

The Basis for Management Activities

Corporate Governance

Basic Concept

The Kurita Group aims to contribute broadly to society through corporate activities in the fields of water and environment in accordance with the Kurita corporate philosophy, "Study the properties of water, master them, and we will create an environment in which nature and man are in harmony." The Kurita Group will make efforts to promote sustainable growth and enhance its corporate value in the medium and long term, deferring to the rights and position of various stakeholders such as customers, business partners, employees, shareholders, and local communities while striving to meet their expectations. To this end, the Kurita Group is striving to establish corporate governance, with the aim of realizing transparent, fair, prompt, and decisive decision-making measures and highly effective management supervision.

Corporate Governance Structure

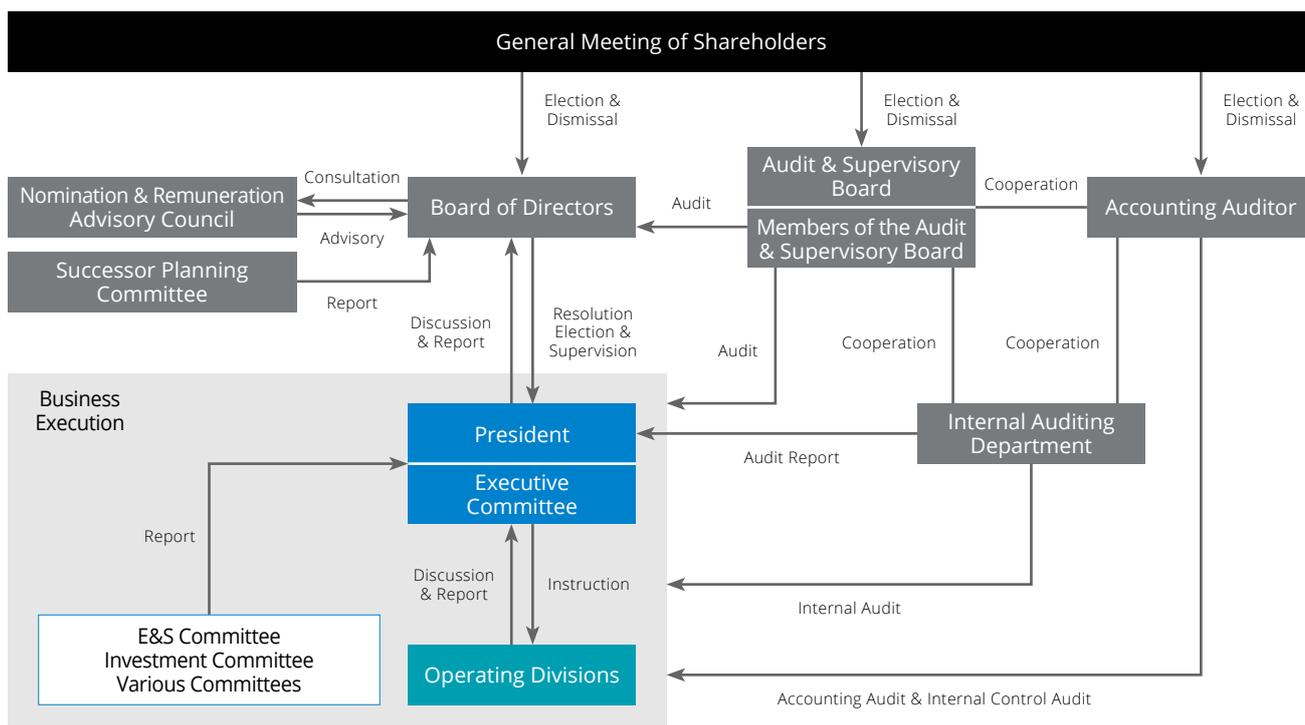
As a company with an Audit & Supervisory Board, the Company's Board of Directors has the two functions of decision-making and supervision over business execution. The Board sets the strategic direction for the Kurita Group and supervises management in general, as well as deciding on the execution of business for important investment and financing projects, the transfer of business, and so forth. For matters other than important matters, business execution is decided by the Executive Committee, which is composed of management executives, or by management executives who have been given deciding authority under the Internal Decision Approval and Review Rules.

Overview of Corporate Governance Structure

(As of June 27, 2019)

Organization form	Company with an Audit & Supervisory Board
Number of directors	11
Of which, external directors	3
Term of office of directors	1 year
Incentive policies for directors	Performance-linked remuneration
Disclosure of individual director's remuneration	Disclosure is restricted to persons with ¥100 million or more.
Voluntary Establishment of Committees	Nomination & Remuneration Advisory Council, Successor Planning Committee
Number of members of the Audit & Supervisory Board	3
Of which, external members	2
Number of independent officers	5
Accounting auditor	Grant Thornton Taiyo LLC
Adoption of executive officer system	Yes

Corporate Governance Structure (As of June 27, 2019)



Composition of the Board of Directors

The Board of Directors shall be organized in a way that complements the necessary knowledge, experience and diversity over the entire Board for appropriate management decision making and supervision of business execution. The Company will ensure that the Board will consist of personnel with

a high degree of expertise in various business fields, management planning, finance and accounting, legal affairs, and technologies, etc., taking into consideration gender, international experience, etc.

Distribution of Knowledge and Experience in the Board of Directors

Name	Sales		Management planning	Finance and accounting Legal affairs Human resources	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)	—	—	—	—	—	●		●

Notes: 1. This table is created based on the brief personal histories, positions and assignments in the Company, and reasons for deciding to make the person a candidate for director provided in Proposal No. 3 of the Notice of Convocation of the 83rd Ordinary General Meeting of Shareholders.
2. "Technology" includes both R&D and production.

Business Execution Structure

Executive Committee

The Executive Committee is established to conduct reviews of matters resolved at the Board of Directors meetings when necessary to expedite and facilitate the decision-making process at the Board of Directors meetings. The Executive Committee consists of the president and representative director, directors at the level of managing director and above, the executive general manager of the Corporate Planning and Control Division, and directors and executive officers designated by the president.

Executive Officers

The Company has in place the executive officer system since June 2005 for the purpose of strengthening business execution capabilities and has appointed eight executive officers as of June 27, 2019. In the fiscal year ended March 31, 2019, the executive officer system was revised. Executive officers who were previously employed under an employment contract as employees were changed to a one-year appointment contract. The Company will continuously strengthen the business execution functions of executive officers.

Investment Committee

To enhance and strengthen the screening of investments and financing of the Kurita Group, the Company established the Investment Committee in April 2017. The Committee is chaired by the deputy executive general manager of the Corporate Planning and Control Division, who is the chief officer responsible for financial management, and composed of people responsible for the main departments within the Administrative Division. The role of the Investment Committee is to pre-screen investment and financing projects to be discussed by the Board of Directors or the Executive Committee and report the pre-screening result and major discussion points to the Board of Directors and the Executive Committee. Organizing the major discussion points through the pre-screening by the Investment Committee helped to enhance the quality of discussion and the speed of investment decision-making by the Board of Directors and the Executive Committee.

In accordance with the policy of striving to maintain return on equity (ROE) at levels above the cost of shareholders' equity, when making an investment decision, the Kurita Group sets a hurdle rate in consideration of risks for each investment project against the cost of shareholders' equity.

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Roles and Results of the Investment Committee (The fiscal year ended March 31, 2019)

Roles	<ul style="list-style-type: none"> Pre-screening of investment and loan projects to be discussed by the Board of Directors or the Executive Committee Report the pre-screening result and major discussion points to the Board of Directors or the Executive Committee 	
Constituent members	Chairperson: Deputy executive general manager of Corporate Planning Division Members: Executive general manager of Group Administrative Division, general manager of the Corporate Planning Department, general manager of the Accounting Department, general manager of the Finance Department, general manager of the Group General Affairs Department, manager of the Group Legal Department, and general managers of business management departments	
Results in the fiscal year ended March 31, 2019	Number of meetings held	14
	Number of projects pre-screened	Equity investment and M&A projects: 12 Capital investment projects: 6 Financing and fund procurement projects: 4 Company establishments, relocations, reorganizations: 5 Business facility sales: 2 <div style="float: right; margin-left: 20px;"> Total: 29 </div>
	Results	Improved quality of discussion at the Board of Directors and the Executive Committee meetings. Enabled earlier filing of requests by requesting departments and increased request activity as a result
(Reference) Investment Standard	Hurdle rate calculated as "cost of capital (estimated at slightly under 8%) + risk premium for each project"	

Fulfilling the Function of the Audit & Supervisory Board Members

The Company's Audit & Supervisory Board members attend important meetings including meetings of the Board of Directors, the Executive Committee, and the E&S Committee, and audit execution of duties by directors. They also audit the status of performance of oversight duties by the Board of Directors. Furthermore, they also conduct asset status surveys of the entire Kurita Group and audit the development and operation of internal control systems implemented by the directors.

Cooperation with the Accounting Auditor and the Internal Auditing Department

The members of the Audit & Supervisory Board confirm the Accounting Auditor's independence and the status of their performance of duties and hold discussions and exchanges of opinions with the Accounting Auditors about accounting audits on a periodic basis and as required. Furthermore, the members of the Audit & Supervisory Board discuss internal audit plans with the Internal Auditing Department in charge of internal audits of the Company and exchange opinions with them about audit results and evaluations of internal controls, risk management, etc., relating to financial reporting.

Experience, Capability, and Knowledge of the Audit & Supervisory Board Members

Name	Experience, Capability, and Knowledge	Attendance (Fiscal year ended March 31, 2019)	
		Board of Directors' meetings	Audit & Supervisory Board meetings
Kenjiro Kobayashi <small>External member of the Audit & Supervisory Board Independent officer</small>	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, corporate planning, new business development, M&As, etc., along with a wealth of international experience.	15 / 15	11 / 11
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.	—	—
Shigekazu Torikai <small>External member of the Audit & Supervisory Board Independent officer</small>	Mr. Shigekazu Torikai has special knowledge as well as a wealth of experience and deep insight into corporate legal affairs as an attorney.	13 / 15	10 / 11

Evaluation of the Effectiveness of the Board of Directors

The Board of Directors analyzes and evaluates its effectiveness every year in order to fulfill its expected roles and functions more effectively.

Evaluation Method

The evaluation is carried out via a written survey with each of the respondents identified. Following a discussion on the aggregate results, the Board of Directors, evaluates its effectiveness, identifies problems, designates issues to be addressed and establishes measures. These matters are then adopted by a resolution of the Board. In the fiscal year ended March 31, 2019, the survey was partially revised to make it more specific based on the results of the previous year's survey.

Evaluation method	<p>Self-Evaluation This evaluation was conducted via a written survey, with each of the respondents identified. Following a discussion on the aggregate results, the Board of Directors, evaluated its effectiveness, clarified issues and adopted measures for the future.</p>
Evaluation items	<p>The following six themes were evaluated</p> <ol style="list-style-type: none"> 1) Roles and responsibilities of the Board of Directors 2) Collaboration with members of the Audit & Supervisory Board and external directors 3) Composition of the Board of Directors 4) Operation of the Board of Directors 5) Contributions of individual directors and members of the Audit & Supervisory Board 6) Dialogue with shareholders
Evaluation period	From January to December 2018

Evaluation Results

According to the evaluation results for January to December 2018, the average self-evaluation of all Directors and members of the Audit & Supervisory Board was generally good in all six areas, indicating that the effectiveness of the Board of

Directors is ensured. The area of “collaboration with members of the Audit & Supervisory Board and external directors” was highly evaluated with less variance of evaluation among inside directors, external directors and members of the Audit & Supervisory Board. On the other hand, while evaluation scores generally showed increasing trends, certain items related to the establishment of structures that support risk-taking of the Kurita Group and the organization of the Kurita Group's risk management systems were evaluated relatively lower than other items. The issue and measures to be addressed in the fiscal year ending March 2020 were resolved to improve such evaluation.

Issue

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

Measures

In order to strengthen governance at Group companies in Japan and overseas, we will further improve the systems and structures provided by the Company, and the Board of Directors will accurately evaluate operational status and aim to improve effectiveness.

Status of Initiative on Issues Based on Evaluation Result for the Fiscal Year Ended March 31, 2018

The evaluation result for the fiscal year ended March 31, 2018, identified the issue that “More in-depth discussion regarding the selection of successors is necessary.” Based on this, in the fiscal year ended March 31, 2019, the Company built a system for selecting and developing successor candidates for the president, the directors, and the executive officers. A structure was established for systematic selection based on objective evaluation of successor candidates, for the president, directors, and the executive officers, and for the development of successors. This served to enhance the content of discussions by the Board of Directors on selection of directors and executive officers.

Advisory Councils for the Board of Directors

Nomination & Remuneration Advisory Council

The Company has in place a Nomination & Remuneration Advisory Council, a voluntary committee to increase transparency in the decision-making process regarding remuneration for directors and nomination of directors and members of the Audit & Supervisory Board. The frequency of meetings in the fiscal year ended March 31, 2019 was twice for nomination (directors and members of the Audit & Supervisory Board) and once for remuneration. The Council was chaired by an external director, with the main members being the external directors and the external members of the Audit & Supervisory Board.

The chairperson of the Board of Directors consults with the Nomination & Remuneration Advisory Council beforehand when proposals are made to the Board of Directors regarding candidates for director or member of the Audit & Supervisory Board or remuneration for directors. Having received the request, the Council reports on the suitability or unsuitability of the candidates to the Board of Directors.

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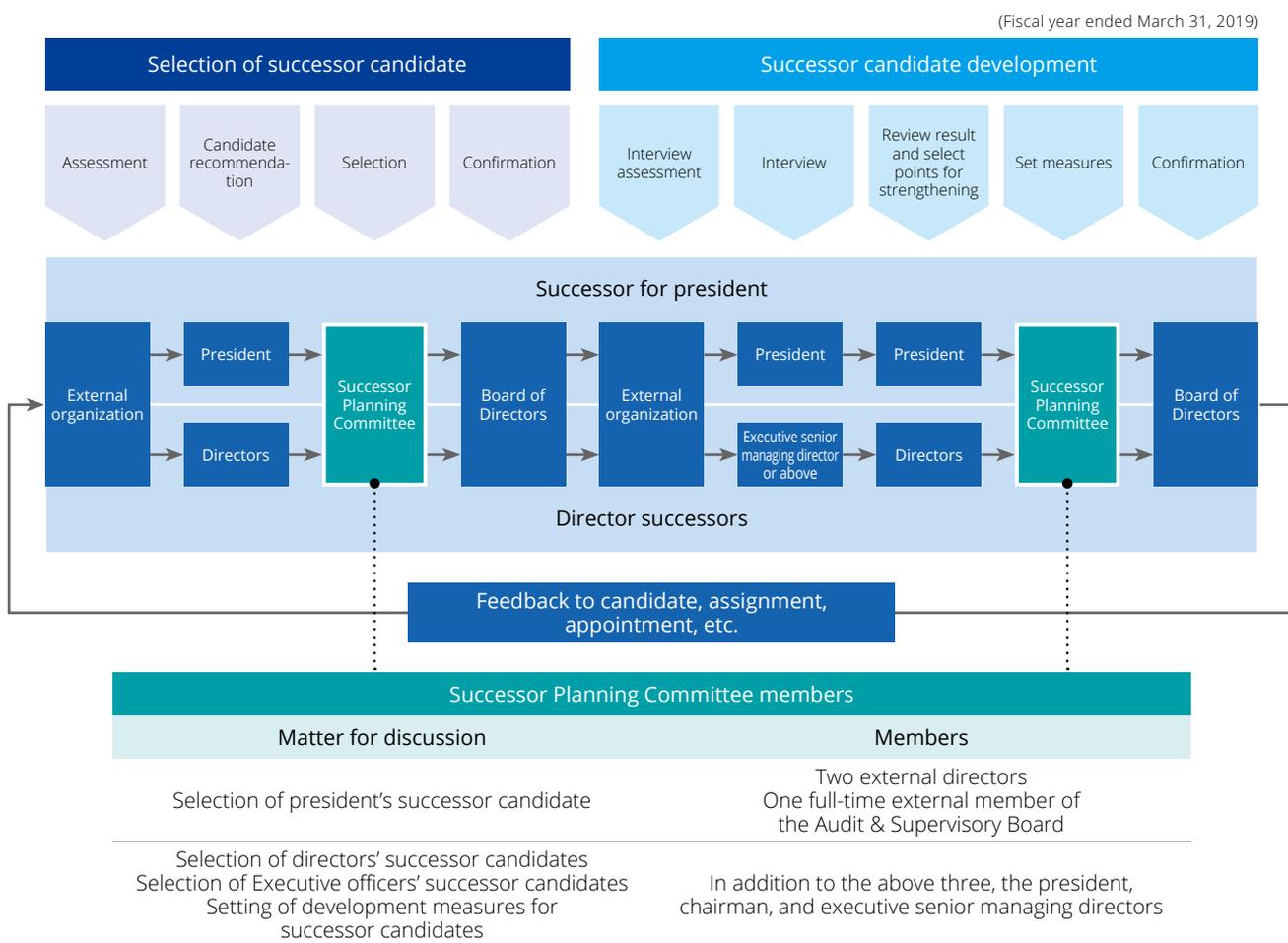
Profile of Nomination & Remuneration Advisory Council (Fiscal year ended March 31, 2019)

	Constituent members	Results in the fiscal year ended March 31, 2019	
Nomination	Candidates for directors Candidates for representative directors Candidates for executive directors	<ul style="list-style-type: none"> Two external directors President One full-time external member of the Audit & Supervisory Board 	<ul style="list-style-type: none"> Determining the appropriateness of all candidates for director
	Candidates for members of the Audit & Supervisory Board	<ul style="list-style-type: none"> One full-time external member of the Audit & Supervisory Board President One full-time internal member of the Audit & Supervisory Board Executive general manager of the Corporate Planning Division 	<ul style="list-style-type: none"> Determining the appropriateness of candidates for members of the Audit & Supervisory Board
Remuneration	<ul style="list-style-type: none"> Two external directors President One full-time external member of the Audit & Supervisory Board 	<ul style="list-style-type: none"> Performance evaluation of directors Discussion of the appropriateness of incentive remuneration Discussion of the appropriateness of fixed remuneration 	

Successor Planning Committee

Based on the decision on issues to be addressed and measures for them in the evaluation of the effectiveness of the Board of Directors for the fiscal year ended March 31, 2018, in May 2018 the Company established the Successor Planning Committee, mainly comprising external officers, as an organization for selecting successor candidates for the president, directors, and executive officers and deciding on

measures for their development. The committee refers to objective information such as external organization assessment results for the successor candidates and selects successor candidates for the president, directors, and the executive officers, as well as setting the development measures for the successor candidate for president, and reports these to the Board of Directors.



Remuneration for Directors and Members of the Audit & Supervisory Board

The Company's remuneration system for directors excluding external directors is composed of fixed remuneration as base remuneration, and incentive remuneration reflecting business results. For external directors and members of the Audit & Supervisory Board, who perform oversight functions, only the fixed remuneration system is adopted. An amount of the fixed remuneration is decided for each job title in the case of directors and for each working style in the case of members of the Audit & Supervisory Board. Part of the remuneration is appropriated for the directors' and Audit & Supervisory Board members' Shareholding Scheme for purchasing the Company's shares in order that directors and members of the Audit & Supervisory Board share the risk of stock price fluctuation with shareholders.

To provide an incentive to directors excluding external directors to continuously increase corporate value, the Company provides short-term and long-term incentive remuneration. The short-term incentive remuneration is variable depending on the degree to which consolidated operating

income achieves an annual business plan and the performance of duties for which each person is responsible. For the long-term incentive remuneration, the Company has introduced a performance-linked stock compensation program under which points are awarded according to business performance and job title during the term of office, and shares of the Company are granted at the time of retirement in an amount corresponding to the number of accumulated points.

The remuneration system and level and performance evaluation of directors are adopted by resolution of the Board of Directors after consulting in advance with the Nomination & Remuneration Advisory Council. Based on the report given by the Nomination & Remuneration Advisory Council, the Board of Directors will decide the allocation of remuneration of the directors within the total amount determined by a General Meeting of Shareholders. The allocation of remuneration for each member of the Audit & Supervisory Board is adopted by resolution of the Audit & Supervisory Board.

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

Payment Ratio of Base Remuneration and Incentive Remuneration (Average)

Base remuneration		Performance-linked remuneration		Total
Of which, payment to shareholding scheme		Short-term incentive remuneration	Long-term incentive remuneration	
50%—90%	10%—20%	0%—30%	10%—20%	100%

Remuneration for Directors and Members of the Audit & Supervisory Board

Total amount of remuneration, etc., for each officer classification, total amount by type of remuneration, etc., and number of eligible officers (Fiscal year ended March 31, 2019)

Officer classification	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration by type (millions of yen)			Number of eligible payees for base remuneration
		Base remuneration	Performance-linked remuneration	Retirement benefits	
Directors (excluding external directors)	543	310	233	—	10
Members of the Audit & Supervisory Board (excluding external members)	34	34	—	—	1
External officers	75	75	—	—	4

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Total Amounts of Consolidated Remuneration, etc., for Each Officer of the Company (Fiscal year ended March 31, 2019)

Name	Total Amount of Consolidated Remuneration (Millions of yen)	Officer classification	Amounts of consolidated remuneration, etc., by type (Millions of yen)		
			Base remuneration	Performance-linked remuneration	Retirement benefits
Michiya Kadota	112	President and Representative Director	64	47	—

Note: Only directors whose total consolidated remuneration, etc., is ¥100 million or more are listed.

Independent External Directors

The Company's external directors are appointed for a term of one year and may concurrently hold positions at up to three listed companies including the Company. The independent external directors use their knowledge and specialist insight accumulated through experience in management to evaluate management and express opinions from the perspectives of the Kurita Group's sustainable growth and medium- to long-term increase in corporate value, helping to enhance the rationality and transparency of decision-making by the Board of Directors.

The activities of the independent external directors include making active statements and proposals in the Board of Directors' meetings, the Nomination & Remuneration

Advisory Council, and the Successor Planning Committee, as well as attending as observers in internal committees such as the E&S Committee, the Solutions Business Committee, and the Health and Safety Committee. They also make onsite visits to gain a deeper understanding of operations for evaluating management.

In June 2019, we welcomed Ms. Keiko Tanaka as an external director, bringing the number of external directors to three. Ms. Tanaka has experience in business fields that differ from those of the Group and a great deal of knowledge about public relations and marketing, as well as international experience. The Company expects her to use these in expressing opinions from an external perspective.

Status of External Directors (As of June 27, 2019)

Post	Name	Number of meetings of the Board of Directors attended (Fiscal year ended March 31, 2019)	Reasons for election as a director
Directors	Tsuguto Moriwaki	Board of Directors' meetings: 14/15	Mr. Tsuguto Moriwaki is an individual who possesses a great deal of knowledge about manufacturing and corporate reform. The Company judged that he could take advantage of his knowledge and experience, having held 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	Board of Directors' meetings: 14/15	Ms. Ryoko Sugiyama is an expert on the environment and waste and has held important positions such as an external director of listed companies. The Company judged that she was capable of providing opinions from an outside perspective, different from those within the Company, and increasing its rationality and transparency.
	Keiko Tanaka	—	Ms. Keiko Tanaka has experience in business fields that differ from those of the Kurita Group and a great deal of knowledge about public relations and marketing, as well as international experience. The Company judged that she was capable of using these to express opinions from an outside perspective to increase the rationality and transparency of the Company's management.

Shareholdings of Other Listed Companies

The Company holds shares of other listed companies for strengthening business relationships. We verify the economic rationality for respective shareholdings by comparing the expected earnings based on capital cost and the earnings from holding the shares. We also examine the relationships with companies whose shares the Company holds by carefully examining our transaction histories with

them. Based on the results of this examination, the Board of Directors reviews the appropriateness of holdings periodically and at other times as necessary, and reduces the number of shares held. In the fiscal year ended March 31, 2019, we sold the shares of 13 companies, including partial sales, and allocated the funds acquired from the sales to capital investments and M&As.

Policy regarding shareholding of other listed companies

Increasing capital efficiency by selling shareholdings in line with the policy of the medium-term management plan

Policy		<ul style="list-style-type: none"> • In some cases, the Company holds shares of other listed companies to strengthen business relationships, etc. • When holding such shares, the Company makes efforts to minimize the risk of holding the shares. The propriety of holding each individual stock is reviewed on a regular or timely basis at the Board of Directors. Based on the results of the examination, the Company aims to reduce the holding of shares of other listed companies. • The Company exercises decision-making authority for each proposal giving consideration to whether it will contribute to increase shareholder value. • If a shareholder indicates its intention to sell the Company's shares, the Company will not prevent the shareholder from making such sale, etc.
Review of shareholdings	Frequency	Once a year or as necessary
	Standard	<ul style="list-style-type: none"> • Total of operating profit and dividends received is less than expected return for five consecutive years • An improper incident occurs, etc.
Record of sales	Fiscal year ended March 31, 2018	• 9 of 46 stocks
	Fiscal year ended March 31, 2019	• 13 of 37 stocks (includes partial sales)

Dialogue with Shareholders and Investors

The Kurita Group aims to respect its shareholders in management and strives to listen to its shareholders and investors and promote constructive dialogue with them in order to contribute to increasing medium- to long-term corporate value. In communicating information, the Company emphasizes fairness and transparency. The materials and summary of the Q&A sessions of the Company's presentation meetings is posted on its IR website as much as possible in an effort to prevent information gaps.

IR Activities

The Group strives to secure opportunities for dialogue with institutional investors in Japan and overseas and individual investors in Japan through various presentations, conferences, and individual meetings. The president is the main speaker at the financial results presentations. For routine dialogues, the personnel in charge of investor and shareholder relations and the personnel in charge of CSR serve as the main speakers, except for silent periods.

IR Activities in the Fiscal Year Ended March 31, 2019

	Dialogue events	Number of events
Institutional investors (including shareholders)	Financial results presentations (including teleconferences)	4 times
	Small group meetings	4 times
	Individual meetings	Total approx. 200 times
	Overseas roadshows	2 times
Individual investors (including shareholders)	Shareholders presentation after Annual General Meeting of Shareholders	1 time
	Presentations for individual investors	2 times
	Issue of letter to shareholders	1 time

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Communication with People Responsible for Exercising Voting Rights

The Company is working to increase opportunities for dialogue with members of institutional investors responsible for exercising voting rights in an effort to listen to their opinions and reflect them in improvement of management. In the fiscal year ended March 31, 2019, personnel responsible for investor and shareholder relations visited the offices of major investors and voting advisory institutions in Japan 14 times to hear the voting policies of institutional investors and their opinions and expectations for the Group's management, as well as improvement on corporate governance. The opinions and expectations are being swiftly relayed back to management.

Initiatives to Continuously Improve Convenience for Exercising Voting Rights

Initiative	Starting time
Adoption of full-color convocation notices	June 2018
Increase in English translation scope of the convocation notice	June 2018
Preparation of English version of the corporate governance report	October 2016
Early disclosure prior to convocation notice dispatch	June 2016
Preparation of English-language convocation notice (reference documents)	June 2013
Shareholder relations visits	November 2011

Revision of Disclosure Policy

With the introduction of the so-called "fair disclosure rule" with the revision of the Financial Instruments and Exchange Act in April 2018, the Company has revised its disclosure policy. In the revision, the Company has clearly documented the purpose of disclosure, handling of important information, systems for ensuring fairness of disclosures, and so

forth. At the same time, the Company has prepared a practical internal manual for disclosures. Making use of this, we will strive to ensure fair and timely disclosures to investors, while making sure that our disclosures do not become constrained by an over-emphasis on ensuring fairness.

Review by External Directors

Tsuguto Moriwaki, Director

The Company's corporate governance has made significant advances compared with one year ago. Last year, I indicated the need to establish a system for selecting and developing successors to the president and directors, and we have now seen the establishment of the Successor Planning Committee. Schemes provided by external organizations may not necessarily be suitable for the Company, but the Company can revise them in instances where reforms have gone too far. Moreover, by including myself in the discussion, I believe the process will be more transparent. I also think that the current method and system for deciding on director remuneration is appropriate.

On the other hand, I believe there is some room for improvement of the Investment Committee. Rather than having the discussion in the Investment Committee pass through the Executive Committee as it does now, if it were reported directly to the Board of Directors, the Board would be able to have deeper discussion.

In terms of enhancing the discussion regarding medium- to long-term strategy, by making the medium-term management plan cover five years, the Board of Directors' perspective has changed by being able to observe events over a longer span. They have also been able to cultivate a medium- to long-term perspective on the SDGs, which is in keeping with the spirit of the Company. I would like to see all Group employees incorporate this into their actual working activities and build on them.



Ryoko Sugiyama, Director

In terms of corporate governance in the fiscal year ended March 31, 2019, the Company appears to have made bold reforms in the selection and development of successors to the president. I consider this approach to be consistent with the trend of governance reform generally. A few years on from this reform, I think that points for revision will emerge, and I hope that the Company will make revisions at that time. I believe that involving external directors in the personnel selection process will bring transparency and acceptability to the discussion.

Now the number of external directors has been increased from two to three, which is a step in the right direction for strengthening their function. The discussion in the Board of Directors is very lively, and I feel that it has changed compared to one year ago when I was appointed.

From the fiscal year ended March 31, 2019, I have attended several committees multiple times, which has afforded me a deeper understanding of the Company. In particular, in the E&S Committee, which deals with environmental and social issues, there is an overlap with my own field of expertise so learning about the discussion and consideration process in this committee really helped me to understand the Company. Looking ahead, I plan not only to listen, but also to participate in the discussion. I also find that observing Group companies and customers' sites helps me to know the Company.



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Risk Management

The Kurita Group defines risk as any event that makes its sustainable growth and enhancement of the Group's corporate value uncertain. We identify risks that need to be addressed while minimizing losses and damage caused by risks by taking measures to avoid and mitigate risks, so that we can continue securing business opportunities for further growth.

Risk Management System

The executive general manager of the Corporate Planning and Control Division is the officer responsible for monitoring risks and implementing risk management in the Kurita Group. The executive general manager regularly conducts analysis and evaluation of the Group's risks, conducts ongoing monitoring based on the Company-wide risk map, and takes steps to prevent risks from occurring.

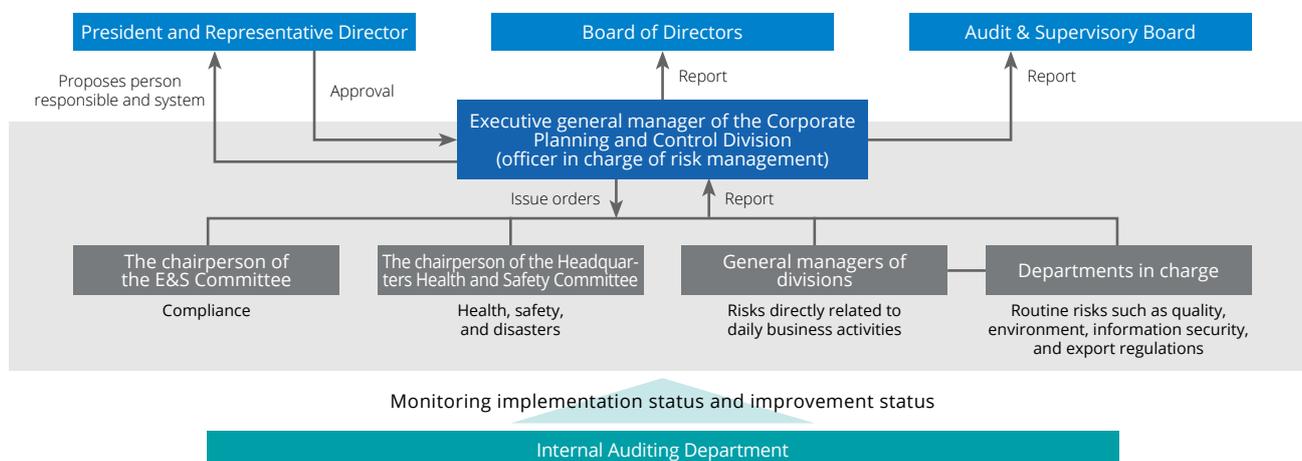
If a risk that could have a serious impact on management occurs, the general manager formulates systems with those responsible for responding to the risk, obtains approval from the president and the representative director, and immediately issues orders. Those responsible for responding to the risk promptly take action and report to the president and the representative director and the executive general manager of the Corporate Planning and Control Division regarding the status of the effects of the risk, remediation, and measures to prevent reoccurrence.

Among serious risks, those related to compliance are the

responsibility of the chairperson of the E&S (Environmental & Social) Committee, while those related to health, safety, and disasters are the responsibility of the chairperson of the Headquarters Health and Safety Committee. The executive general manager of each division is responsible for responding to risks directly associated with day-to-day business operations. Also, responding to commonly seen risks relating to quality, environment, information security, export controls, and so on are handled by the respective divisions responsible.

The executive general manager of the Corporate Planning and Control 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, and report as necessary to the Board of Directors and the Audit & Supervisory Board on the occurrence and effects of serious risks. Furthermore, monitoring of the execution status and improvement status of risk management is conducted by the Internal Auditing Department.

Risk Management System



Business Continuity Management (BCM) Policy

The Kurita Group formulated the Business Continuity Management (BCM) Policy to set out the Kurita Group's principles for handling emergencies that pose a risk to the continuity of the Group's businesses, such as severe earthquakes, typhoons, or pandemics. The policy enables Kurita Group officers and employees to make judgements and act appropriately by clarifying our basic approach as follows.

1. Highest priority on ensuring the preservation of human life
The Kurita Group will place highest priority on ensuring the peace of mind and safety and security of the officers and employees, and their family members.

2. Early restoration of business operations

The Kurita Group will endeavor to quickly restore the operations at its own facilities, completed properties, properties under construction, and so forth. In this way, it will make efforts to supply products and services in a stable manner and to support its customers' recovery efforts.

3. Community support

While making efforts to prevent secondary disasters at its own sites, the Kurita Group will support reconstruction of the local community.

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Compliance

All Kurita Group officers and employees share fairness, transparency, integrity, safety, and compatibility as five core values, and the Kurita Group Code of Conduct has been created to set out basic guidelines for judgment and conduct for how all Kurita Group officers and employees should conduct themselves and what conduct is prohibited.

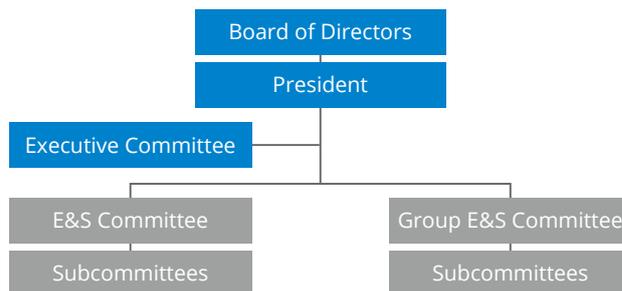
 Please see the following website for our Code of Conduct.

Kurita Group Code of Conduct https://www.kurita.co.jp/english/philosophy_vision/pdf/philosophy_vision_01.pdf

Promotion System

The Kurita Group has established the E&S (Environmental & Social) Committee, and the Group E&S Committee as organizations for overseeing compliance activities. Both committees are chaired by the Company's director, and the Group Committee's members are representatives of Group companies or members designated by these representatives. In these committees, the Group sets out policies and important measures for compliance activities and conveys them to all employees through subcommittees at each headquarters division and Group company.

Promotion System



Main Initiatives

Anti-Bribery Initiatives

The Kurita Group has formulated the Kurita Group Anti-Bribery Policy and the Kurita Group Antitrust Policy to ensure the promotion of fair business practices throughout the entire Group. These policies have been translated into 16 languages so that all Kurita Group officers and employees throughout the world can understand them.

In the fiscal year ended March 31, 2019, the Company and its domestic affiliates provided anti-bribery e-learning training for all their officers and employees.

Compliance Training for Management

The Company conducts ongoing compliance training for its management team and those of its domestic Group companies. In the fiscal year ended March 31, 2019, a training program about plea bargaining was held and attended by 59 people from the Company.

Compliance Behavior Survey

The Kurita Group conducts the Compliance Behavior Survey for employees and dispatch staff each year in order to clarify the impact of compliance activities and any problems, and to identify latent legal and regulatory infringement risks to help reduce risks going forward. In the fiscal year ended March 31, 2019, the survey was conducted for 6,944 employees and dispatch staff with a 98.9% response rate.

Consultation and Whistle-Blowing Desk

The Kurita Group has established consultation desks within each company and outside organizations where people can report or consult if they observe behavior that violates or potentially violates the Kurita Group Code of Conduct, policies related to compliance, or internal company rules. These consultation desks are provided not only for Kurita Group employees, but also for dispatch staff sent to work in the Kurita Group and personnel at our business partners and so forth. They are designed in an effort to protect persons who consult or make reports and to achieve early detection of dishonest practices. Moreover, the Company also operates the Kurita Global Helpline, which allows the employees of overseas Group companies to make reports to a consultation desk.

Requests to Business Partners for Compliance Initiatives

In accordance with the Kurita Group Procurement Policy, the Company absolutely refrains from any transactions that would benefit antisocial forces or terrorist groups. Furthermore, we have formulated the Kurita Group CSR Procurement Guidelines, which require our business partners to observe laws, regulations, and social norms, while refusing relationships with antisocial forces. In the fiscal year ended March 31, 2019, we asked our business partners who receive particularly large orders from us to conduct a self-evaluation based on the Guidelines, and to carry out improvement measures.

The Basis for Management Activities

Environmental Improvement Activities

The Kurita Group defines its environmental improvement activities as follows: 1) activities to comply with the environment-related laws and regulations of each country and region that are applicable in conducting business activities; 2) initiatives to solve international issues related to the sustainability of water and the environment through business activities; and 3) disclosure of information related to 1) and 2), and engagement with customers, business partners, employees, shareholders and investors, and local communities related to such activities. Moreover, we strive to make environmental improvements not only within the Company, but also in the operations of customers using our products and services. These efforts are conducted under the Kurita Group Environmental Policy, and the entire Group is promoting activities based on the policy.



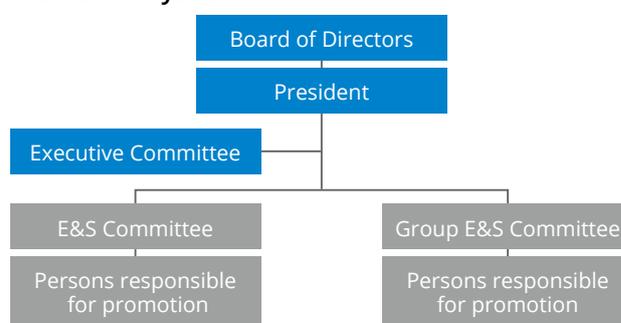
Please see the following website for our environmental policy.

Kurita Group Environmental Policy <https://www.kurita.co.jp/english/csr/management/policy/environment/index.html>

Promotion System

The Kurita Group has established the E&S Committee, which is chaired by a director of the Company, and the Group E&S Committee, chaired by the same director and composed of representatives of domestic Group companies. These committees oversee environmental improvement initiatives in the Kurita Group. The committees formulate unified medium-term goals for the Kurita Group's environmental improvement initiatives and action plans for each fiscal year. Personnel responsible for promotion are designated by the committee chair to promote activities for achieving the targets of the environmental improvement initiatives at their assigned company or organization. They report the status and results of the activities to the E&S Committee.

Promotion System



Environmental Improvement of Customers' Operations (Promotion of CSV Business)

From the fiscal year ended March 31, 2019, the Kurita Group has defined products, technologies, and business models that contribute significantly to water-saving, CO₂ emissions reduction and waste reduction compared to previous levels as the "CSV business," and has expressed these advantages as respective coefficients. The reduction of environmental impact from customers' operations is calculated based on these CSV business coefficients and application results. The CSV business is also constantly reviewed in light of the development status of more competitive products, technologies, and business models.

CSV Business Selection Standard

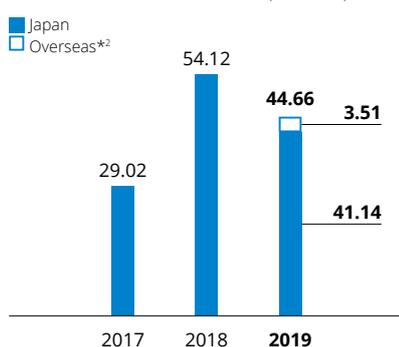
CSV businesses demonstrate the following standards with regard to water-saving, CO₂ emissions reduction, and waste reduction:

- 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.

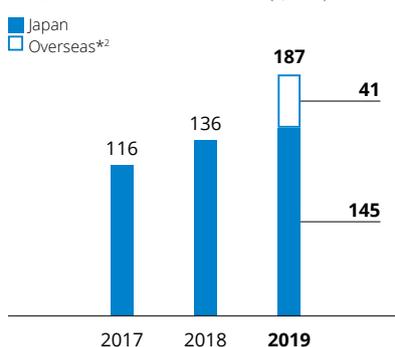
*Please see "Performance" on p. 9 for results for the fiscal year ended March 31, 2019.

Environmental Improvement of Customers' Operations*1

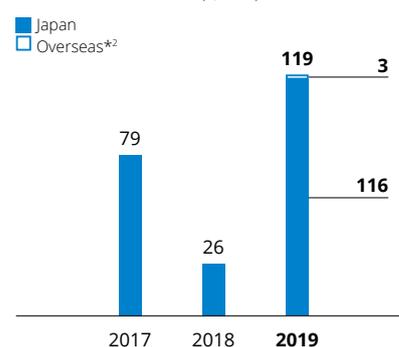
Water intake reduction (million m³)



CO₂ emission reduction (1,000 t)



Waste reduction (1,000 t)



*1 Years ended March 31

*2 The reduction of impacts at overseas Group companies have been ascertained since the fiscal year ended March 31, 2019.

Environmental Improvement Activities

Example of Initiatives

With Kurita's Recycled Water Supply Service to Reduce Water Usage at the Sendai Plant of Kanazawa Murata Manufacturing —Expected Reductions of 40% in Tap Water Usage and 30% in Sewage

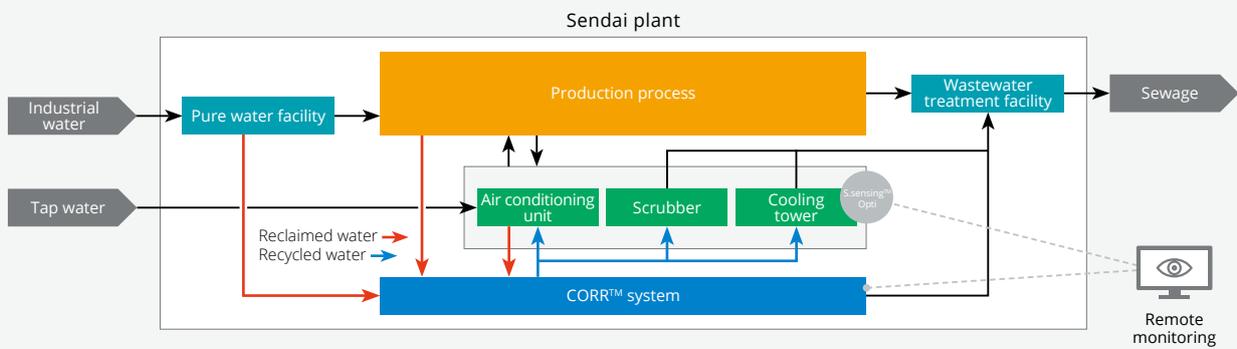
At the electronic components manufacturer Kanazawa Murata Manufacturing Co., Ltd., an environmental initiative based on the Murata Manufacturing group's environmental action plan is under way. The Group has set a target for reducing water usage per production volume, and has set about reducing the volume of water used at its Sendai plant.

Kurita Water Industries proposed a recycled water supply service that reclaims and recycles wastewater to help this customer achieve its goals. The service is a contract with the customer to supply recycled water, including operation and management of the CORR™ wastewater reclamation system. In

applying this service, we cooperated with the customer to investigate the volume and quality of the reclaimable wastewater at each outlet, and to select areas for use of the recycled water depending on its quality. In this case, since the recycled water is used as make-up water for a cooling water system, we also provided cooling water quality management using the S.sensing™ Opti remote monitoring system.

Using the service has enabled the customer to use water in the plant more efficiently, and the customer expects to achieve reductions of 40% for tap water and 30% for sewage compared to the fiscal year ended March 31, 2018.

Conceptual Diagram of Recycled Water Supply Service



Internal Environmental Improvement Activities

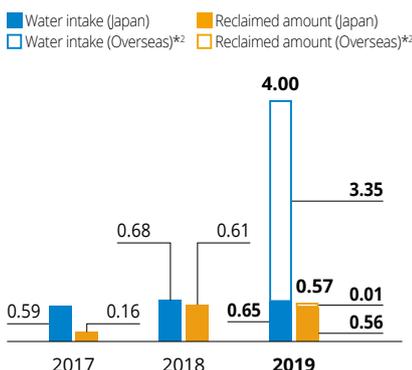
The Kurita Group works to reduce water usage, energy usage, and waste, while adhering to the environmental laws and ordinances of each country and region that apply to the Group's business activities. Based on the characteristics of each company and business site, we select the items that are strongly correlated with environmental impact, such as production volume, net sales, or site area, as the denominators for a per-unit measurement of environmental impact, then set about reducing this.

Evaluation of Water Risk at Internal Facilities

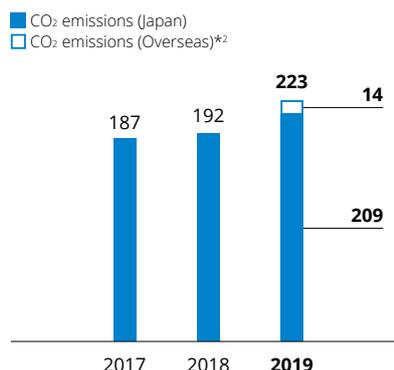
Kurita Water Industries assesses and confirms the water risk of the areas where Group production bases are located once a year using the Aqueduct Water Risk Atlas provided by the World Resources Institute. In the fiscal year ended March 31, 2019, we surveyed all of the Group's production sites and found that there were four sites located in areas ranked "High risk" or above. The total amount of water intake for these sites was confirmed to be 0.2% of the intake volume for all production sites.

Internal Promotion of Environmental Improvements*1

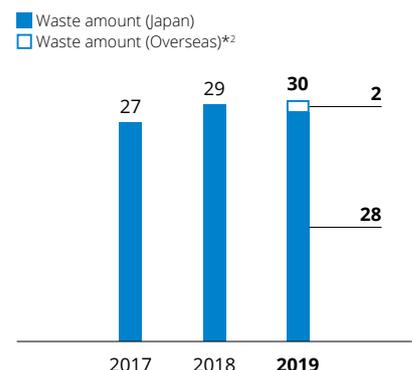
Water intake and reclaimed amount (million m³)



CO₂ emissions (1,000 t)



Waste amount (1,000 t)



*1 Years ended March 31

*2 The reduction of impacts at overseas Group companies have been ascertained since the fiscal year ended March 31, 2019.

Participation in the Ministry of the Environment's Water Project

Kurita Water Industries is participating in the Water Project of the Ministry of the Environment, which provides an opportunity to disseminate information about its technologies and business activities related to efficient use of water resources and preservation of the water environment.

Participation in the Japan Society of Industrial Machinery Manufacturers' Basic Environmental Action Plan

Kurita Water Industries participates in the basic environmental action plan of the Japan Society of Industrial Machinery Manufacturers, which is working on countermeasures for global warming. We report regularly on the status of our response to climate change.

Increasing Environmental Awareness of Employees

The Kurita Group holds an employee-participation event called Kurita Environment Month to foster awareness of the

environment among employees. The event calls for all Kurita Group officers, employees, temporary workers, and their families to submit experiences and ideas relating to environmental improvement. In the fiscal year ended March 31, 2019, 833 people participated, with 641 submissions. The submissions were collated into a collection and published on the intranet to be shared and utilized throughout the Group.

Requesting Business Partners to Make Environmental Improvements

The Kurita Group considers it vital to reduce environmental impacts across the entire supply chain with the cooperation of suppliers. To this end, we have established the Kurita Group CSR Procurement Guidelines, and we have asked suppliers to comply with environmental laws and regulations, take steps to reduce their environmental impact by setting voluntary standards to reduce water and energy usage, and to provide appropriate information. In particular, we ask major suppliers to conduct a self-evaluation based on the guidelines and to implement improvement measures.

Example of Initiatives

Reducing Waste at Kurita Chemical Manufacturing –Improvements through Collaboration with Kuritaz

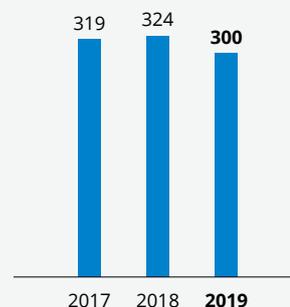
Kurita Chemical Manufacturing Ltd. is a manufacturing base for water treatment chemicals in the Kurita Group. The company's Egawa Plant manufactures over 3,000 types of water treatment chemicals. In the past few years, fluctuations in the raw wastewater quality arising from day-to-day changes in the products being manufactured and aging of the water treatment facility itself caused the sedimentation process to become unstable. This led to lower concentrations of sludge in the sedimentation tanks, which caused an issue that the sludge could not undergo dehydration when it was removed and had to be discarded untreated.

Kurita Chemical Manufacturing utilized the onsite inspection service of Kuritaz Co., Ltd., which conducts water treatment facility operation, maintenance, and management services, and took measures to improve the operation management approach according to changes in the raw wastewater quality. This enabled the amount of waste to be reduced. In May 2019, the company upgraded its wastewater treatment facility based on the result of Kuritaz's investigations. The initiative realized a reduction in work hours spent on operation management for stabilizing the quality of treated wastewater.



Newly installed dissolved air floatation tank (front view)

Waste Amount at the head office of Kurita Chemical Manufacturing* (t)



* Years ended March 31

ISO 14001 Certified Bases

Company	Office
Kurita Water Industries Ltd.	Shizuoka, Yamaguchi, Toyoura, Tsuruga plants
Kurita Chemical Manufacturing Ltd.	Head Office, Ako plant
Kurita Buil-Tech Co., Ltd.	
Kuritaz Co., Ltd.	
Kuritec Service Co. Ltd.	
Kurita-GK Chemical Co., Ltd.	
Kurita (Taiwan) Co., Ltd.	
Kurita Water Industries (Dalian) Co., Ltd.	

Company	Office
Kurita Water Industries (Jiangyin) Co., Ltd.	
Hansu Co., Ltd.	
Kurita Europe GmbH	Ludwigshafen, Viersen
Kurita Turkey Kimya A.S.	
Kurita do Brasil LTDA.	
Hansu Technical Service Ltd.	
Kurita (Singapore) Pte. Ltd.	
P.T. Kurita Indonesia	

The Basis for Management Activities

Human Resources Management

The Kurita Group sees human resources as the bedrock for its sustainable growth. To enhance customer intimacy, each Kurita employee must develop a high level of expertise and give their full effort to resolving customers' issues. The Kurita Group will work to secure and develop human resources while passing on water-related technologies that it has accumulated over many years. At the same time, we will create a work environment where individual employees can fully utilize their own abilities and aptitudes and an organizational culture that allows diverse human resources to play a role.

Human Resource Development

The Company works to develop human resources by having departments responsible for human resource development conduct training for employees in each rank and position, and the "Greater Adaptability to Globalization Course," which is designed to nurture human resources that are capable of working at a global level. We also provide employees in Kurita Water Industries and its Group companies in Japan

and overseas with specialist knowledge training on Kurita Group products, technologies, and services, training on safety and legal matters, and training for acquisition of communication and problem-solving skills. We are also working to develop human resources that will play central roles in our overseas Group companies by conducting training for future executives among national staff and managers.

Promoting Women's Participation and Advancement in the Workplace

Promoting women's participation and advancement in the workplace has been an issue for Japan as a country. The average number of years of service among female employees of the Company is 17.1, indicating a working environment that encourages women to continue working for a relatively long period. On the other hand, due to the longstanding system of developing core business personnel mainly through on-the-job training (OJT) at customers' worksites, traditionally considered unsuitable for female workers, little progress was made in appointing women to management positions. However, as Japan faces the prospect of a society with a shrinking population, the ability to successfully promote women's participation and advancement in the workplace has become an urgent issue for the Company in terms of securing management resources. In response, we are working to improve this situation under an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to

Support Raising Next-Generation Children. Furthermore, since 2017 Kurita Water Industries has been selected for the MSCI Japan Empowering Women (WIN) Index*.

 * Please see page 19 "CSR Initiatives."

Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace

In the five-year plan for the period from April 2018 to March 2023, Kurita Water Industries has set the following targets.

- Have 15 or more women in management positions by April 1, 2023
- Achieve a ratio of 30% or more for women among new graduate recruits for career track positions

We will continue taking the following initiatives in order to achieve these targets.

Initiative	Measures taken
Career planning support for women in career track positions	Provide opportunities that motivate women in career track positions to actively build their careers, such as career development training.
Increase the ratio of female recruits	Provide opportunities to talk with female employees in responsible positions at various junctures in the recruitment process as part of our graduate recruiting activities for career track employees.
Expand the roles of female employees	Assign female employees to departments that have few female workers. Systematically appoint women to management positions.
Support career development through the self-reporting system	Use consultations with supervisors in the self-reporting system as an opportunity to support career development.

Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Initiative	Measures taken
Ease workplace regulations	Increase the options for work styles by promoting use of satellite offices (rental offices outside the Company) and recognizing working at home for employees who have restrictions on their work.
Promote use of annual paid leave	Formulate and implement measures to promote use of annual paid leave.
Promote male participation in childcare	Remind employees that childcare leave can be taken in small increments, and aim to increase the number of men taking this leave.
Ensure time for spending on childcare	Subsidize costs of childcare services and ensure that employees have time for childcare.

Work Style Reforms

The Company is promoting work style reforms centered on reducing long working hours with a view to maintaining employees' physical and mental health and increasing their productivity.

Initiatives to Reduce Long Working Hours

Issue	Measures
Restrict working hours	- Established no overtime day (Wednesday) - Set the hours that the Company's facilities can be used (until 8:00 p.m.)
Promote use of paid annual leave	- Encourage employees to take at least seven days leave, including at least five days of continuous leave in the summer holiday period (June-October)
Changing employee awareness	- Provide Work Style Reform Seminars for engineers - Run e-learning programs for acquisition of time-management skills and efficient meeting operation
Reform and introduction of systems and schemes	- Introduction of satellite offices - Trial of interval system to break up work hours

We will develop human resources who can build ongoing relationships with customers.

Human resources are a limited management resource, especially in Japan, where the working population is projected to decline. Enabling human resources to generate added value is therefore an important theme for management. The Kurita Group approaches management by recognizing that added value is always created by people. Human resources who create added value have two attributes: they aspire to achieve something for others, and they have a strong desire to continue working together as part of their team within the organization.

People's mindset has a huge impact on the Group's businesses. Therefore, it is important that every employee shares a sense of fulfillment in participating to ensure the continuity of the Group. Owing to several M&As in recent years, it has become more important to share our values within the Group. By reaffirming the purpose of the Group based on the corporate philosophy and aligning the awareness of all Group employees, including those that have joined the Group recently, I believe we will create an even greater driving force to propel our business forward.

In addition, as we work to pivot our Group businesses towards services, it will be more important than ever to build ongoing relationships of trust with our customers. Individual human resources need to have a high level of knowledge and skill as professionals in their business fields, but it is also important for them to have the sensitivity to connect and communicate with customers on the human level. Acquisition of this kind of depth of character requires people to mature as individuals through the accumulated experience of dedicating themselves to their work. It takes a relatively long time to develop these kinds of human resources, so stable employment is an essential condition for this.

On the other hand, in order to respond to technological innovation and secure human resources in the business fields that seem likely to become more important going forward, there are some situations where we may not have the

necessary time to develop these kinds of human resources thoroughly. In these cases, rather than taking on all of the development ourselves, we need to explore the potential of mid-career hiring and wide-ranging business alliances.

As the changes in the business environment becoming more extreme, development of human resources who can take on the role of management in the future is an urgent task. In the fiscal year ended March 31, 2019, we set about developing management human resources, a task that we have been slow to address. Bringing in expertise from external organizations, we systemized the requirements and evaluation methods for management human resources and applied the evaluation results to skills development. We will also use this system for nominating future management team members. This system is already in operation, and by accumulating results we will use it to develop high-performing management human resources.



The Basis for Management Activities

Initiatives on Quality

The Kurita Group recognizes that continuing its business and growing as a company depends on maintaining its status as a trusted supplier for its customers. We therefore strive to manage quality at every stage, from the development of our products and services to their manufacture and delivery. We have established the “Kurita Group Product Quality Policy” as a groupwide policy for promoting these initiatives.



Please see the following website for our product quality policy.

Kurita Group Product Quality Policy <http://www.kurita.co.jp/english/csr/group/materiality/customer/index.html>

Promotion System

In developing products and services, we consider safety, health, and environmental impact throughout the product lifecycle. Specifically, we screen the development themes of high-performance materials, units, and solution technologies in the Solutions Business Committee, narrowing them down to the themes that are expected to be most effective. The themes are used to develop products and services by the Research and Development Division and the Solution Business Division.

For quality management for the stages from manufacture to provision of products, the Quality Management Committee has been established within the Engineering Division to oversee the quality improvement activities of each organization. The Company has also created systems for autonomously carrying out continuous quality improvements and maintains quality management systems.

Promotion System



Main Initiatives

Product Safety Evaluation

The Company has a rule that, when it uses a new chemical substance, it assesses the risk the chemical substance poses to the environment and health at the product development stage based on internal rules. In addition, when we manufacture a product, we submit mandatory notifications and reports following laws and regulations, including the Industrial Safety and Health Act, the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., and the Fire Service Act.

Product Safety Training

The Company runs a product safety e-learning course for all employees and dispatch staff except for those in its Administrative Division. The course is designed to deepen employees' understanding around product safety and was taken by around 2,000 people in the fiscal year ended March 31, 2019. We will continue to run the course in the future.

Providing Training to Improve Knowledge and Skills

In order to raise the quality of services provided to customers, the Company offers training to improve the water treatment

knowledge and skills of its own employees, as well as those of Group companies in Japan and local overseas staff.

Conducting CS Survey

The Company's engineering departments continuously conducts customer satisfaction (CS) surveys of all customers who have purchased large water treatment plants. Based on the results of the survey, the Company continually works to revise and improve various items, including its operations procedure manual and specification sheets.

	Number of Surveys Conducted	Question items
Fiscal year ended March 31, 2018	27	8 items, including specification, quality management, and construction
Fiscal year ended March 31, 2019	14	

Response to Problems

Problems that arise prior to delivery to customers and complaints received from customers are entered in the in-house “problem information” database and that information is shared throughout the Company to ensure that all departments take necessary measures. In the fiscal year ended March 31, 2019, there were no serious product accidents or service accidents in the overall Kurita Group.

Number of Participants in Training (Total)	Water Treatment Chemicals (Basic knowledge of water treatment chemicals, communication skills, etc.)	Water Treatment Facilities and Maintenance (Technical training about raw water and wastewater, as well as safety and legal education)	Total
Fiscal year ended March 31, 2017	274	477	751
Fiscal year ended March 31, 2018	431	409	840
Fiscal year ended March 31, 2019	593	520	1,113

The Basis for Management Activities

Initiatives on Safety

The Kurita Group recognizes that due to the nature of its business, its employees and those of subcontractors are often faced with various safety risks for manufacture and delivery of water treatment chemicals or assembly, delivery, and installation of water treatment facilities. We have therefore positioned “occupational health and safety as the top priority in business operations.” We are working to ensure the safety and support the health of Kurita Group officers and employees, as well as employees of subcontractors, to create working environments where they can work with confidence. We formulated the Kurita Group Occupational Health and Safety Policy, and we continuously promote initiatives based on shared policies across the Group.



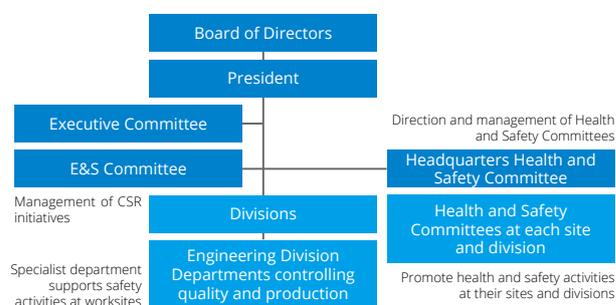
Please see the following website for our Occupational Health and Safety Policy.

Kurita Group Occupational Health and Safety Policy https://www.kurita.co.jp/english/csr/management/policy/health_and_safety/index.html

Promotion System

The Company and its domestic Group companies have established a health and safety management system based on labor safety laws and regulations such as the Industrial Safety and Health Act. Under the Headquarters Health and Safety Committee, a joint labor-management committee that is chaired by the general manager of the Corporate Planning and Control Division, each office and division of the Company has established a Health and Safety Committee. These work to maintain and enhance the workplace environment. Furthermore, a specialist department has been established to promote safety within worksites, supporting on-site safety initiatives as well as planning and taking measures to prevent work-related accidents. The department also follows up on the activities of the Headquarters Health and Safety Committee.

Promotion System



Main Initiatives

In the fiscal year ended March 31, 2019, the Headquarters Health and Safety Committees stated the direction for its initiatives as “every one of us must have a sense of danger and establish the behavior of thinking for ourselves to remove any potential risks.” The main themes for our priority measures have been 1) disaster response, 2) preventing work-related accidents, 3) preventing traffic accidents, and 4) health management. Our main initiatives in the fiscal year ended March 31, 2019 were as follows.

Disaster Response

The Company and its Group companies in Japan follow the Kurita Group BCM (Business Continuity Management) Policy to carry out countermeasures for earthquake risks, safety inspections and disaster preparations, and confirm the status of drills at all 153 business sites in Japan, and implement improvements.

Initiatives to Prevent Work-Related Accidents

The Company takes measures to prevent work-related accidents for employees on construction sites and for subcontractors by conducting safety education before starting construction and safety patrols on construction sites.

Number of Safety Patrols

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Japan	507	449
Overseas	8	22
Total	515	471

Number of Participants in Safety Education

Training name	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Training on handling fires	42	95
Training on handling chemicals	74	86
Safety training for new employees	142	209
Safety training for national staff overseas	32	32
Special training on full-harness-type fall prevention devices	—	288
Others	303	263
Total	593	973

Health Management

The Company ensures that all employees receive regular health examinations, and all employees who handle items such as organic solvents and designated chemicals receive special health examinations. The participation rates in both regular and special health examinations in the fiscal year ended March 31, 2019 were 100%. To improve the health of employees, we held 50 health-related events such as lectures on dietary improvement and body age assessments. In our efforts to prevent mental health issues, we held lectures on mental health 16 times in the fiscal year ended March 31, 2019. In addition, we conduct a Stress Check, which is a survey given to all employees for promoting self-awareness, carried out under the guidance of the stress check systems designed by the Ministry of Health, Labour and Welfare according to the Industrial Safety and Health Act. In the fiscal year ended March 31, 2019, 98.4% of employees took the Stress Check.

The Basis for Management Activities

Corporate Citizenship Initiatives

The Kurita Group's corporate citizenship initiatives are centered on four fields: promotion of science and technology, development of human resources, humanitarian support, and regional and community activities. We cooperate in many areas across society, making effective use of our resources to help solve social issues.

Promotion of Science and Technology

Kurita Water Industries, Ltd. established the Kurita Water and Environment Foundation in 1997 (converting it into a public interest incorporated foundation in 2009) with the aim of contributing to the promotion of science and technology relating to water and the environment. The Foundation's main activities include making a public call for research applications for grant projects relating to water and the environment each year and then providing grants to young researchers in Japan

and other countries in Asia. In the fiscal year ended March 31, 2019, grants were given to 102 projects. As international exchange support projects, the Foundation supports the Nepalese NPO, Center of Research for Environment, Energy and Water (CREEW), and offers support for master's course students at the Asian Institute of Technology through payment of scholarship grants and so forth.

Development of Human Resources

The Kurita Group utilizes its specialist knowledge, skills, and networks related to water and the environment to develop human resources who can assist the realization of a society in which people are in greater harmony with nature. In November 2018, we ran workshops at P.T. YAKULT INDONESIA PERSADA's Plant in Mojokerto to students of Surabaya

Japanese Elementary School. The lectures were on the theme of "Water is the Treasure of the Earth," and covered filtration and coagulation and sedimentation experiments, the ratio of fresh to saltwater on earth, and virtual water, aiming to communicate the importance of water and the role of water treatment technology.

Humanitarian Support

Supporting Access to Water

The Kurita Group works with NPOs and NGOs to support disadvantaged members of society who find it difficult to obtain access to safe water due to conflict, poverty, or poor supply of usable fresh water. As part of these activities, in March 2019, we made monetary donations to assist the Japan Center for Conflict Prevention (JCCP) and WaterAid Japan. These donations are being used to support initiatives for people living in parts of Africa where it is difficult to gain access to clean water to create a hygienic living environment.

Support for Areas Affected by Disasters

The Kurita Group provides assistance to areas affected by severe natural disasters in countries where it has business sites. We help to supply water using emergency clean water facilities and so forth when water is polluted or supplies are cut due to an earthquake, drought, or other disaster. In the fiscal year ended March 31, 2019, we donated financial aid to areas in Japan affected by torrential rain in July 2018 and to the island of Sulawesi in Indonesia, which was struck by an earthquake. We also supplied drinking water to local governments and our customers in disaster affected areas in Japan.

Regional and Community Activities

The Kurita Group strives to be accepted as a valuable member of the community and to develop along with the local communities in regions where the Group has business sites. Regional and community activities consist of 1) activities relating to

local cleanup and preservation of the natural environment, 2) activities relating to the promotion of health and welfare within the community, and 3) activities relating to disaster and crime prevention within the community.



Research grant presentation ceremony held in the fiscal year ended March 31, 2019



Guest workshops at a Japanese elementary school in Indonesia