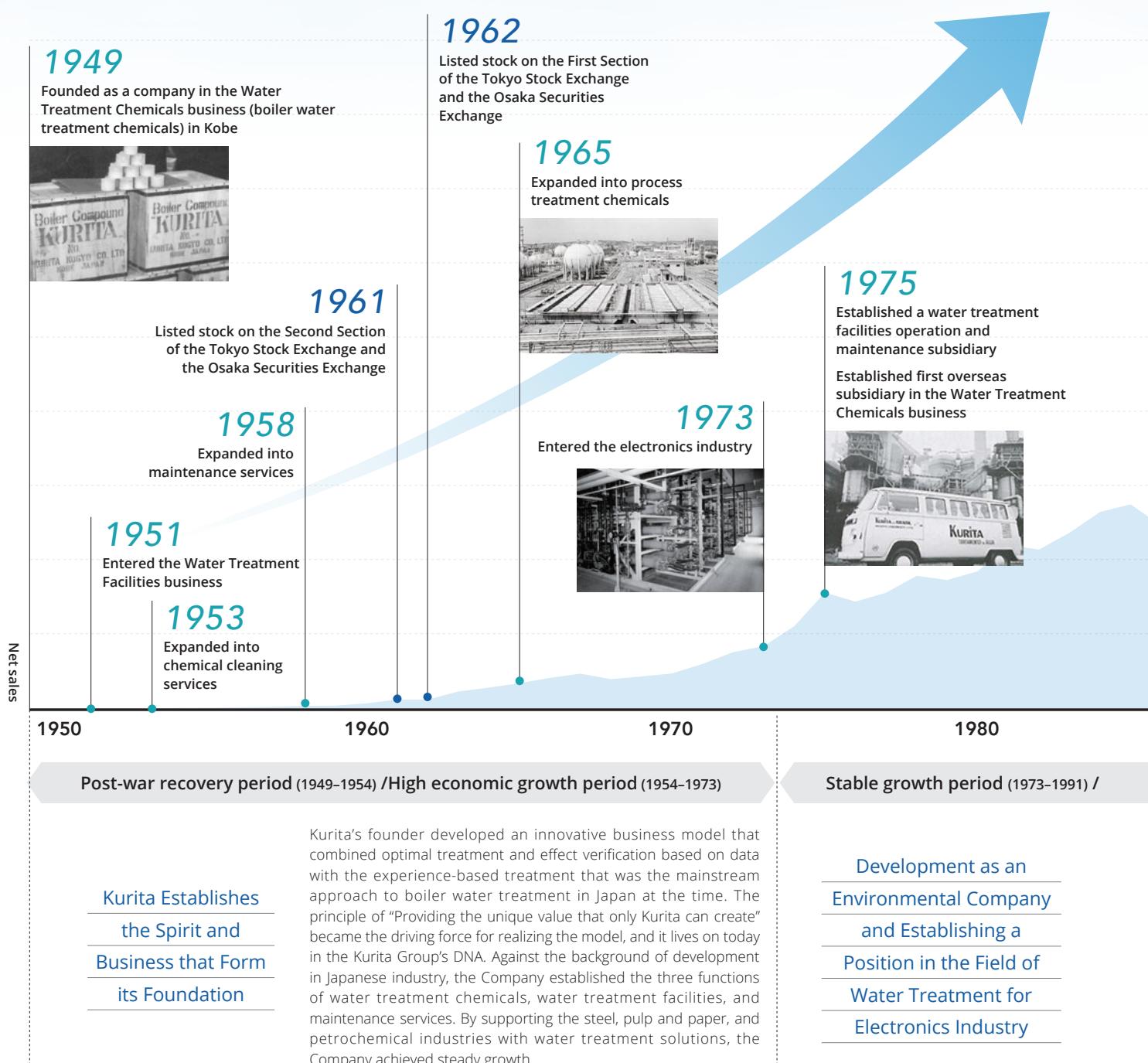


History of Value Creation

Since its establishment, the Kurita Group has provided value to its customers by solving water-related issues in various industries.

In 2018, the Kurita Group adopted as its corporate vision "A Creator of unique value to the solution of water and the environment," for contributing to the realization of a sustainable society and started the medium-term management plan Maximize Value Proposition 2022 (MVP-22), which positions CSR at the core. The Kurita Group will continue working to provide its stakeholders with new value, aiming to realize its corporate philosophy, "Study the properties of water, master them, and we will create an environment in which nature and man are in harmony."



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

(April 1, 2018 – March 31, 2023)

Basic Policy:

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

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)
Aim for improved capital efficiency in each business segment

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

2020

Merged four U.S. subsidiaries, including acquired companies

A tool cleaning company in the U.S. becomes a subsidiary

2018

Reshaped the group philosophy system

Formulated a new corporate vision

2015

Commenced the ultrapure water supply business in South Korea

Acquired a water treatment chemicals business in Europe

**2017
2019**

Acquired water treatment-related companies in the United States

1986

Deployed tool cleaning services



1989

Established the corporate philosophy

2002
Launched ultrapure water supply business



1991

Launched soil remediation services



1990

2000

2010

2020

Information society development period (1991–1999)

Period of IoT advancement (1999–)

As areas all over Japan experienced worsening pollution issues accompanying economic growth, Kurita made its mark as an environmental company by working to solve pollution due to industrial and household wastewater. In the 1980s, Kurita established a firm position as a provider of water treatment solutions for the electronics industry by meeting the industry's growing demand for advanced water treatment with ultrapure water technology. In 1989, marking its 40th anniversary, Kurita formulated the current corporate philosophy. It shared its mission of creating shared value with society in the fields of water and environment, and expanded its business to include soil remediation.

New Business Model Deployment and Globalization

In 2002, as the electronics industry continued to develop even further with the advance of IT, Kurita developed a new service contract-type business model in the form of the ultrapure water supply business. Subsequently, the Company continued to transform its business model, creating various new services that identified customers' issues from the perspectives of saving water, saving energy, and reducing waste, and provided solutions for them. From 2015, the Company began full-fledged expansion into overseas business through M&A, and is promoting global development of total solutions.

Kurita Group Philosophy System

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

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

1. Kurita Group will contribute to facilitate the coexistence and shared prosperity of the natural environment and human society by creating shared value with society through water.
2. Kurita Group will generate new functions and value for water, through further exploration and exploitation of the fundamental properties of water.
3. Each individual of Kurita Group will adopt its customers' point of view and solve their water and environmental issues, by making full use of its unique technologies, products and services.

* The corporate philosophy was set out in 1989 to mark the 40th founding anniversary of the Company.

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

1. Kurita Group will seek to create shared value with society such as environmental preservation and the effective use of resources, and will realize its corporate philosophy, by continuing to innovate and through businesses contributing to the natural environment, industry and people's lives.
2. Kurita Group will, as an indispensable partner, create value for customers such as "pursuit of safety," "productivity enhancement" and "reduction of environmental impact."
3. Kurita Group will evolve its "service business" and will provide customers, at speed, with comprehensive solutions making full use of Kurita's technologies, products and services in water treatment chemicals, water treatment facilities and maintenance services.

The basic policy encompasses the management direction and aims of the Group and forms the foundation of the Kurita Group Philosophy System.

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

* The Kurita Group Business Policy is made up of 14 policies, including the Kurita Group Human Rights Policy, the Kurita Group Environmental Policy. (As of July 2020)

Core values

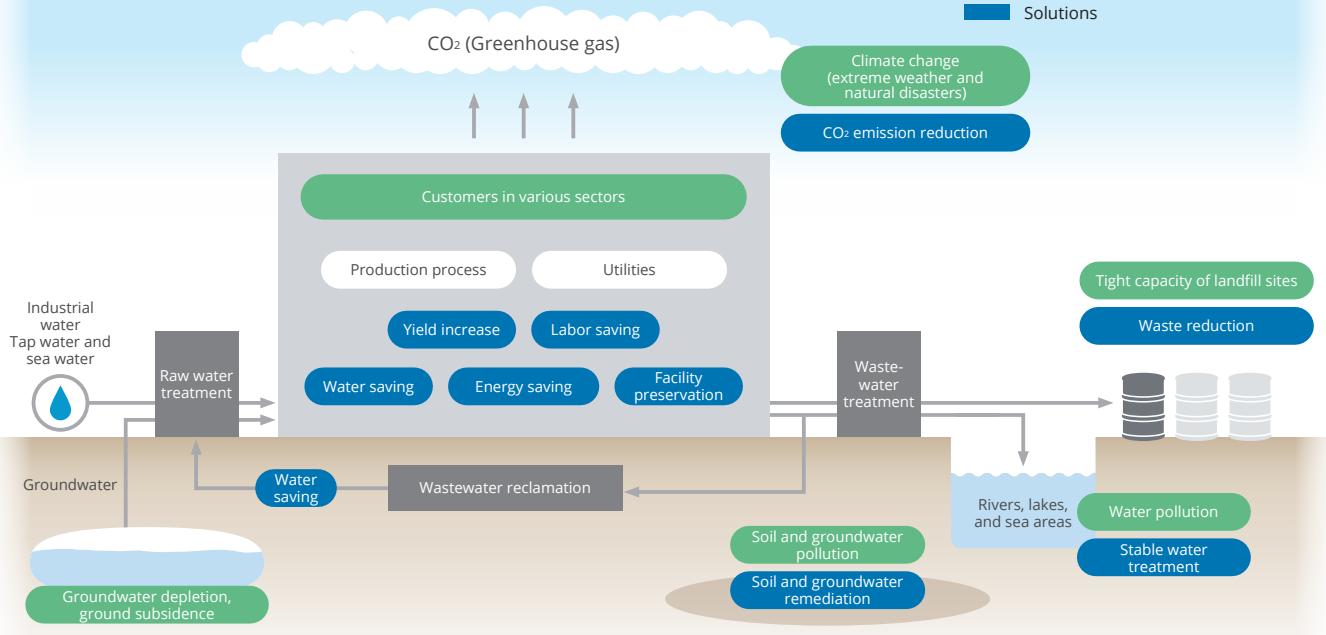
Stipulates the basic values guiding judgments and actions to be shared by all officers and employees in conducting business activities.



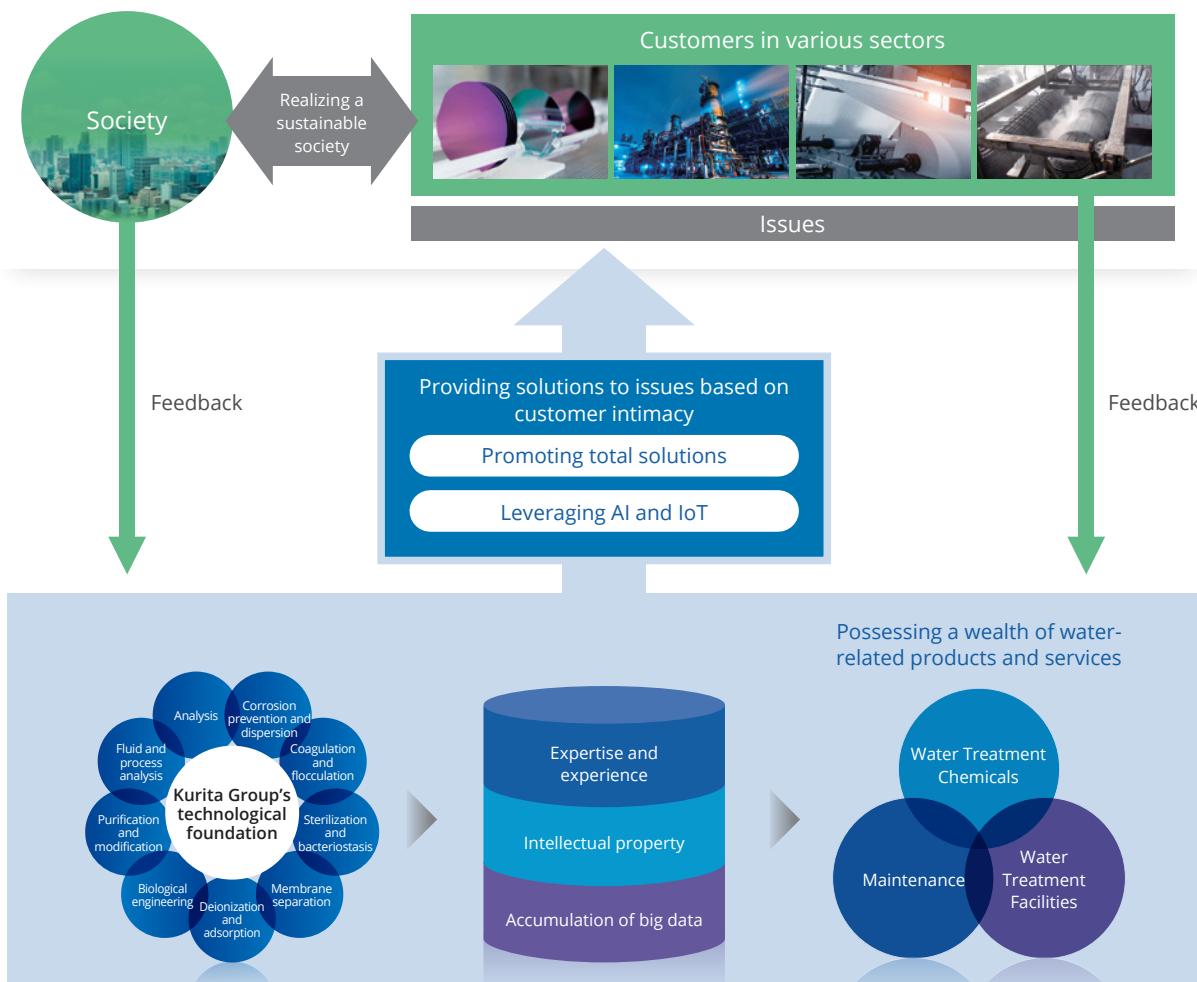
Kurita Group at a Glance

Kurita Group Business Fields and Strengths

Business Fields

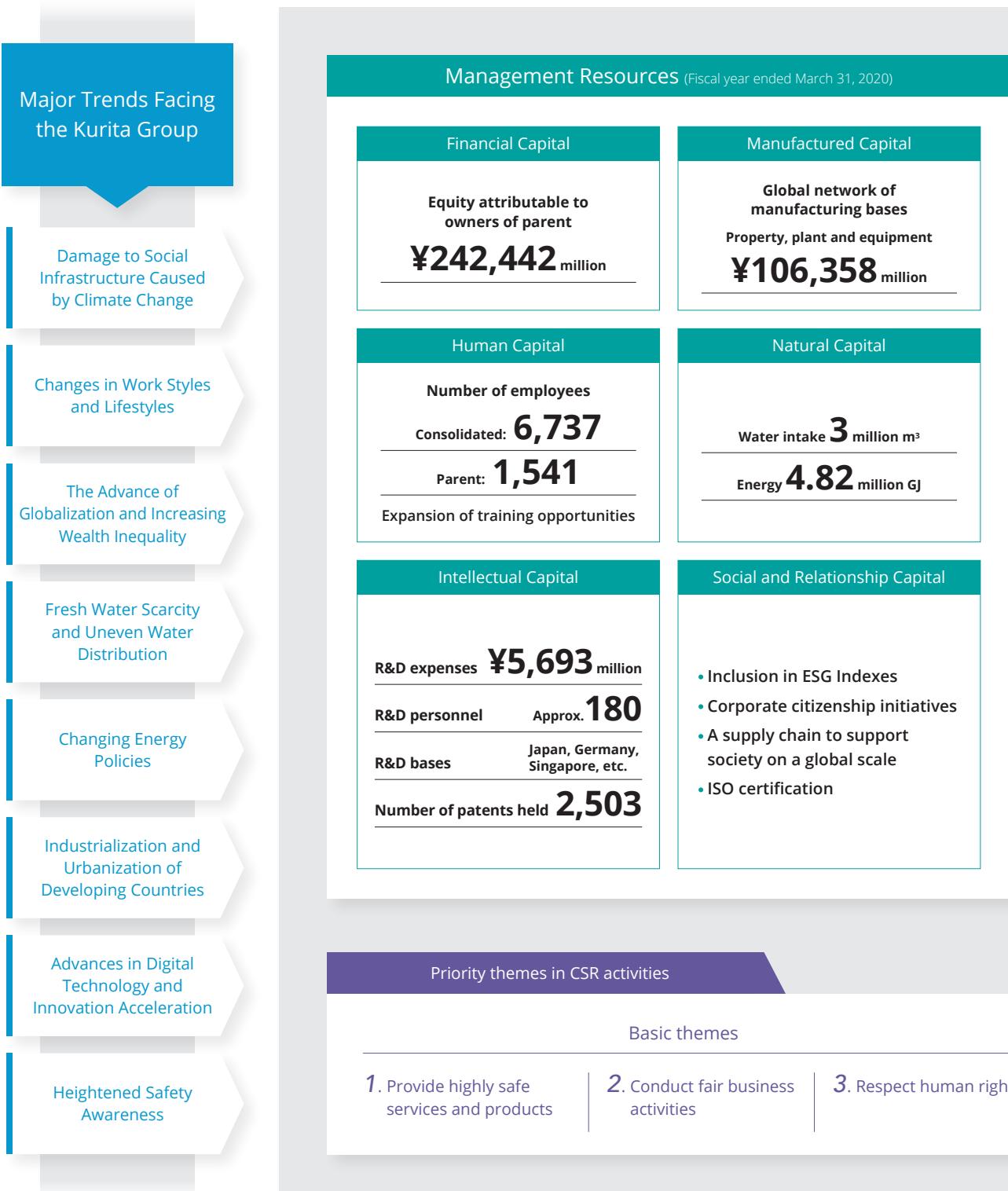


Strengths of the Kurita Group

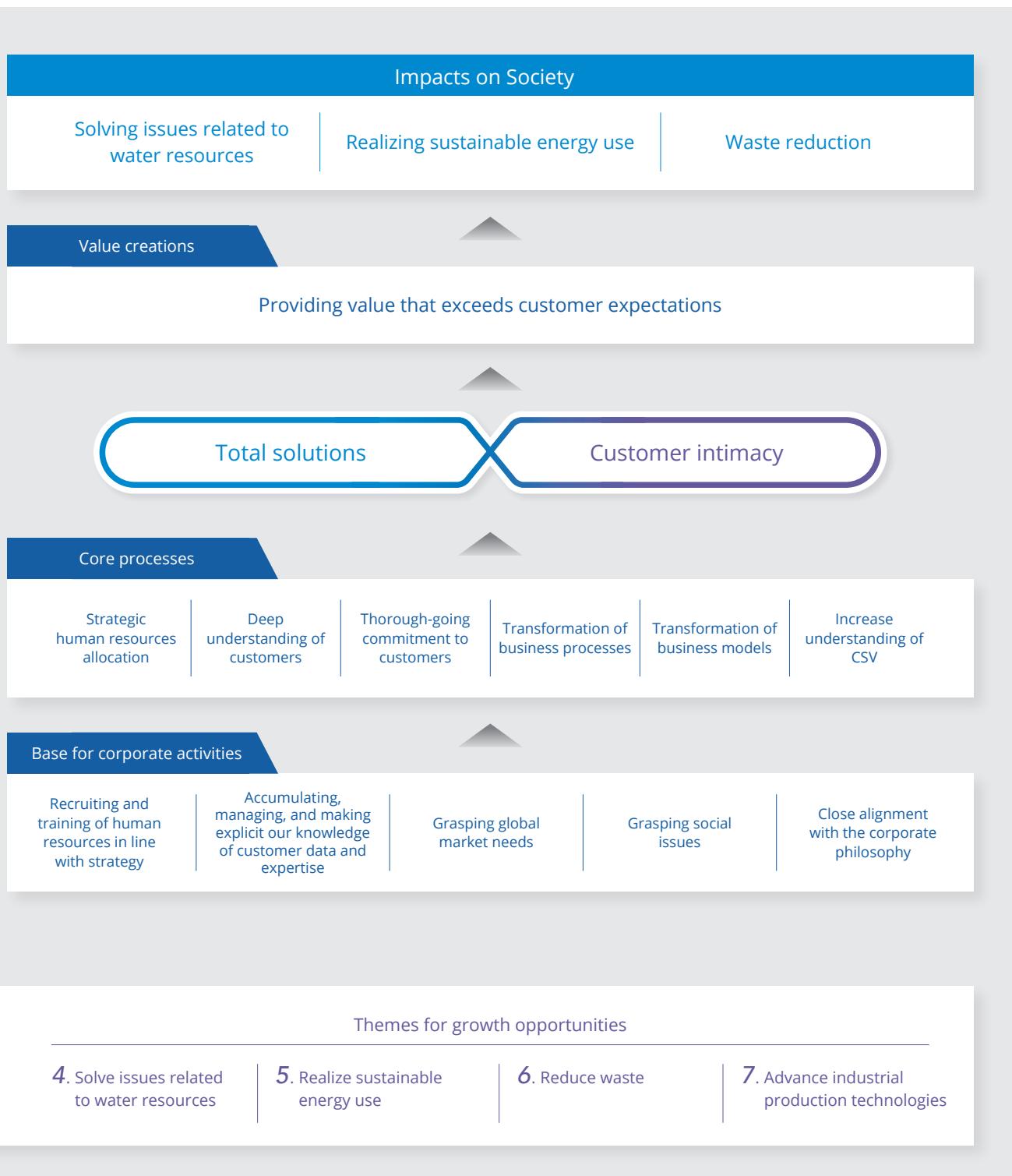


A Story of Value Creation

The Kurita Group strives to create shared value with society by providing optimal solutions that maximize the use of management resources to address various issues facing society. To this end, we maintain high sensitivity to social issues, while working to improve our competence base as a company and provide total solutions that leverage customer intimacy.



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.

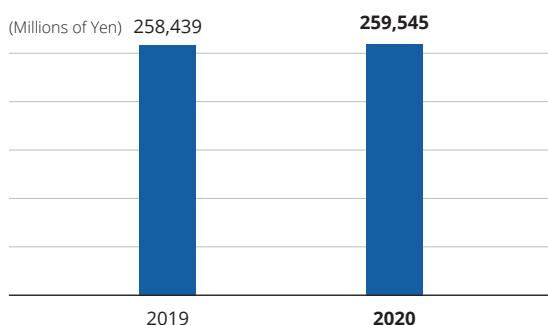


Performance

(Fiscal years ended March 31)

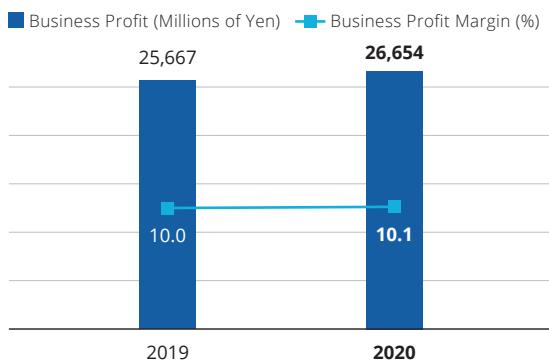
Financial Capital

Orders



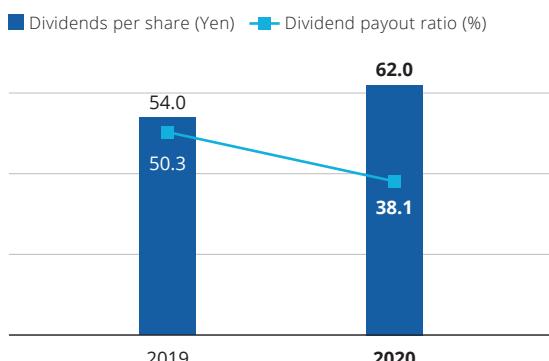
Although U.S. Water Services, Inc., Avista Technologies, Inc. in the US, and Avista Technologies (UK) Ltd. in the UK were newly consolidated, water treatment facilities saw a drop off in large-scale projects, resulting in only a modest year-on-year increase.

Business Profit and Business Profit Margin



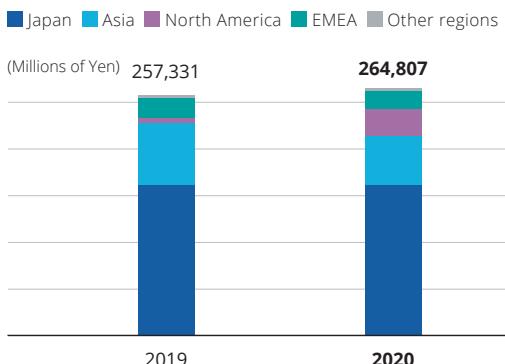
Excluding the effect of new consolidation, sales were down. Business profit increased, however, thanks to improvement in the cost of sales ratio due to a decrease in additional costs for projects in the Water Treatment Facilities segment, as well as the streamlining of low-margin products in the Water Treatment Chemicals business, greater efficiency in global procurement, and reductions in SG&A expenses.

Dividends per Share and Dividend Payout Ratio



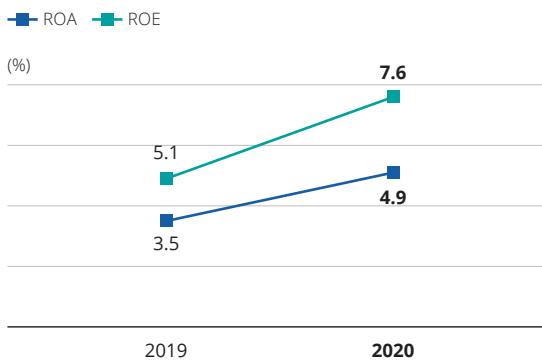
Under a policy of striving as much as possible for a continuous increase in dividends, dividends were increased for the 16th consecutive year. The dividend payout ratio declined slightly, partly reflecting the increase in profit attributable to owners of parent.

Sales by Region



Sales in Asia were down due to a decrease in water treatment facilities sales in the electronics sectors in China and South Korea. Sales in North America, however, increased in line with the consolidation of U.S. Water Services, Inc. and Avista Technologies, Inc.

Return on Assets (ROA) and Return on Equity (ROE)

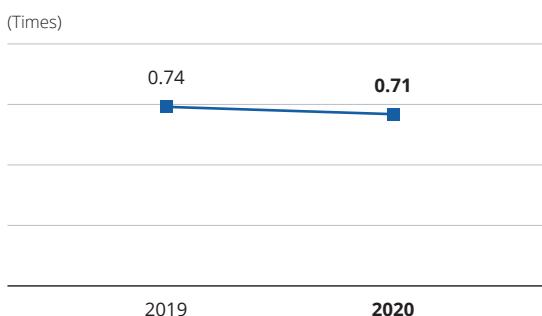


A loss on the sale of the European alumina business as well as an impairment loss on goodwill at a Chinese subsidiary were recorded in the previous fiscal year. However, in the current fiscal year, we recorded a gain on sale of assets due to the partial sale of equipment in the ultrapure water supply business. Combined with improvements in other income and expenditures, this led to higher ROA and ROE.

• ROA = Profit attributable to owners of parent ÷ Total assets (Average) × 100

• ROE = Profit attributable to owners of parent ÷ Equity attributable to owners of parent (Average) × 100

Total Assets Turnover

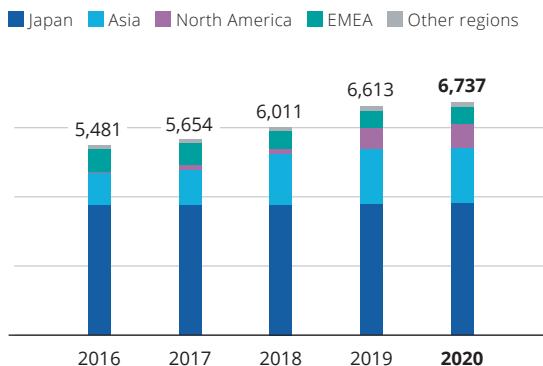


Goodwill and equity-method investments increased due to acquisitions and investments, as did right of land use assets and lease liabilities, due to the acquisition of fixed-term leasehold. In addition, borrowings increased as a result of execution of a commitment line agreement, yielding a decrease in total assets turnover.

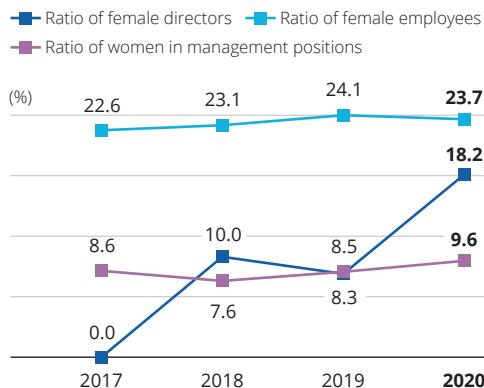
• Total assets turnover = Net sales ÷ Total assets (Average)

Human Capital

Number of Employees by Region

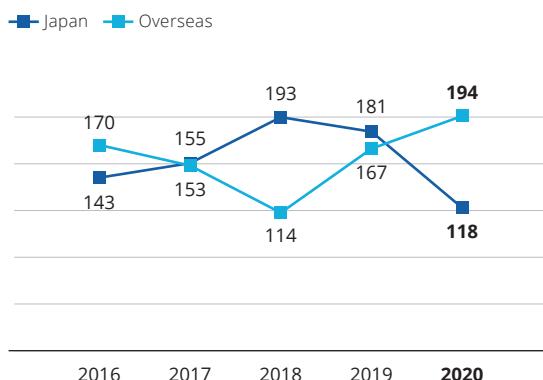


Ratio of Female Directors and Employees



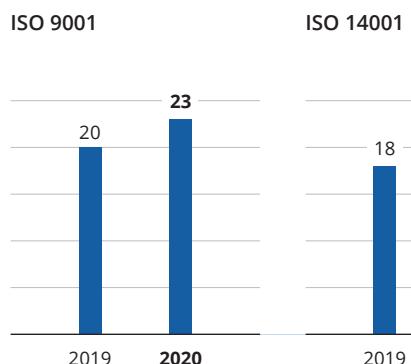
Intellectual Capital

Number of Patents Pending



Social and Relationship Capital

Number of Certified Companies



Natural Capital

The Kurita Group aims to see environmental impact reduction*¹ in the operations of its customers offset and even exceed the environmental impacts of its own business. To this end, we have set numerical targets for the “amount of the reduction in environmental impact of customers - the amount of the Kurita Group’s own environmental impact,” with regard to water, CO₂, and waste.

*1 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.” The reduction of environmental impact from customers’ operations is calculated based on results of applying the CSV business. Further information about the CSV business can be found in “Environmental Improvement Activities” on page 48.

*2 Please see page 20 for the Company's thinking on CO₂.

