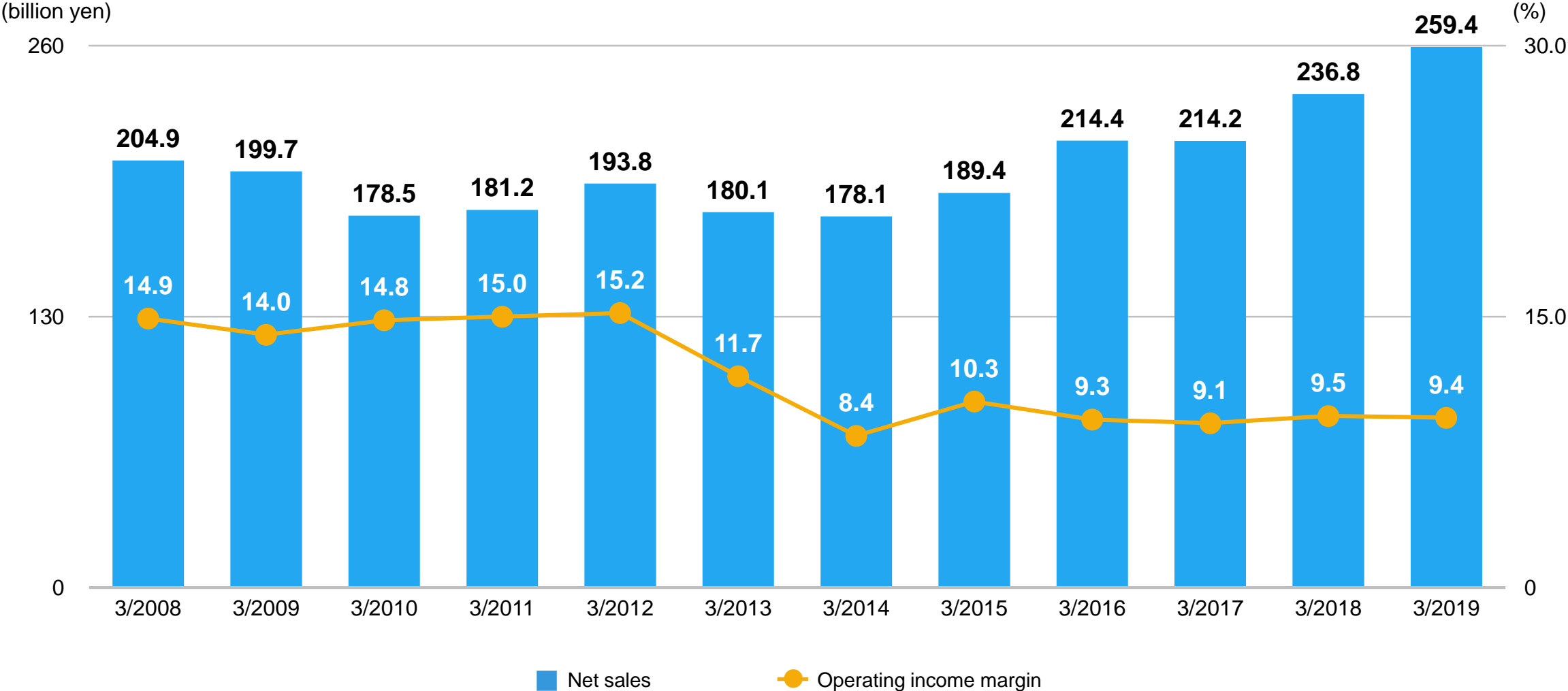


History of Value Creation

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



Changes in Net Sales and Margin



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

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

Emphasis on profitability and capital efficiency

Management Targets

Net sales organic growth rate **3** % or more

Business profit margin **15** %

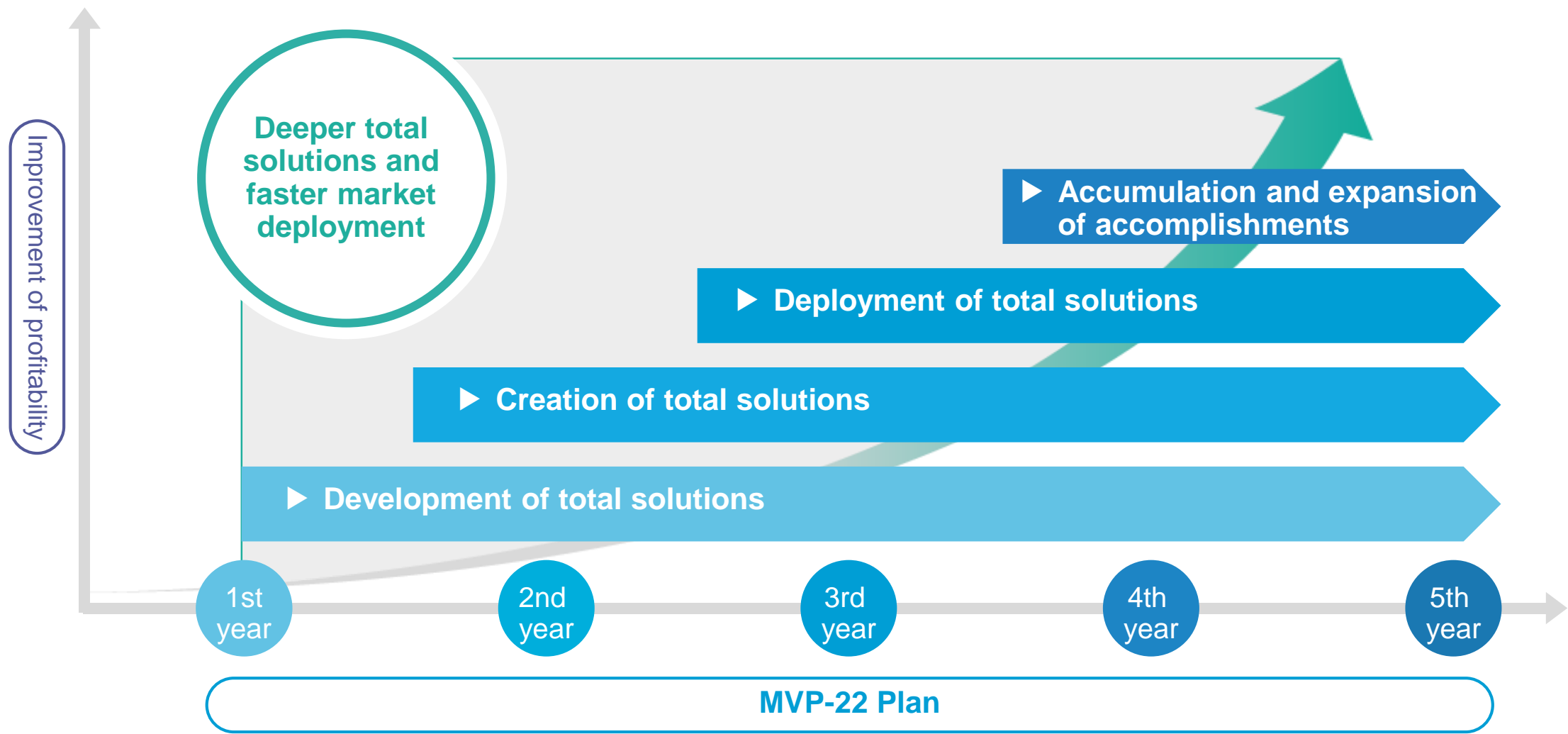
Return on equity (ROE) **10** % or more

Adoption of management using return on invested capital (ROIC)

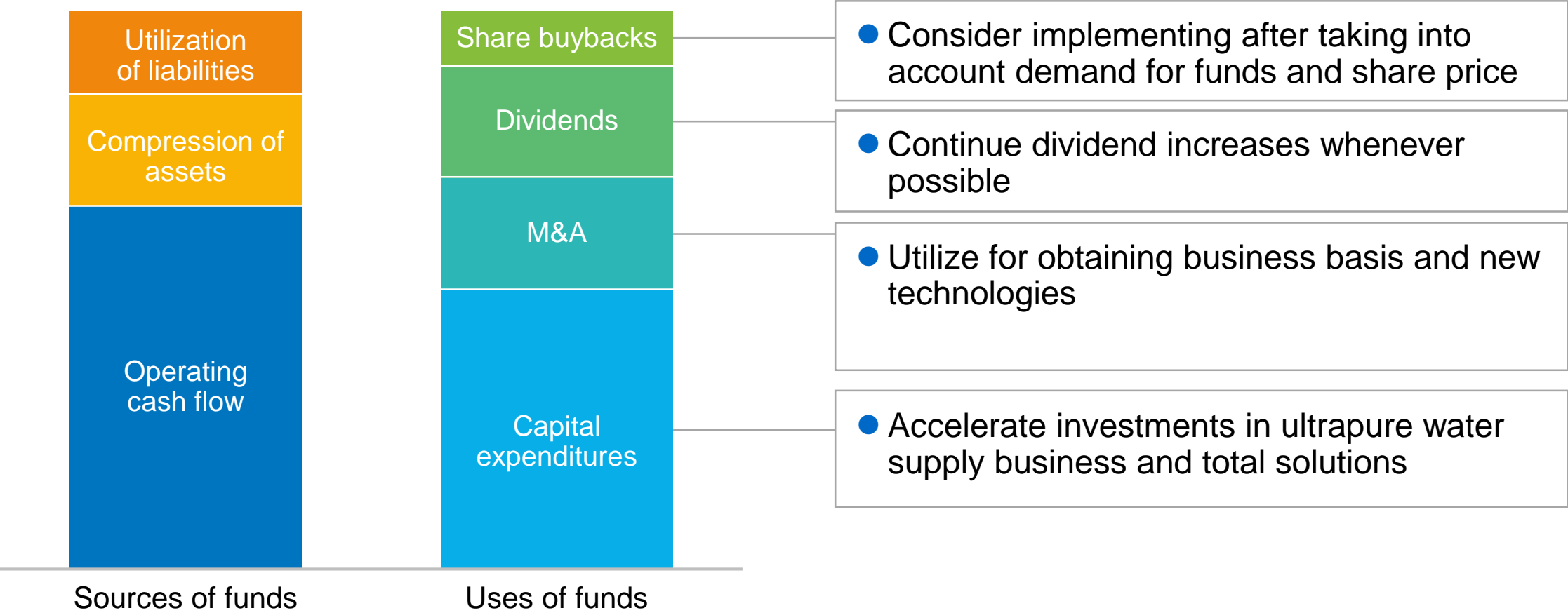
Measures

- (1) Expansion of the service contract business model for sharing created value
- (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

Focus on development and advancement of total solutions



Concentrated investment in growth fields, and efficient and effective use of capital



III | Corporate Governance Initiatives of Kurita

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

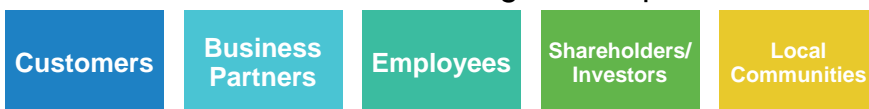
Establishment of Corporate Governance

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



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

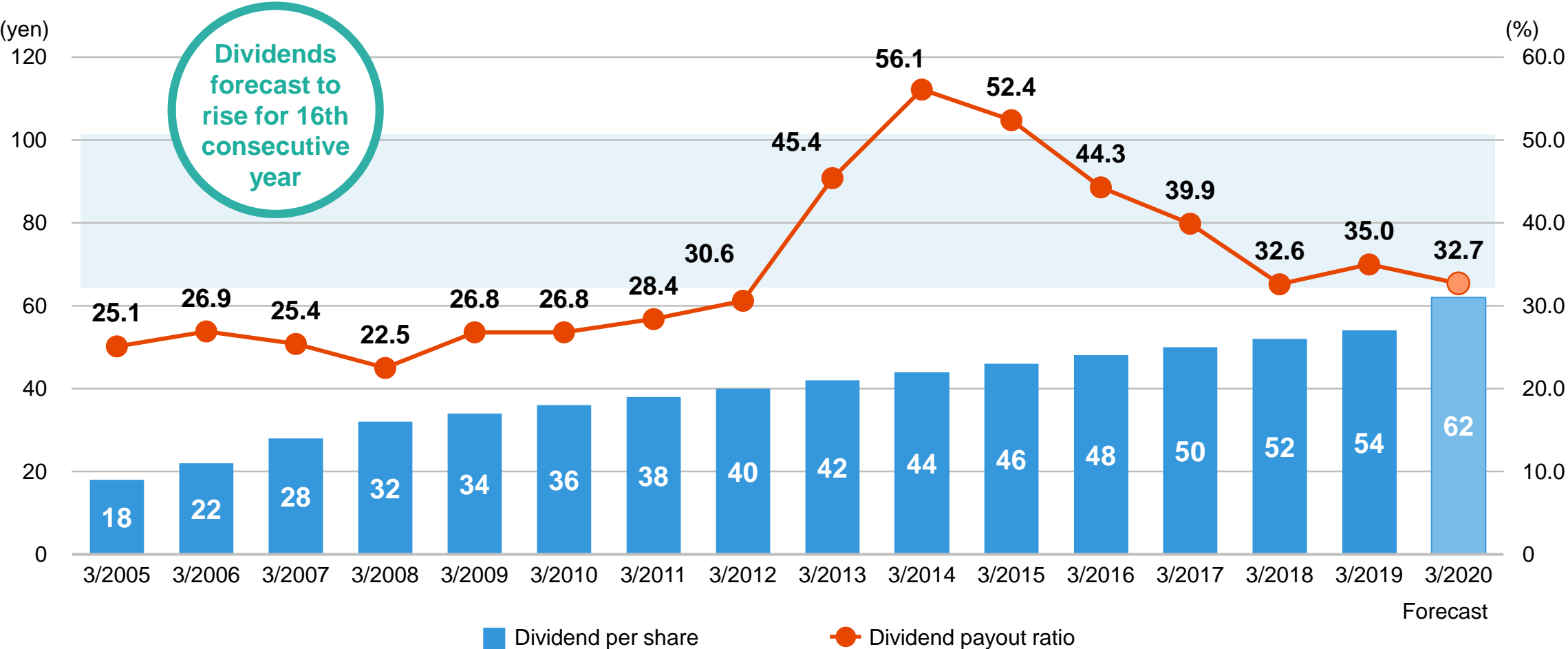
Policies (16 Items)

Minor revisions were made in the fiscal year ending March 2020, mainly associated with the voluntary application of IFRS

Major Changes

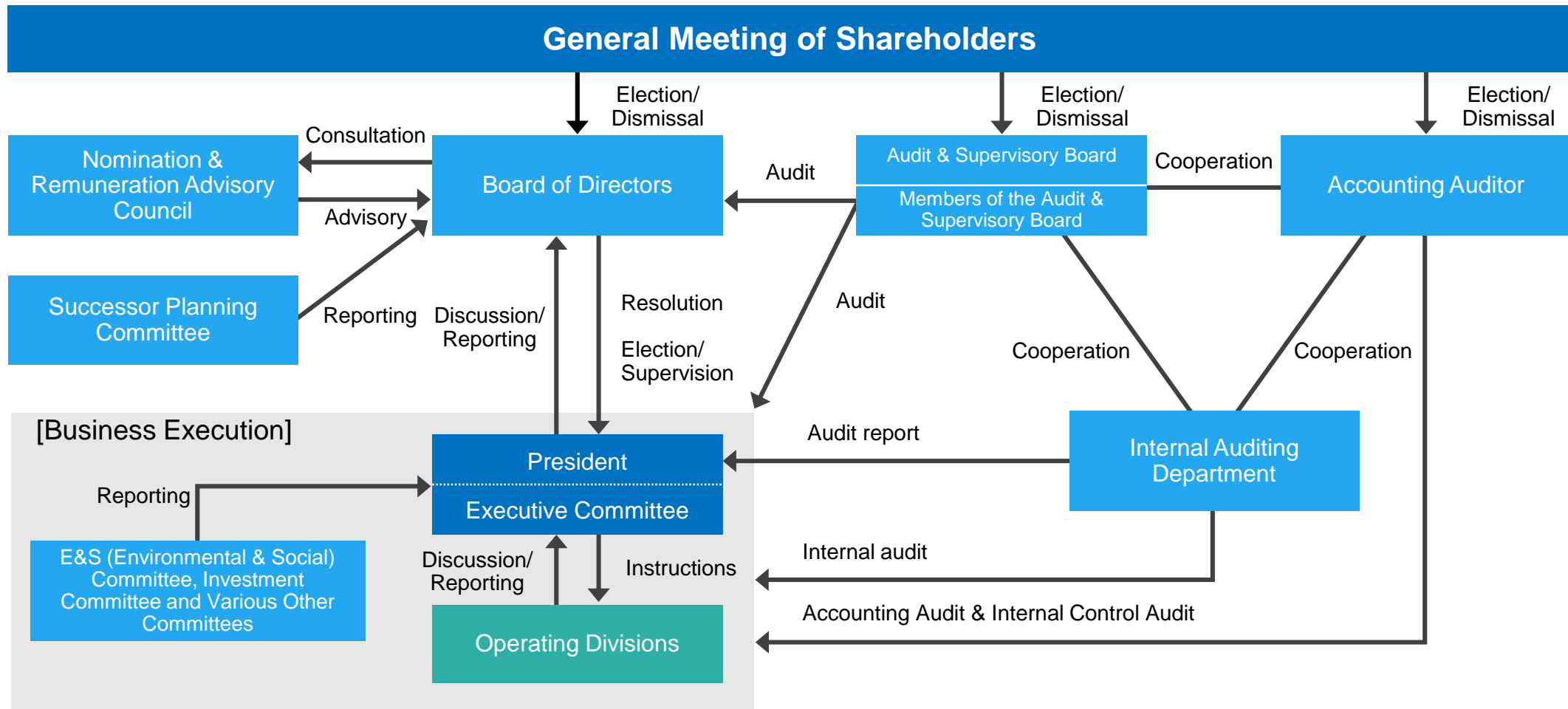
Redefined “important transaction” in “Related Party Transactions” as an IFRS account item

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



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: 11 (including 3 independent external directors)

■ Term: 1 year

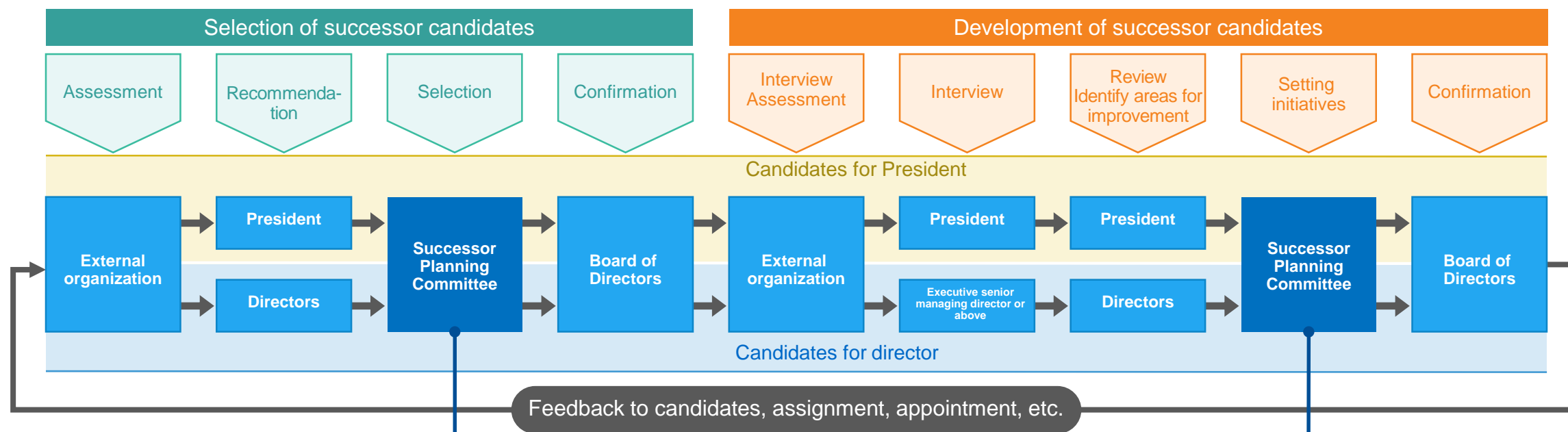
Name	Sales		Corporate planning	Finance/ Accounting Legal affairs HR	Development Production Technology	Knowledge and experience expected of external directors		
	Japan	Overseas				Corporate management	Environment	International
Koichi Iioka	●	●			●	—	—	—
Michiya Kadota			●	●		—	—	—
Kiyoshi Itou			●	●		—	—	—
Toshitaka Kodama	●	●			●	—	—	—
Yoshio Yamada	●				●	—	—	—
Hirohiko Ejiri	●	●	●		●	—	—	—
Toshimi Kobayashi	●				●	—	—	—
Yasuo Suzuki	●	●			●	—	—	—
Tsuguto Moriwaki (external director)	—	—	—	—	—	●		
Ryoko Sugiyama (external director)	—	—	—	—	—	●	●	
Keiko Tanaka (external director)	—	—	—	—	—	●		●

*Note: This chart is based on information contained in Proposal 3 of the Notice of Convocation of the 83rd Ordinary General Meeting of Shareholders.

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

Process of the Successor Planning Committee

Planned development of successors



Successor Planning Committee members	
Matter for discussion	Members
Selection of president's successor candidate	Three external directors One full-time external member of the Audit & Supervisory Board
Selection of directors' successor candidates Selection of Executive officers' successor candidates Setting of development measures for successor candidates	In addition to the above four, the president, chairman, and executive senior managing directors

Nomination & Remuneration Advisory Council and Investment Committee



The Nomination & Remuneration Advisory Council is composed mainly of external officers

Nomination & Remuneration Advisory Council		Investment Committee				
Increase transparency in the decision-making process regarding remuneration for directors and nomination of directors and members of the Audit & Supervisory Board.	Purpose/Role	<ul style="list-style-type: none">Review investments and financing to be submitted to the Board of Directors or the Executive Committee for deliberationReport results of reviews and major discussion points to directors and members of the Audit & Supervisory Board				
<ul style="list-style-type: none">Three external directorsFull-time external member of the Audit & Supervisory BoardPresident <p>* In cases of nomination of candidates for director and remuneration of directors</p>	Members	<table><tr><td>Chair</td><td>Deputy Executive GM, Corporate Planning and Control Division</td></tr><tr><td>Members</td><td>GM, Corporate Planning Department GM, Risk Management Department GM, Finance & Accounting Department GM, Overseas Finance Control Department</td></tr></table>	Chair	Deputy Executive GM, Corporate Planning and Control Division	Members	GM, Corporate Planning Department GM, Risk Management Department GM, Finance & Accounting Department GM, Overseas Finance Control Department
Chair	Deputy Executive GM, Corporate Planning and Control Division					
Members	GM, Corporate Planning Department GM, Risk Management Department GM, Finance & Accounting Department GM, Overseas Finance Control Department					
Meetings held 5 Cases reviewed 13 (As of January 31, 2020)	Results	Meetings held 13 Cases reviewed 14 (As of December 31, 2019)				

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

Implementation Method

Frequency	Once a year
Method	- Self-evaluation Discussion of written survey (with respondents identified) and tabulated results
Evaluation Items	(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 2019 is currently underway.

Evaluation Results (Period Covered: January–December 2018)

- Average self-evaluation results were generally good in all 6 items.
- Of these, evaluation item (2) was rated particularly high.
- Low ratings were given to improvement of systems for supporting risk-taking by the Group and creation of the Group's risk management system.

Issue

- Further improvement of governance standards for the Kurita Group as a whole, including group companies in Japan and overseas, is necessary.

Measures

- Further improve the systems and structures provided by the Company
- The Board of Directors will accurately evaluate operational status

Main Governance Initiatives for the Fiscal Year Ending March 2020



	Initiatives for FY ending 03/2020	Expected Benefits
Selection and development of candidates for President and director	<p>Improvement of the selection and development process</p> <ul style="list-style-type: none"> Expansion of scope of candidates to broader range of tiers Implementation of interviews of potential candidates by external directors as needed in the selection process 	Development of management personnel in the medium to long term
Composition of the Board of Directors	<ul style="list-style-type: none"> External directors: 2 → 3 Internal directors: 10 → 8 <hr/> <p>Total: 12 → 11</p>	Ensuring independence, objectivity and diversity of the Board of Directors
Reduction of shareholding of other listed companies	<p>Sales in FY ending 03/2020: 2/28 stocks</p> <div> <p>(Reference) FY ended 03/2018: 9/46 stocks</p> <p>FY ended 03/2019: 13*/37 stocks</p> <p>* Includes partial sales</p> </div>	Investment of the funds acquired from the sales to promising businesses
Provision of information and training to directors and members of the Audit & Supervisory Board	<p>Seminars by outside instructors 3 times</p> <p>On-site visits by external directors 2 times</p> <p>External director participation in internal committees 11 times</p> <p>(April - December 2019)</p>	<ul style="list-style-type: none"> Learning about management strategy such as integrated thinking Promotion of external directors' understanding of the Company's businesses and initiatives

Increased number of external directors to strengthen their functions

- Term: 1 year
- Restrictions on concurrent positions: Allowed to serve concurrently at up to three listed companies, including Kurita

Tsuguto Moriwaki	
Appointed as director of Kurita	June 2015
Significant positions concurrently held	None
Board attendance	11/11 (100%)
Reason for election	Mr. Moriwaki is an individual who possesses a great deal of knowledge about manufacturing and corporate reform. The Company believes that he is an individual capable of utilizing this knowledge as well as his experience of having served in important positions such as representative director in other companies to deliver opinions from an outside perspective and increase the rationality and transparency of the Company's management.






Ryoko Sugiyama	
Appointed as director of Kurita	June 2017
Significant concurrent positions	<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	9/11 (81.8%)
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 New
Significant concurrent positions	<ul style="list-style-type: none"> • Vice President, Nissan Financial Services Co., Ltd.
Board attendance	8/8 (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.

Note: Board attendance is for April–December 2019.

Effective Functioning of Members of the Audit & Supervisory Board

Attendance at Board of Directors meetings and active input

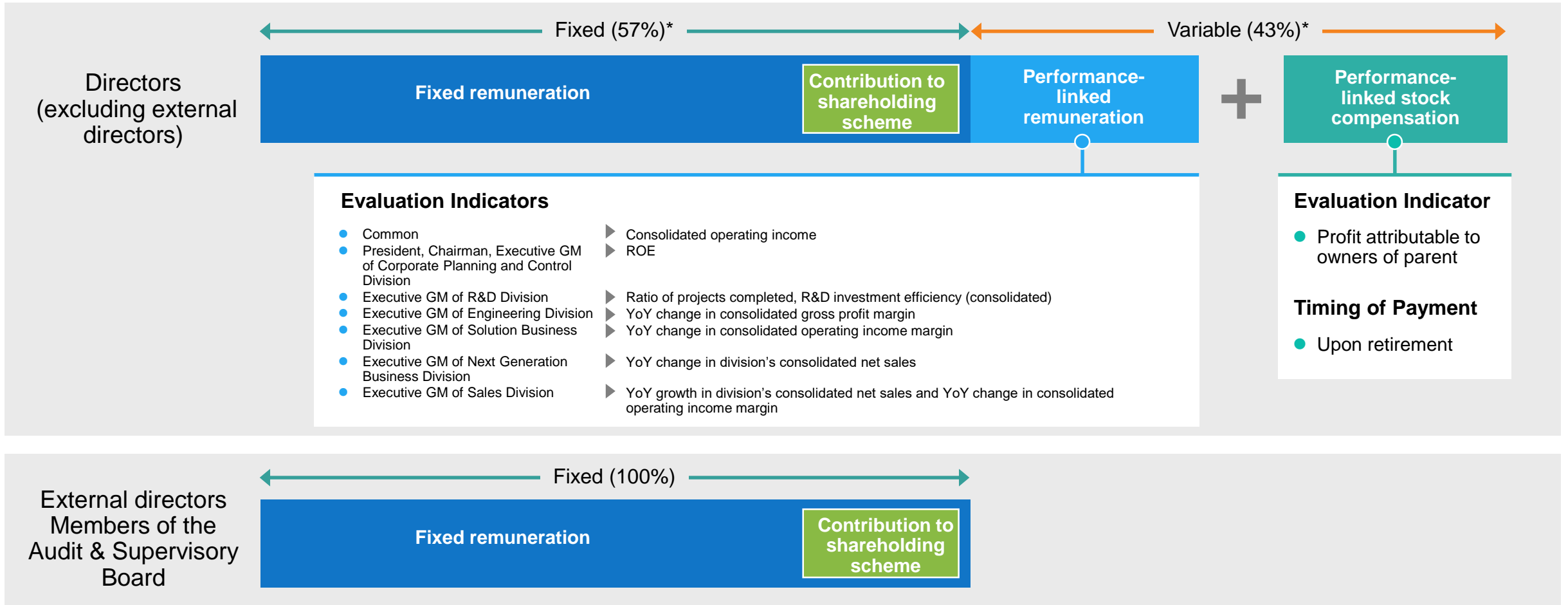
Name	Experience, Abilities, Expertise	Attendance (April–December 2019)	
		Board meetings	Audit meetings
Yukihiko Muto 	Possesses a wealth of knowledge and experience on finance, accounting and management.	8 / 8 meetings	6 / 6 meetings
Kenjiro Kobayashi  	Has had a distinguished career in fields separate from the Kurita Group; possesses highly specialized expertise in finance, corporate planning, new business development, and a wealth of experience in international business.	11 / 11 meetings	8 / 8 meetings
Shigekazu Torikai  	Possesses specialized expertise as a lawyer and a wealth of experience and insight into corporate legal matters.	11 / 11 meetings	8 / 8 meetings

- Members of the Audit & Supervisory Board attend meetings held by the Board of Directors, Executive Committee, E&S Committee and other important meetings while auditing directors' execution of duties
- 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 2019.

(Reference) Efforts for Dialogue with Shareholders/Investors



New Initiatives
(Implemented for
FY ending 03/2020)

Preparation of Integrated Report

Previous Key Initiatives

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-
Preparation of English translation of CG report	October 2016-
Quick disclosure prior to notice of convocation	June 2016-
Production of notice of convocation in color, addition of 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-

(Reference) Initiatives Concerning the E in ESG

Creation of shared value with customers and society in the CSV business

Definition of CSV Business

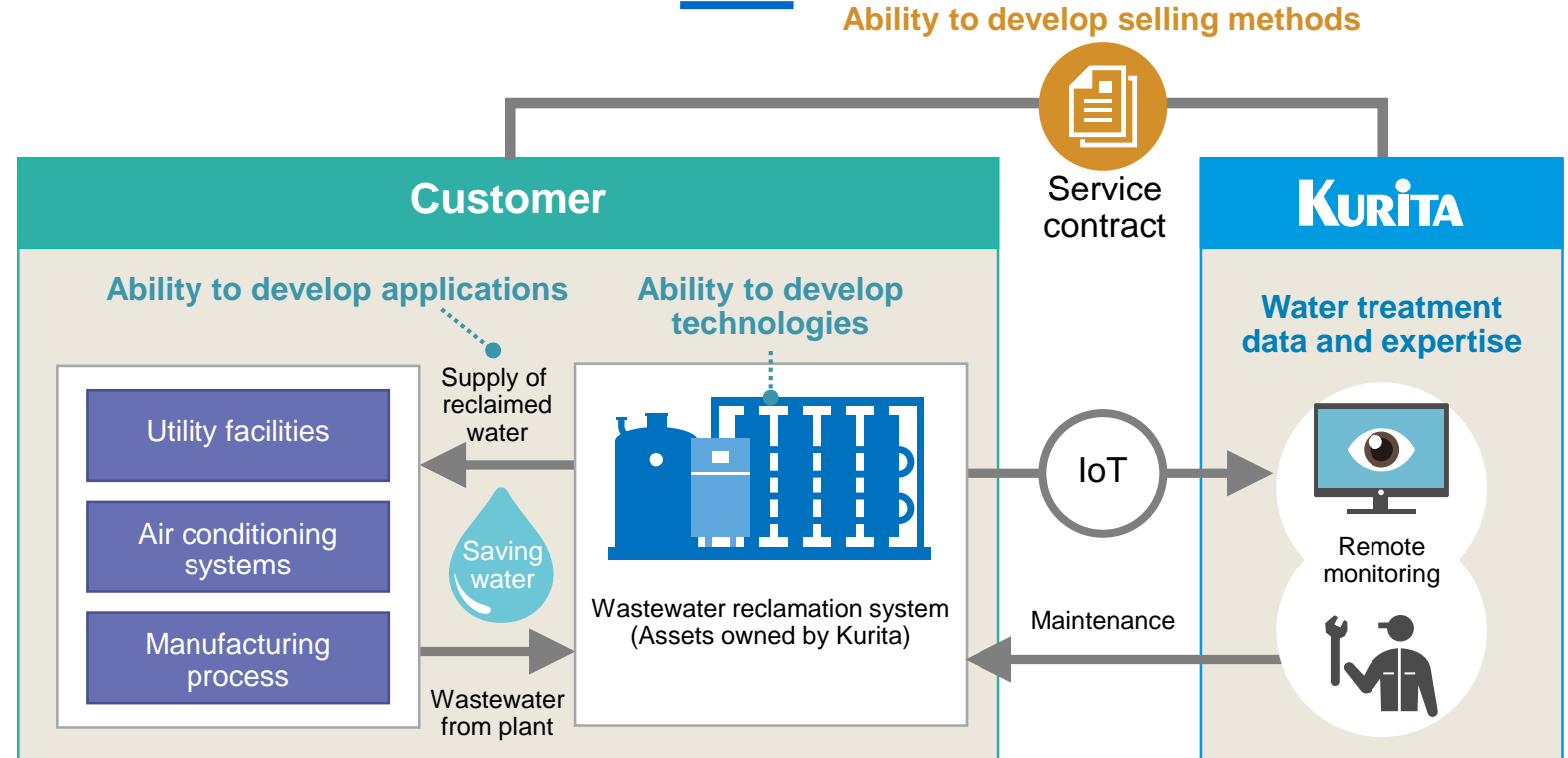
Products, technologies, and business models that contribute significantly to water-saving, CO₂ emissions reduction and waste reduction compared to previous levels

CSV Business Selection Standard

CSV businesses demonstrate the following standards with regard to water-saving, CO₂ emissions reduction, and waste reduction:

- 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.

Example of CSV Business (Reclaimed Water Supply Service)



(Reference) Initiatives Concerning the S in ESG

We are engaged in the development of human resources
who will support a sustainable society

**National Museum of
Emerging Science
and Innovation**
(The Wonderful World of
Water)



KidZania Tokyo
(The Universe – Water
Reclamation Laboratory)

EcoPro 2019
(Water Reclamation Station)



JSEC 2019
(Japan Science &
Engineering Challenge)



Forward-looking Statements

The plans and values contained in this document are decided based on information available at the present time.
They contain risks and uncertainties, and therefore may differ from actual results.