



Kurita Water Industries Ltd.

Kurita Group Medium-Term Management Plan

PSV-27

Pioneering Shared Value 2027

(Securities code: 6370)

May 12, 2023

I	Review of MVP-22	3 - 8
II	The Kurita Group's Vision	9 - 12
III	PSV-27 (Pioneering Shared Value 2027)	13 - 34
IV	Reference	35 - 39

I | Review of MVP-22

Aiming to establish a rock-solid earnings base, we took on the challenge of transforming our business model and reforming business processes.

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

Financial Management Targets

Net sales organic growth rate	3% or more
Business profit margin on sales	15%
Return on Equity (ROE)	10% or more
Adoption of business segment management using return on invested capital (ROIC)	

Non-Financial Indicators

Solving issues related to water resources (water savings)	240 million m ³
Realizing sustainable energy use (reduction of CO ₂ emissions)	10 thousand tons
Waste reduction	450 thousand tons

* Amount of the reduction in environmental impact of customers - the amount of the Kurita Group's own environmental impact

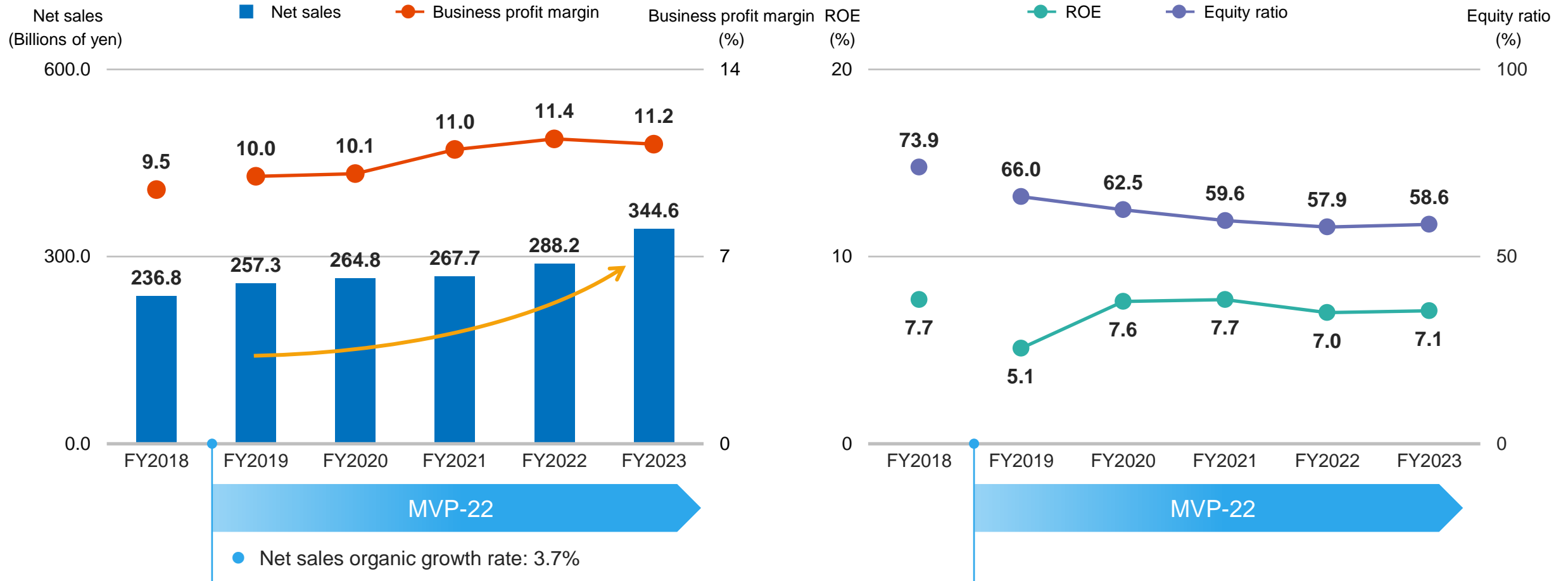
Changes in Business Environment

The COVID-19 pandemic became an opportunity to significantly change the values and structure of society and industry.



Change in Consolidated Financial Results During MVP-22

Although net sales grew 1.5-fold and business profit margin improved, we fell short of management targets.



* Japanese GAAP is applied for FY2018, and IFRS for FY2019 onwards

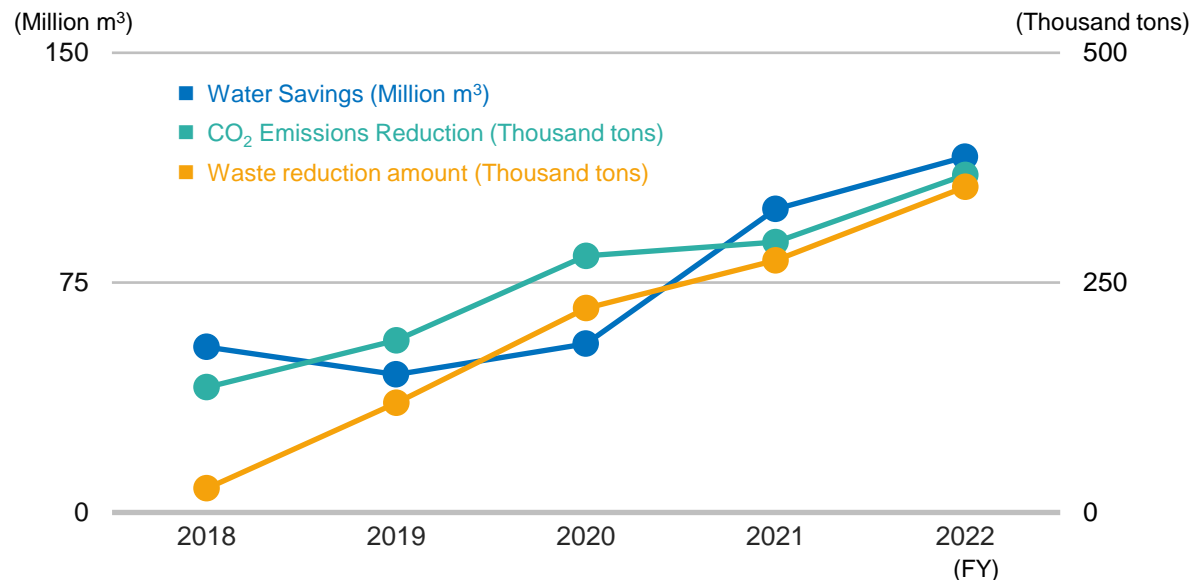
Promotion of Management Placing CSR at its Core

The creation of shared value with society advanced due to the CSV business

Expansion of the CSV business

CSV businesses refer to products, technologies, and business models that contribute to saving water and reducing CO₂ emissions and waste more greatly than conventional ones (as of May 2023: 53 types) * CSV: Creating Shared Value

[Change in Reduction of Environmental Impact Among Customers]



* Actual results from FY2022 are currently being compiled

Progress on materiality items

Index	Year ended March 31, 2023		
	Target	Forecast*	Evaluation (expected)
I. Provide highly safe services and products			
(1) Rate of product safety evaluations for newly developed products	100%	100%	Achieved
(2) Rate of front-line employee participation in regular safety training directly related to products and services	100%	100%	Achieved
II. Conduct fair business activities			
Rate of participation in compliance-related training among officers and employees	100%	100%	Achieved
III. Respect human rights			
(1) Rate of training conducted in relation to human rights among officers and employees	100%	100%	Achieved
(2) Rate of participation in safety training related to site operations	100%	100%	Achieved
IV. Solve issues related to water resources			
Water savings at customers – Amount of water intake used in our business activities	240 million m ³	118 million m ³	Unachieved
V. Realize sustainable energy use			
CO ₂ emissions reduction at customers – CO ₂ emissions from our business activities	10 thousand tons	172 thousand tons	Achieved
VI. Reduce waste			
Waste reduction at customers – Waste generated from our business activities	450 thousand tons	415 thousand tons	Unachieved
VII. Advance industrial production technologies			
Proportion of themes falling into “Contribution to improvement of production process” to product development themes	35%	37%	Achieved

* Actual results from FY2023 are currently being compiled

MVP-22 Achievements and Issues

We made progress securing an operating base and making the shift to a service business, but need to make further changes that will lead to revenue growth

Key Achievements

Established a global four-region structure

Advanced global projects, demonstrated synergy

Created and rolled out value-driven high value-added models

CSV business and contract-based services
other than ultra-pure water supply

Began DX and innovation promotion

Meta-Aqua Project, establishment of the Kurita Innovation Hub



Main Issues

Business expansion tailored to the characteristics of industries and customers

Break away from the uniform rollout of specific models

Creation of new businesses

Towards establishing the pillars of future business

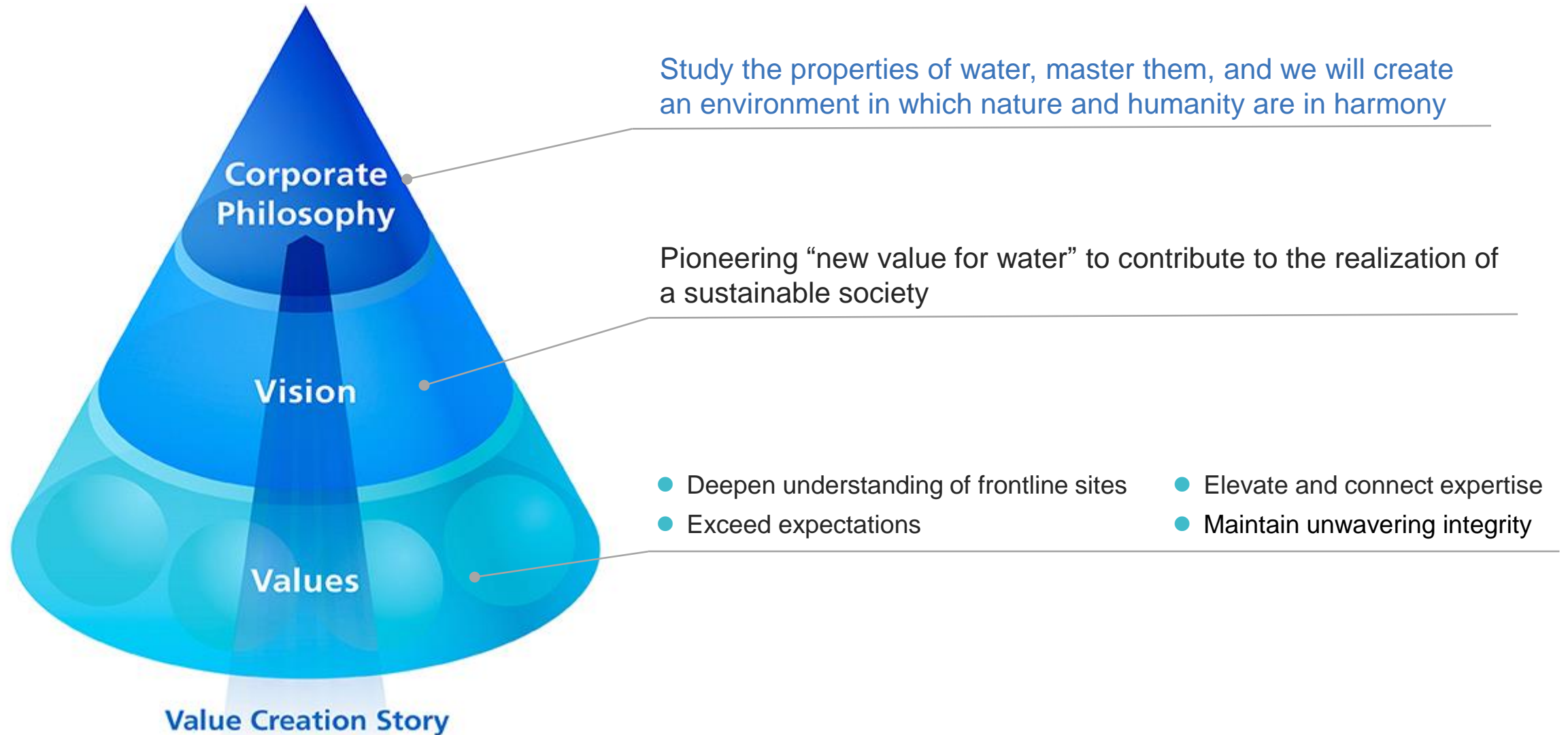
Human resource development

As a driving force for creating innovation
and making solution-based proposals

Strengthened governance

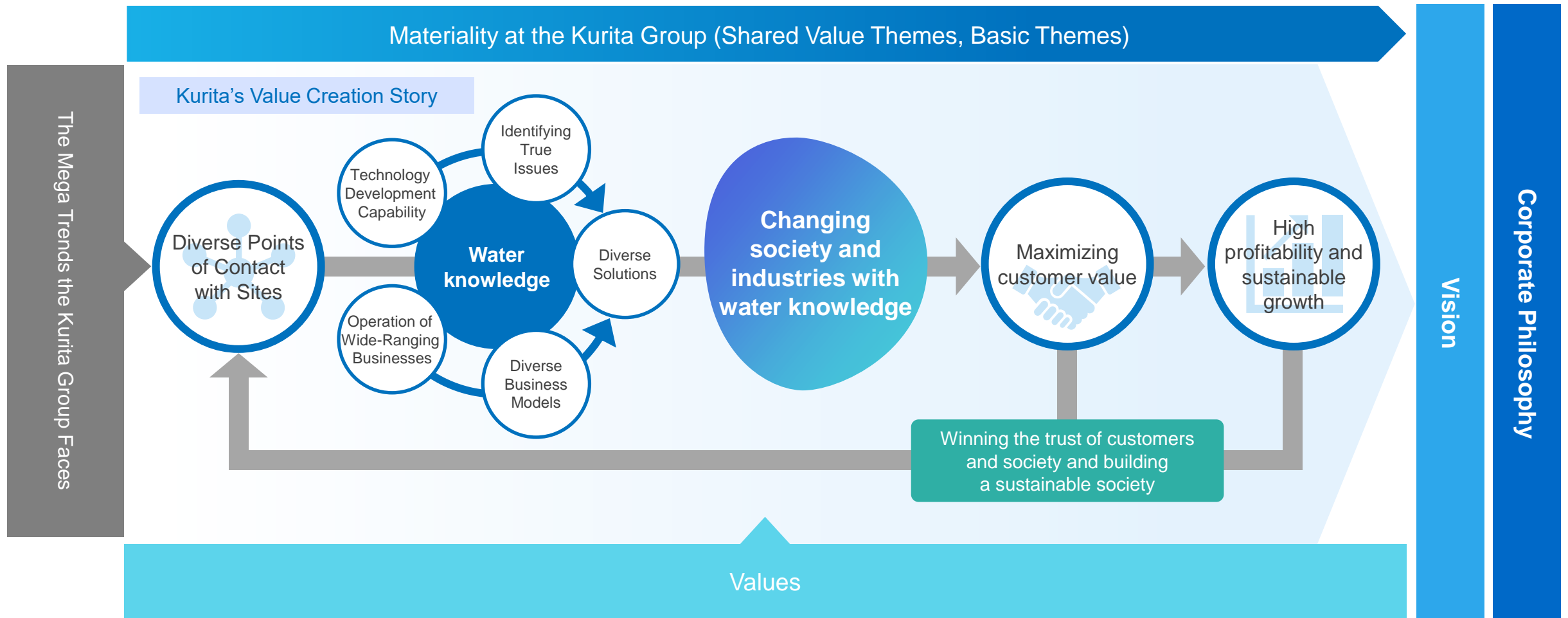
Utilizing DX and the global business base,
strengthening oversight and business execution

II | The Kurita Group's Vision



Flow of the Philosophy System and Value Creation

Aim for sustainable growth which is influenced by the interactions of corporate activities, the natural environment and social system



Materiality of the Kurita Group

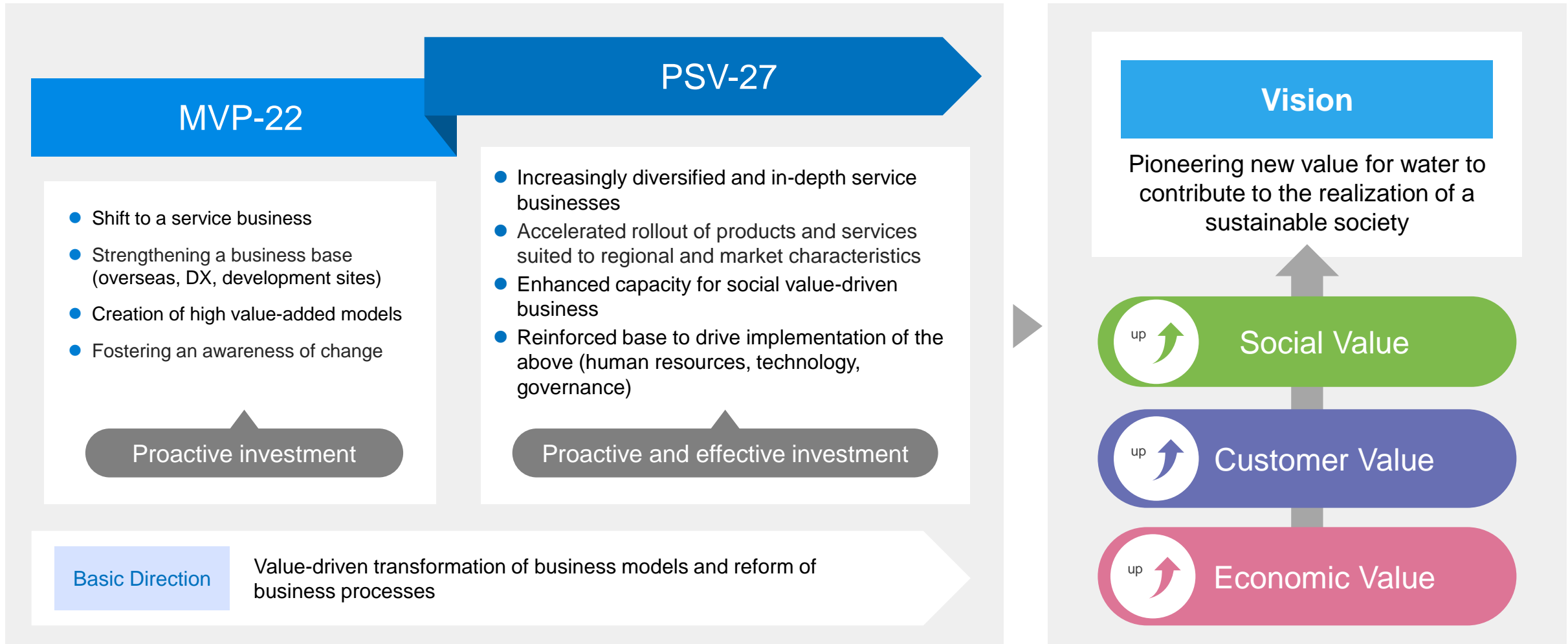
With the aim of expanding the core of management strategy from CSR to sustainability and synchronizing Kurita's earnings capacity with the realization of a sustainable society, we have identified materiality along two tracks: the impact on society and the environment, and the impact on the corporate value of the Kurita Group.

Theme	Materiality	Contributions to the SDGs
Shared Value Themes	Solve issues related to water resources	        
	Contribute to the realization of a decarbonized society	     
	Contribute to building a circular economy society	    
Basic Themes	Develop and disseminate innovative products, technologies, and business models	       
	Strategic development and utilization of human resources	  
	Provide highly safe and quality products and services	 
	Conduct business activities respecting human rights	   
	Conduct fair business activities	

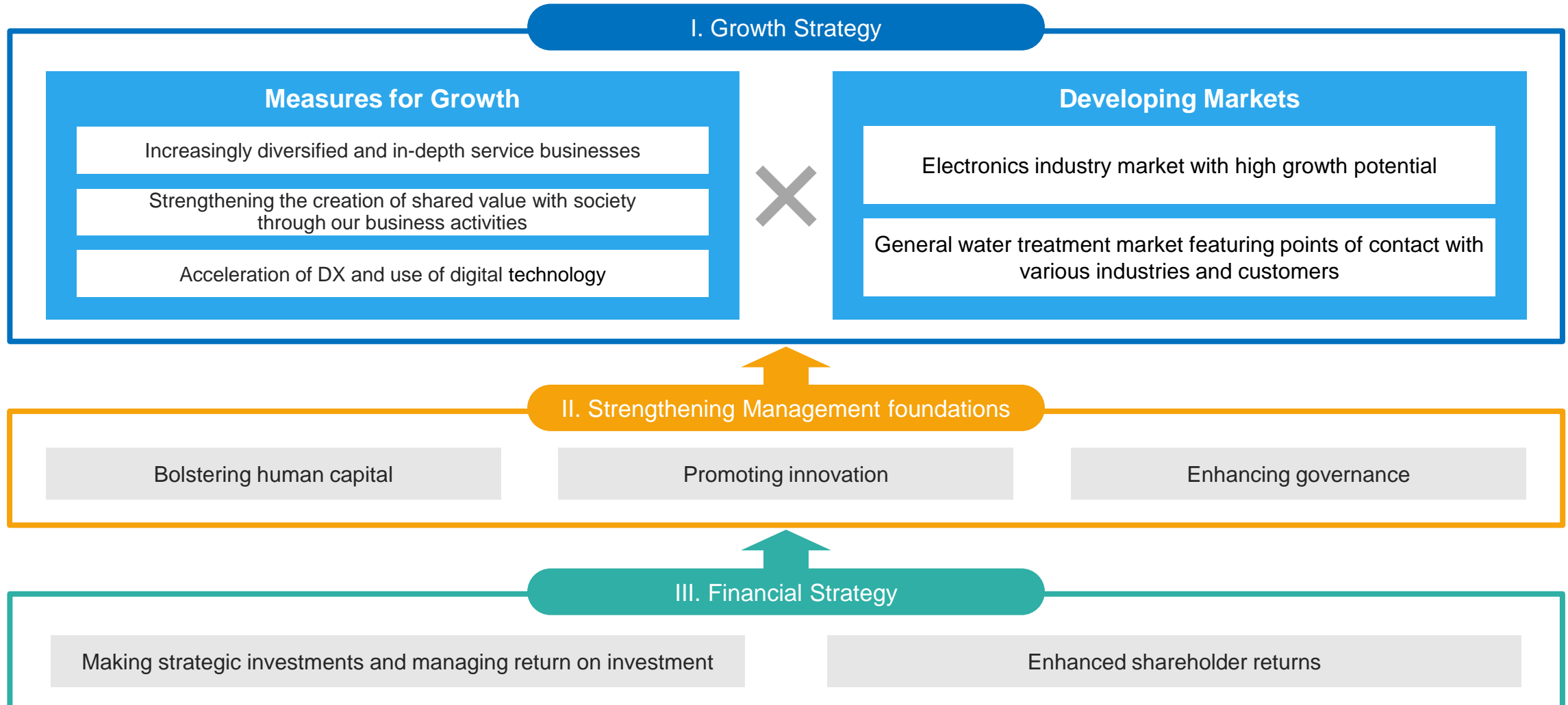
III | PSV-27 (Pioneering Shared Value 2027)

The Positioning of PSV-27

We will make full use of what we achieved in MVP-22 and accelerate revenue growth globally



Refine human resources, technologies and business processes to create value that exceeds expectations from stakeholders through overwhelming speed and problem-solving ability.



PSV-27 Management Targets

(Targets to be Achieved by the Fiscal Year Ending March 31, 2028)



Financial Indicators

Net sales **450.0** billion yen

Business profit margin on sales **16**%

Return on Equity (ROE) **12**% or more

Return on Invested Capital (ROIC) **10**% or more

Main Non-Financial Indicators

Amount of water savings through CSV business **300** million m³

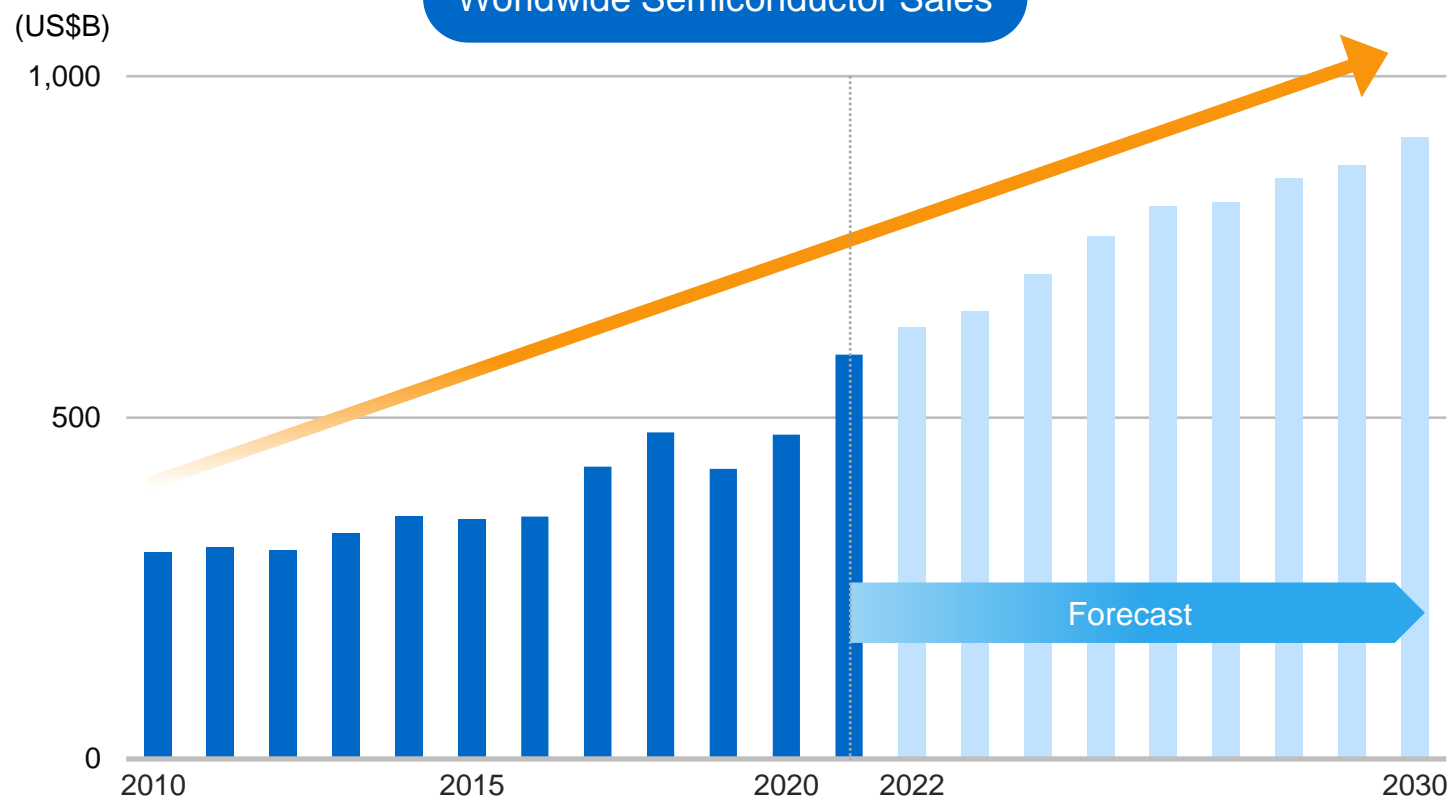
Avoided GHG emissions through CSV business **1,500** thousand tons

Rate of increase in resource recovery or reduction of resource input through CSV business (compared to FY2022) **300**% increase

* See page 37 for an overview of non-financial indicators

Market growth up to 2027 is expected to exceed a CAGR of 6%, with trends spurring large-scale investment set to continue

Worldwide Semiconductor Sales



* Source: Created by Kurita Water Industries based on Omdia data

Semiconductor Support Trends by Country/Region

Countries and Regions	Major Trends of Industry Support Measures
United States	President Biden signed the CHIPS Act, which included 50 billion dollars (approx. 6.5 trillion yen) of investments in the semiconductor industry
Europe	Development of a structure to invest 43 billion euros (approx. 6.3 trillion yen) in semiconductor-related technologies in the public and private sectors (expected to be officially enacted following approval from the European Parliament and other bodies)
China	1 trillion yuan (approx. 19 trillion yen) in Chinese semiconductors and supply networks, resisting the US by augmenting manufacturing equipment, materials and production systems as a unified effort by the public and private sectors

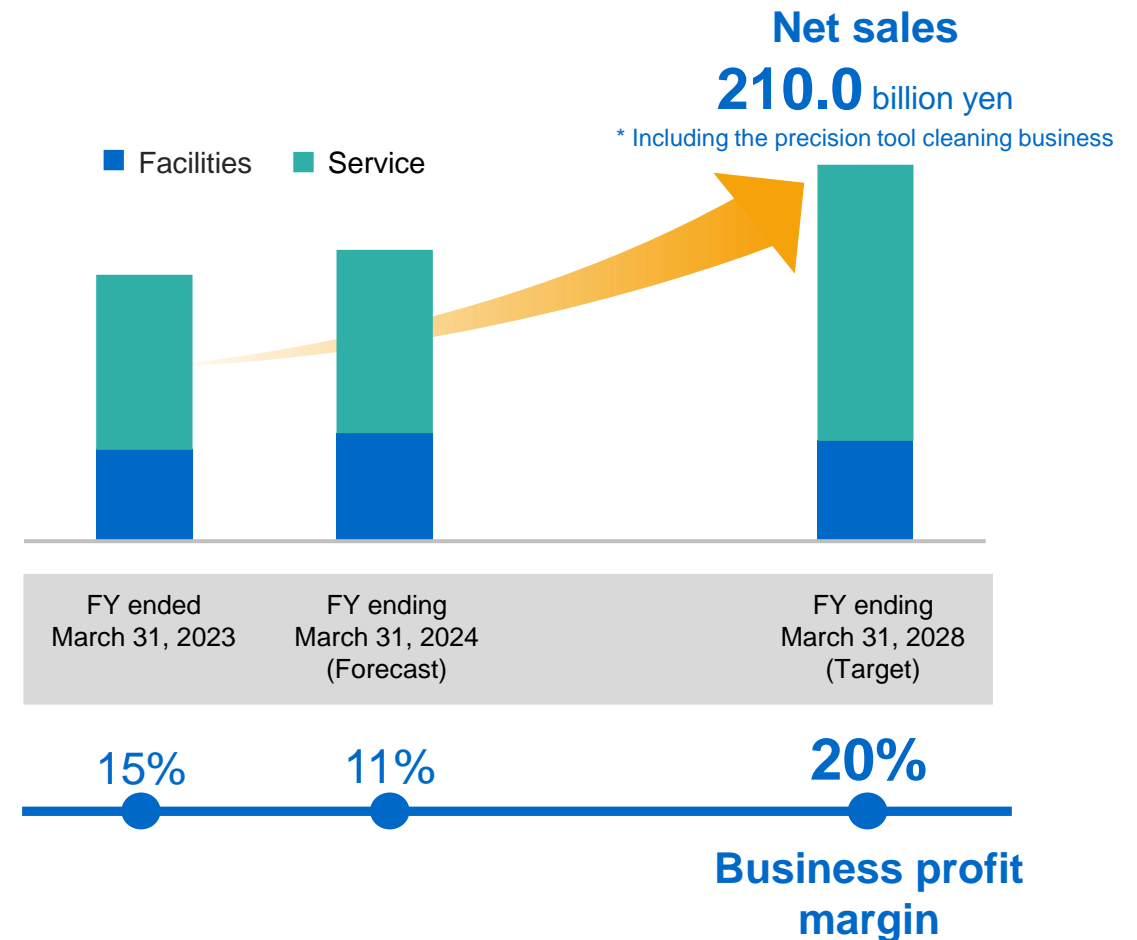
* Source: Compiled by Kurita Water Industries from various press reports

Securing points of contact with a wide range of customers globally through various services and DX

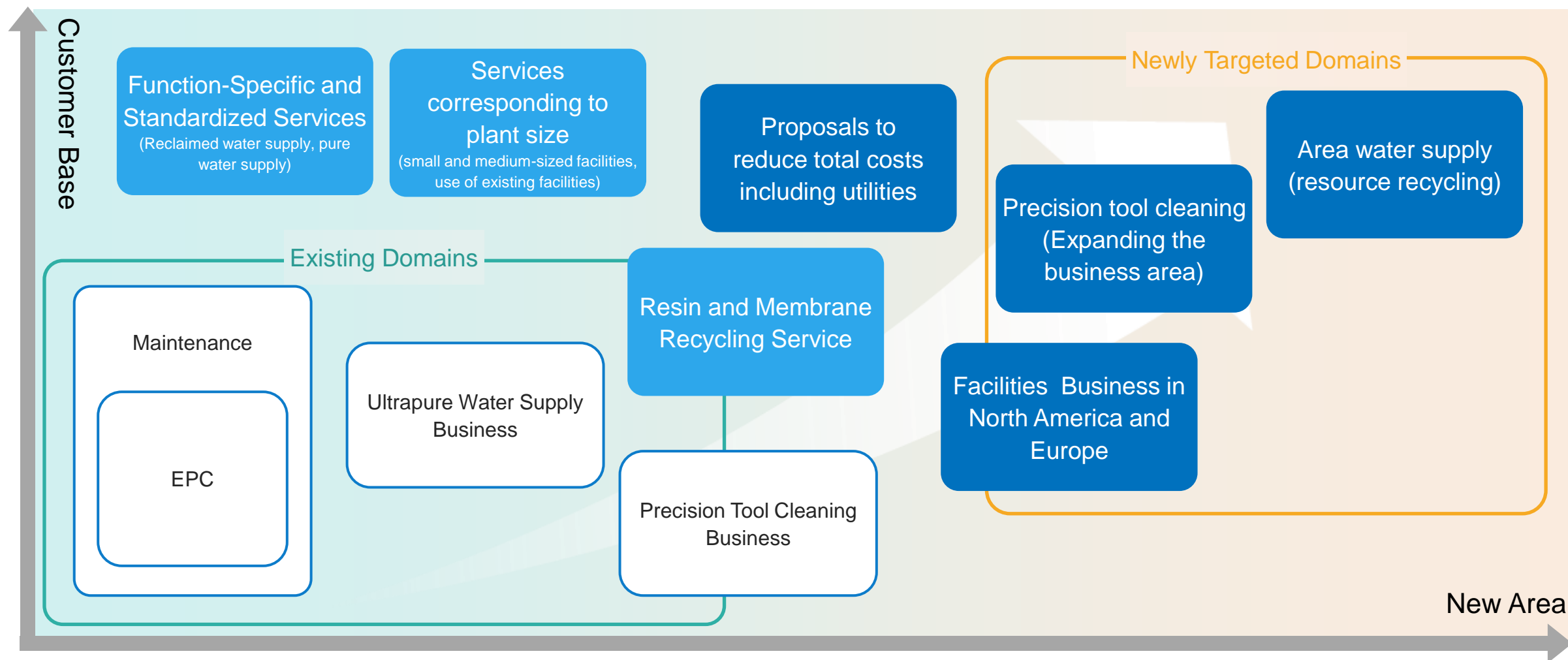
Key Measures

- Expansion of diverse value-driven service businesses
- Evolution of the water supply business
- Strengthened foundations of the precision tool cleaning business
- Development of business foundation in North America and Europe
- Production process reform and supply chain strengthening

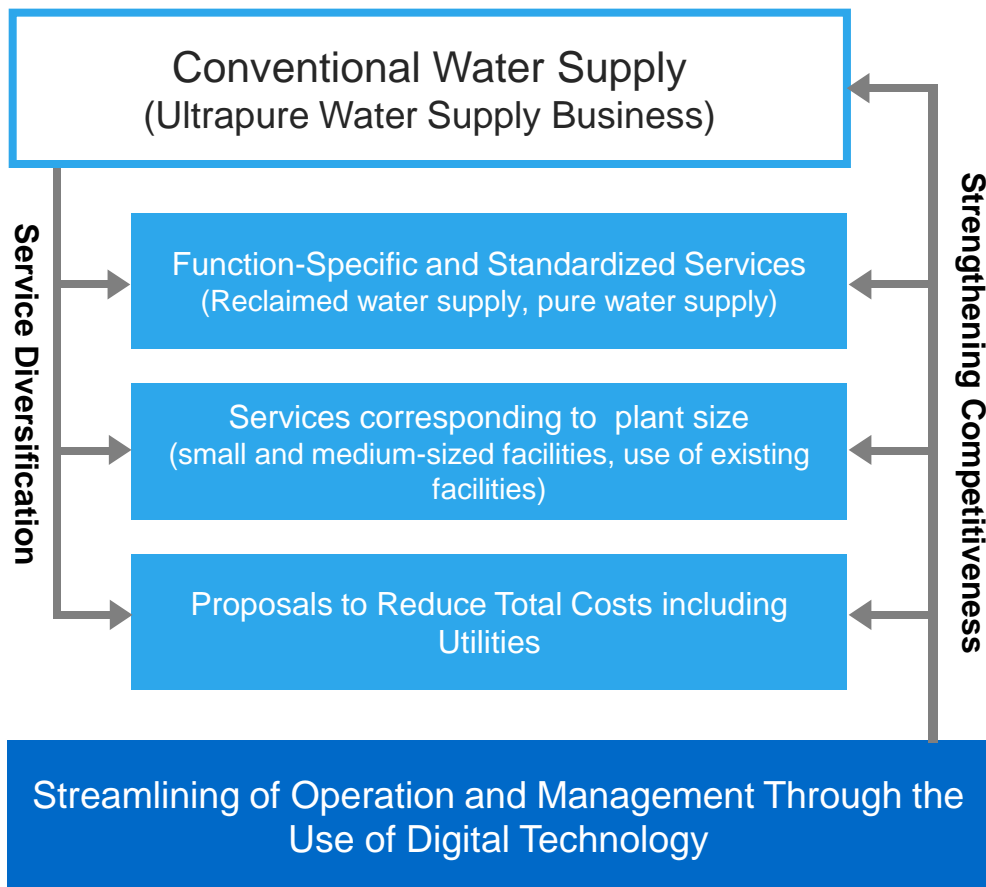
Changing into an organization that specializes in the electronics Industries and integrally supports the value chain including sales, planning, production and procurement



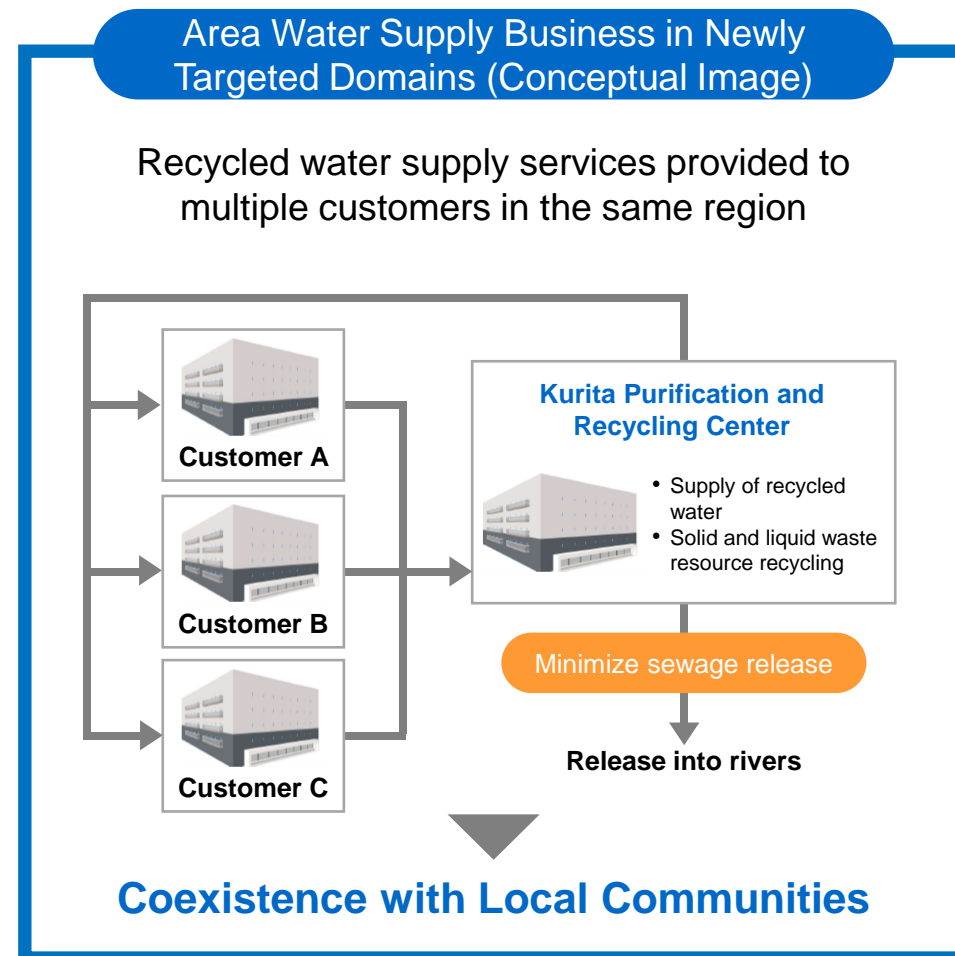
Expanding the customer base and operating areas due to the diversification of services



Developing and rolling out new a water supply business model with a value-driven approach



Expanding
the Customer
Base



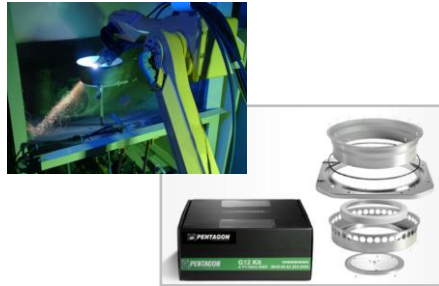
Strengthened Foundations of the Precision Tool Cleaning Business

We will translate market growth into business opportunities, aiming to achieve stable growth through business diversification

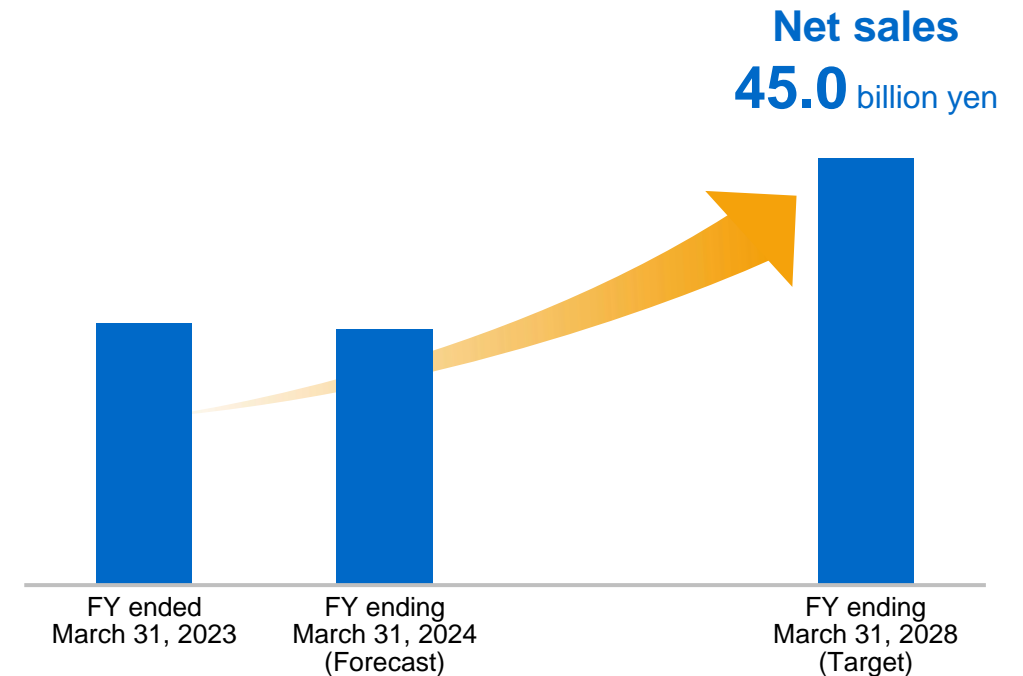
Direction of Initiatives

Adopt an integrated operating structure for the precision tool cleaning business within the Group to strengthen the creation of synergy

- Expand the scope of business
- Boost productivity
- Develop new customers



Aim to shift to a precision tool cleaning business that is less affected by silicon cycle effects



Building New Business Foundations in North America and Europe

Aim to launch facilities businesses in Europe and the US in light of market characteristics and the existing business base

North America

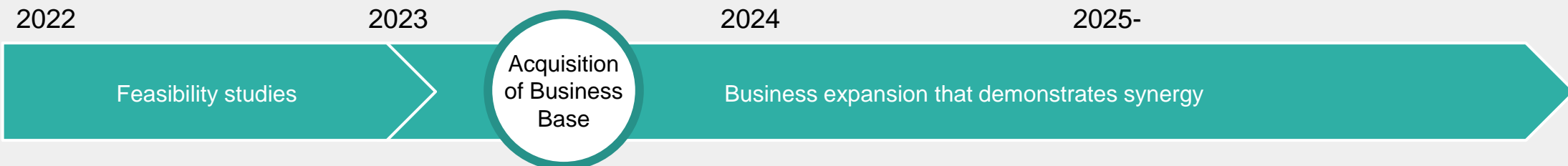
Take on the challenge of establishing the facilities business for cutting-edge semiconductors by utilizing the resources of local site



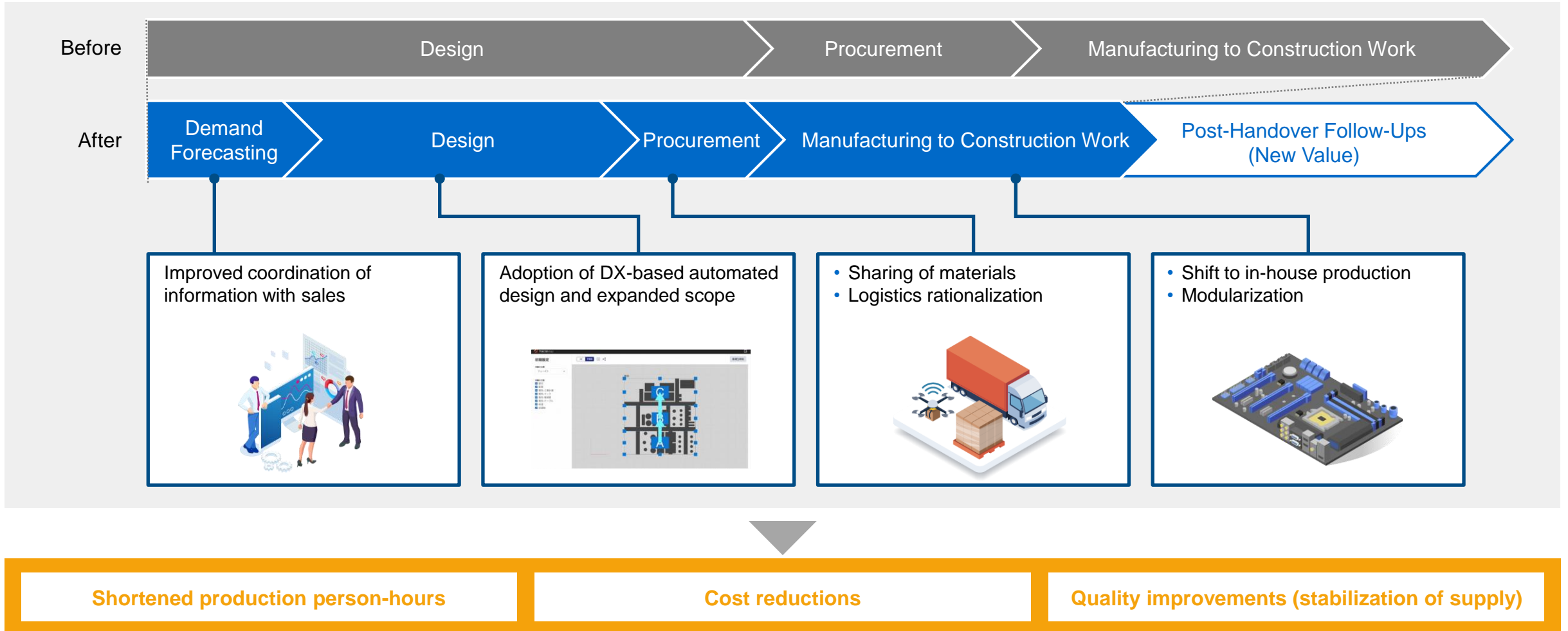
* EP (Engineering & Procurement) + Modularization: A construction method to modularize completed water treatment facilities and assemble them within a customer factory, instead of building equipment from scratch within the factory

Europe

Acquire a local business base through M&A activities and demonstrate synergy with the Kurita Group



Improve competitiveness through stronger coordination in the value chain and DX



The diversification of industries and regions contributes to business stability but also results in increasingly diverse needs

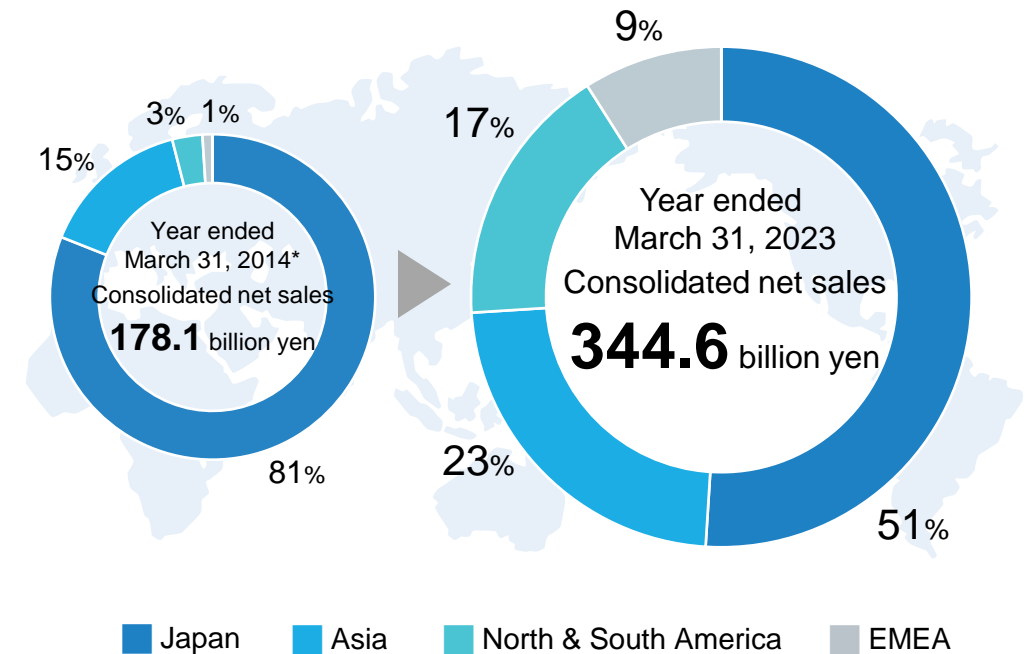
Extensive points of contact with various industries

Points of contact with sites expanding globally



Regional diversisty

Composition of Sales by Region



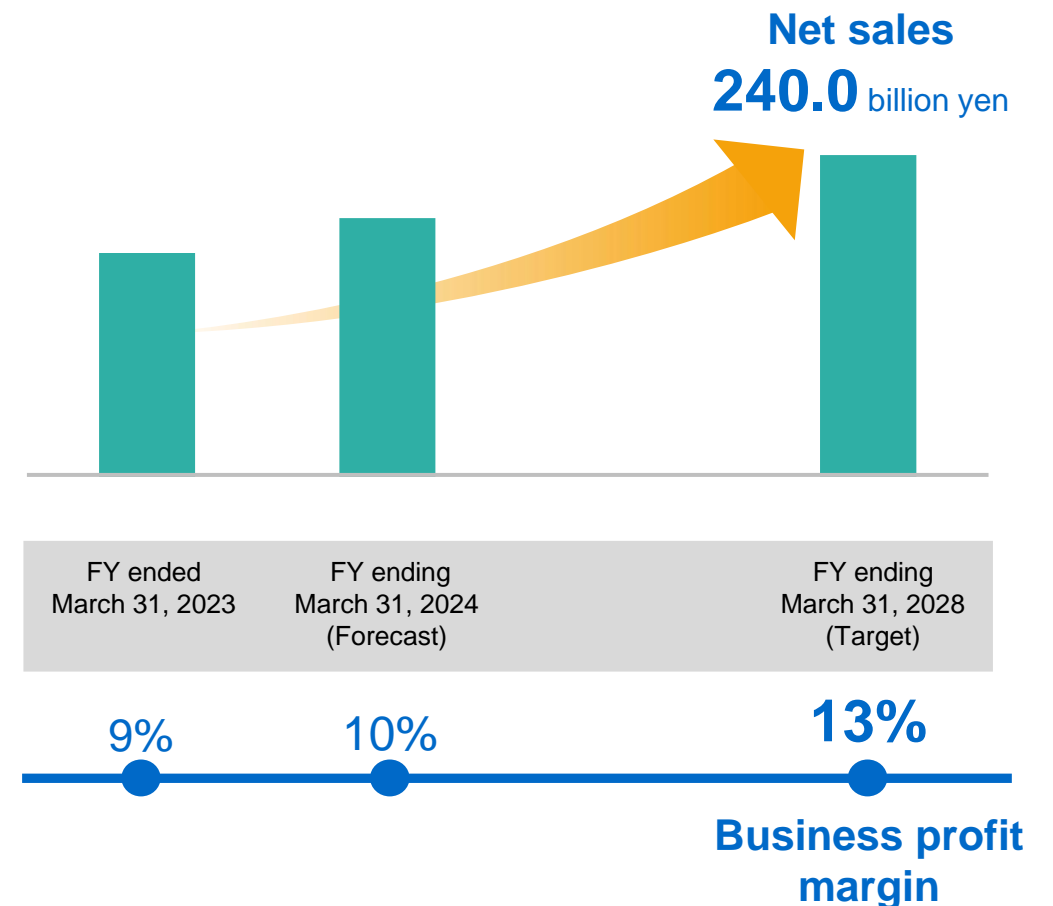
* Composition of net sales before the acquisition of the European business base in 2015.

Accelerate the rollout of high value-added models through business expansion tailored to the characteristics of specific regions and markets

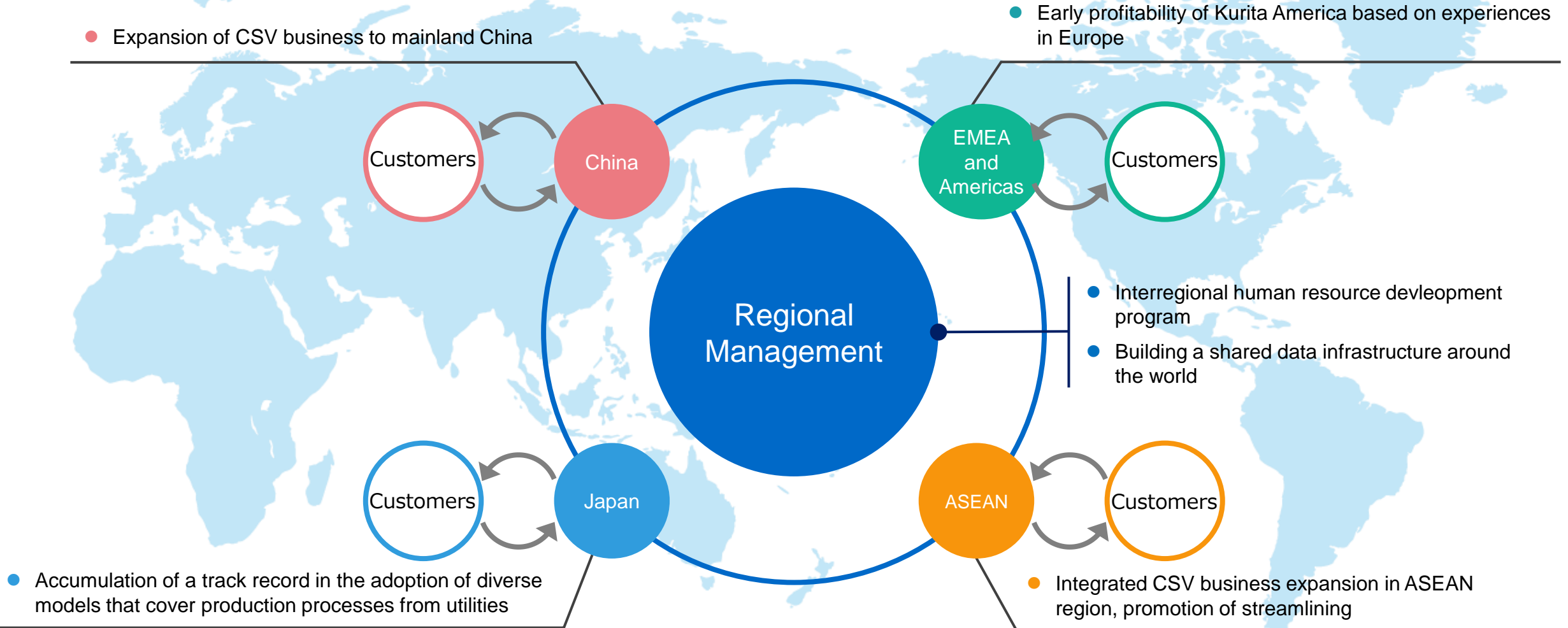
Key Measures

- Building a business structure in light of regional characteristics
- Further expansion of CSV business
- Use of digital infrastructure to accelerate expansion
- Challenges for new businesses that contribute to a recycling-oriented economy and society





Developing an organizational structure combining regional functions with supervisory functions, in pursuit of business promotion and regional collaboration tailored to regional characteristics



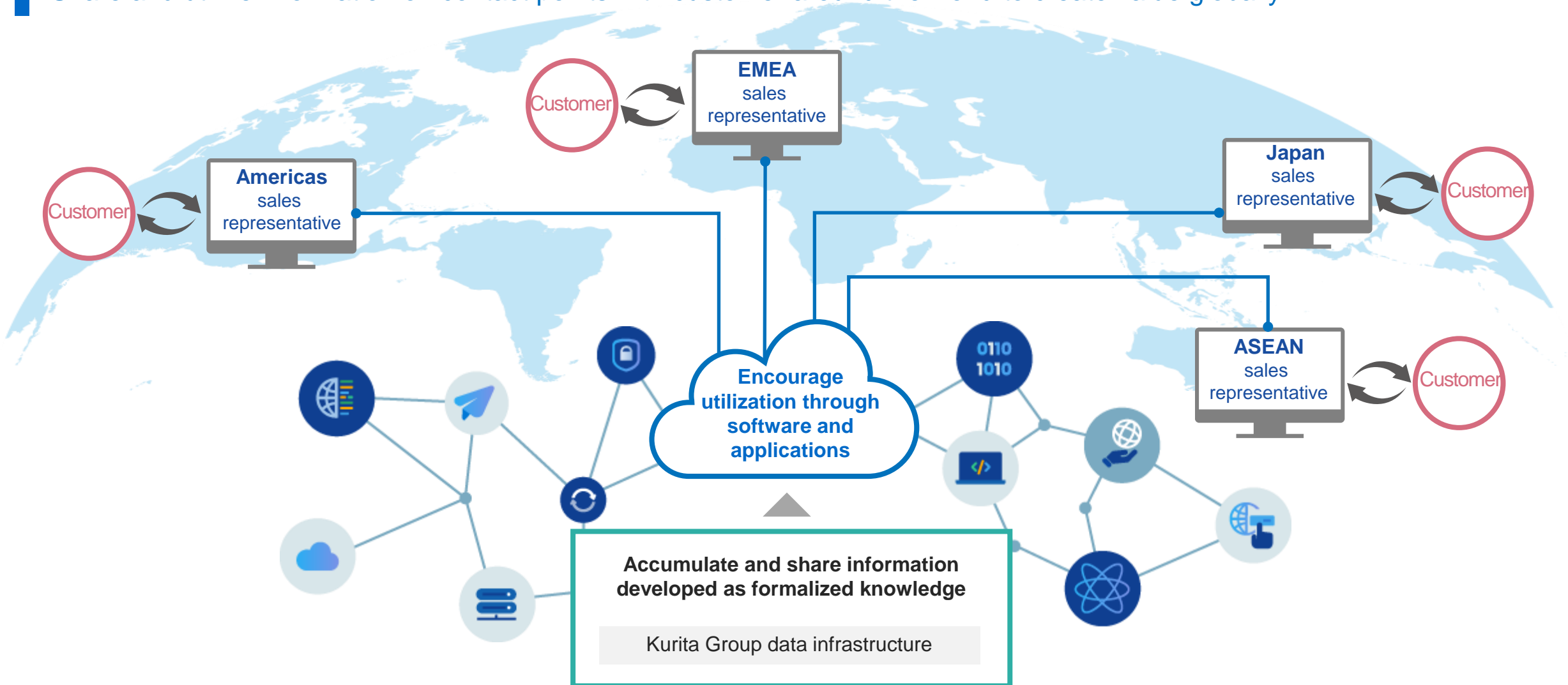
In the four regions, we will create shared value together with the customers of each region, with regional management promoting collaboration



Share information globally and promote an expansion with optimum models and sales methods for each industry and region

For utility equipment (applied to boilers and cooling systems, etc.)		For production and manufacturing processes (applied to production and manufacturing processes, etc.)		
Applied to a wide range of industries	Characteristics	Varies by industry and customer		
Share successful models and adoption results between regions to expand efficiently	Direction of Expansion	Build optimum models for customers through adjustment and combination		
<div>Removal of scales attached to the inside of boilers [Various Industries]</div> <div>DReeM Polymer compound</div> <div></div> <div>Water saving</div> <div>CO₂ emission reduction</div>	<div>Optimization of wastewater treatment chemical dosage [Various Industries]</div> <div>Coagulation sensor-based wastewater treatment 3S solutions</div> <div></div> <div>Waste reduction</div>	Examples of Introduction	<div>Use of unburned carbon content as a sintering fuel [Steel Production]</div> <div>Blast furnace dust reforming technology</div> <div></div> <div>CO₂ emission reduction</div>	<div>Improving the efficiency of heat transfer in dryers [Paper and Pulp]</div> <div>Kurita Dropwise Technology</div> <div></div> <div>CO₂ emission reduction</div>

Share and utilize information on contact points with customer around the world to create value globally



Cultivation of new businesses that will be future revenue pillars utilizing water knowledge, including the water treatment and purification technologies cultivated through diverse contact points with customers

Example of a Challenge : Used Diaper Recycling Business

* Recycling Technologies : Technologies for reusing impurities as valuable resources by developing technologies for removing impurities from water and reusing water

Social Issue: Amount of waste from adult diapers has increased due to the aging population

Rising disposal and processing costs
(Elderly care facilities)

Increased incineration and processing costs
(Local governments)

Combination of
Social Issues and
Resource Recycling
Technologies

Recycling technologies

Waste liquid and
other waste
(W)

to

Valuables
(X)

Valuable resources (x) = water, methane, electricity, fuel, NH₃, P, rare metals, plastics, fertilizer, feed, etc.

Commercialization

Used
diapers



Separation and Treatment System
(Kurita SAMS System)

Separation

Expanding a resource
recycling business
through corporate
collaboration

Supporting resource
recycling through the
provision of systems

Recycled plastics
superabsorbent
polymer
Pulps

Strengthening of Human Capital (Strategic Cultivation and Utilization of Human Resources)

Acquire and cultivate human resources that are the key to the creation of innovation and strengthen mechanisms to ensure their success

Main Initiatives



Enhance employee job fulfillment

Cohesion of
human resources



Active participation of
individuals who
possess a high
degree of expertise



Utilize diversity

Diverse expertise
and experience

Globalization



Secure and cultivate key human resources that will support Kurita as a technology-driven company

Development-
savvy human
resources

Digitally-minded
human
resources

Intellectual
property-
oriented human
resources

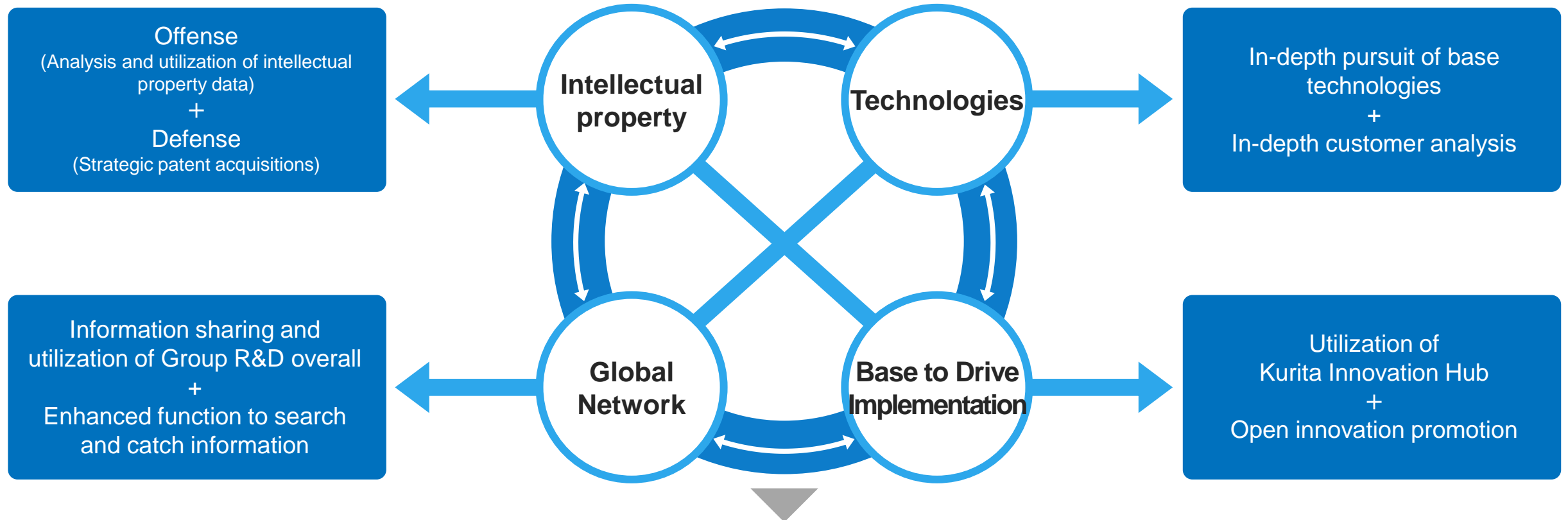


Revisions to personnel systems

Systematic enhancement of
development opportunities

Hiring of experienced talent

Leverage the strengths of the Kurita Group's technologies, infrastructure, networks and intellectual property to facilitate innovation



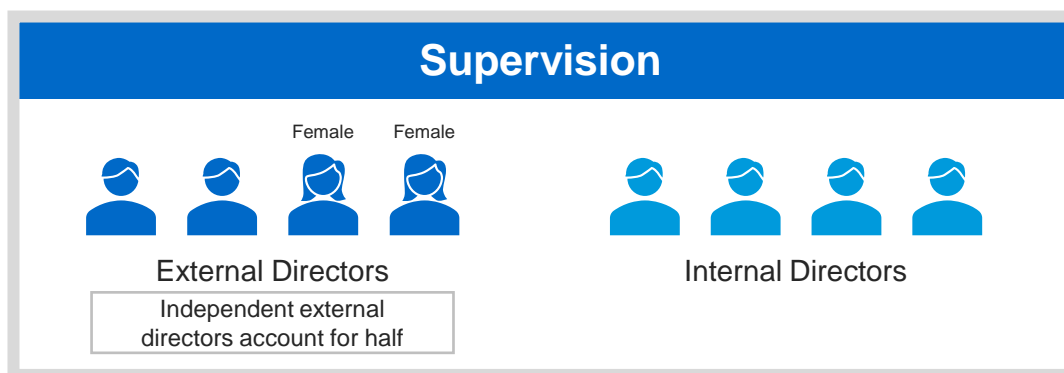
Create new solutions and businesses to provide new value to customers and society

Transition to a company with a Nominating Committee, etc. to further enhance governance

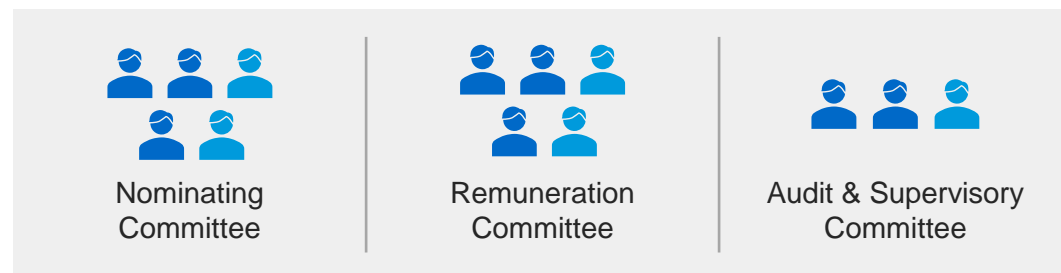
Objectives

- Through a system that clearly separates management supervision and execution, focus on management supervision with the perspectives of various stakeholders
- In management execution, utilize knowledge and appropriate monitoring functions on the supervisory side and adopt a structure for decisive decision-making on business execution

* The transition will take place following approval by the ordinary general meeting of shareholders to be held in large June 2023



Composition of each committee

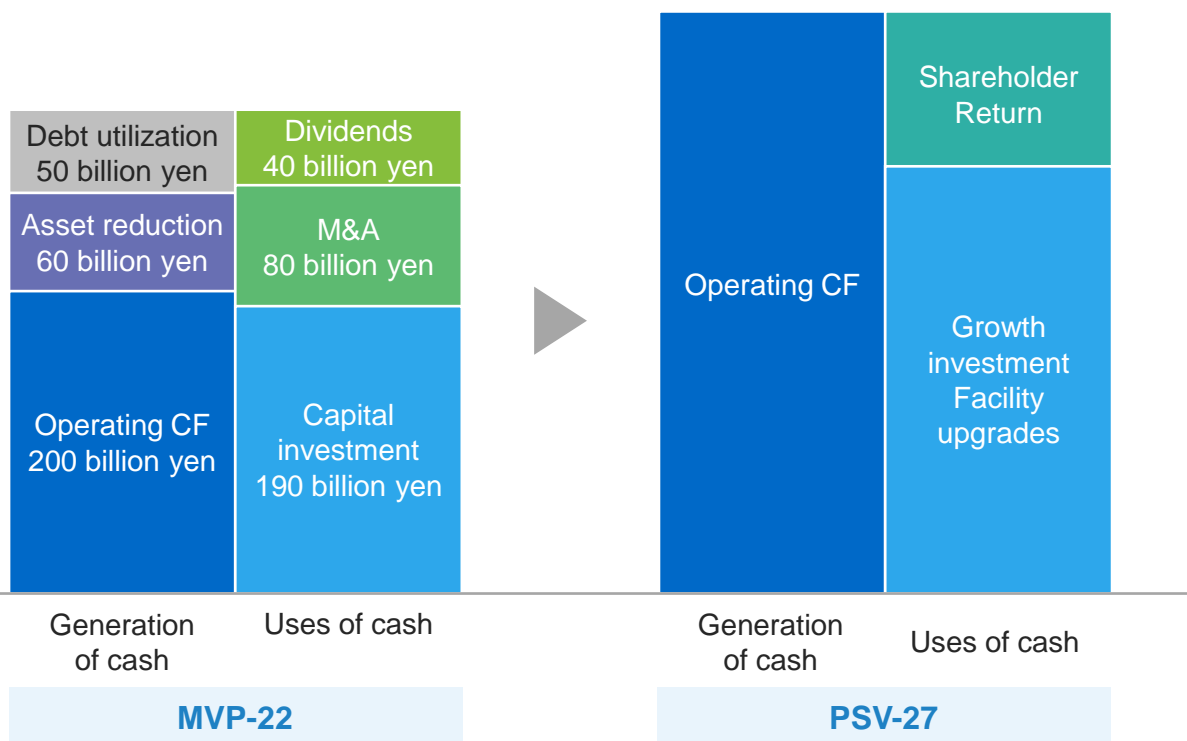


Diversity

Composition of the Board of Directors		Composition of Executive Officers
Ratio of external directors	Ratio of female directors	Ratio of non-Japanese executive officers
40% ▶ 50%	20% ▶ 25%	0% ▶ 17%

Prioritize use for growth investment under well-disciplined investment decision-making and financial management

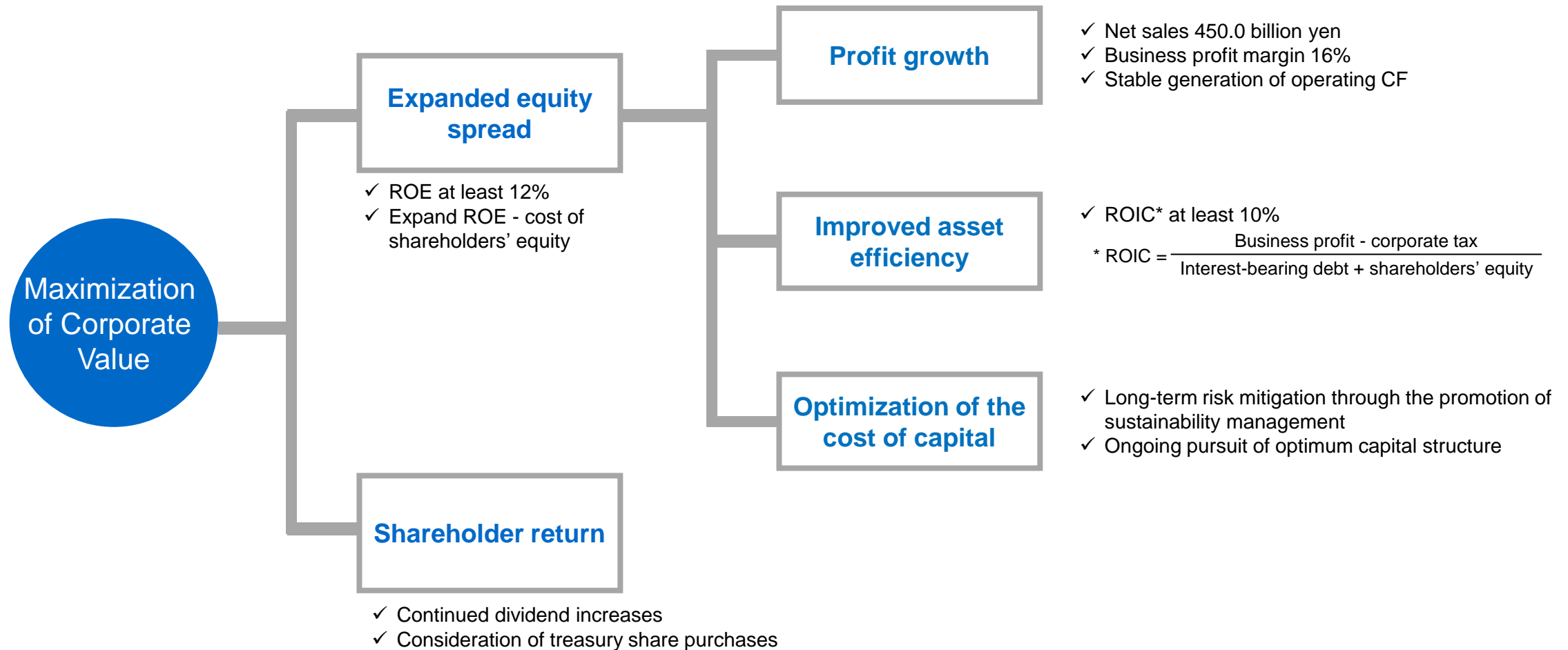
Cash Allocation



Priority of the Use of Funds

- 1 Growth investment (water supply, asset ownership-based services, regional complement, new business, etc.)**
 Strengthened investment management through ROIC management and well-disciplined investment decision-making criteria
- 2 Facility upgrades (IT investment, reorganization of production sites, etc.)**
 Continue to make investments that help develop the foundations of growth
- 3 Continuation of increased dividends**
 Over the past five years, we maintain our financial rating with a dividend payout ratio in the 30-50% range, and followed a policy of systematically increasing dividends over the long term
- 4 Purchase of treasury shares**
 Consider flexible purchase of treasury shares, considering funding needs, stock price, capital structure and other circumstances

Maximize corporate value of the Company through expanded equity spread and steady shareholder returns



Note: Figures are target figures to be met by March 31, 2028

IV | Reference

PSV-27: Targets and Exchange Rate Assumptions



Profit/Loss Situation

	FY2023 (Results)	FY2024 (Forecast)	FY2028 (Target)
Net sales	344.6 billion yen	375.0 billion yen	450.0 billion yen
Electronics industries	149.3 billion yen	162.5 billion yen	210.0 billion yen
General industries	195.3 billion yen	212.5 billion yen	240.0 billion yen
Business profit	38.6 billion yen	40.0 billion yen	72.0 billion yen
Business profit margin	11.2%	10.7%	16.0%
Electronics industries	14.6%	11.1%	20.0%
General industries	8.7%	10.3%	13.0%
Operating profit	29.1 billion yen	39.0 billion yen	—
Profit attributable to owners of parent	20.1 billion yen	27.0 billion yen	—
CSV business net sales	—	50.0 billion yen	100.0 billion yen

Financial Status

	FY2023 (Results)	FY2024 (forecast)	FY2028 (Target)
ROE	7.1%	—	12% or more
ROIC	8.0%	—	10% or more

PSV-27 exchange rate assumptions

	FY2023 (Results)	FY2024 (forecast)	FY2028 (Target)
United States (USD)	135.5 yen	135.0 yen	135.0 yen
Europe (EUR)	141.0 yen	138.5 yen	138.5 yen
Korea (KRW)	0.104 yen	0.102 yen	0.102 yen
China (CNY)	19.8 yen	19.7 yen	19.7 yen

Materiality Indicators (Targets to be achieved by March 31, 2028)



Shared Value Themes

Solve issues related to water resources	
Total number of basins where collective actions are implemented and total population in the basins	5 basins, 600 million people
Amount of water savings through CSV business	300 million m ³
Rate of reduction of GHG emissions and amount of water saving through CSV business (compared to FY2023)	50%
Rate of reduction of water intake intensity (compared to FY2023, excluding the ultrapure water supply business)	20%
Number of individuals, organizations and groups we engage with to raise awareness on water resources	Continuous increase every year
Contribute to the realization of a decarbonized society	
Rate of reduction in Scope 1+2 emissions (compared to FY2020)	73%
Rate of reduction in Scope 3 emissions (compared to FY2020)	22%
Avoided GHG emissions through CSV business	1,500 thousand tons
Contribute to building a circular economy society	
Rate of increase in resource recovery or reduction of resource input through CSV business (compared to FY2023)	300%
In-house waste recycling rate	Continuous increase every year

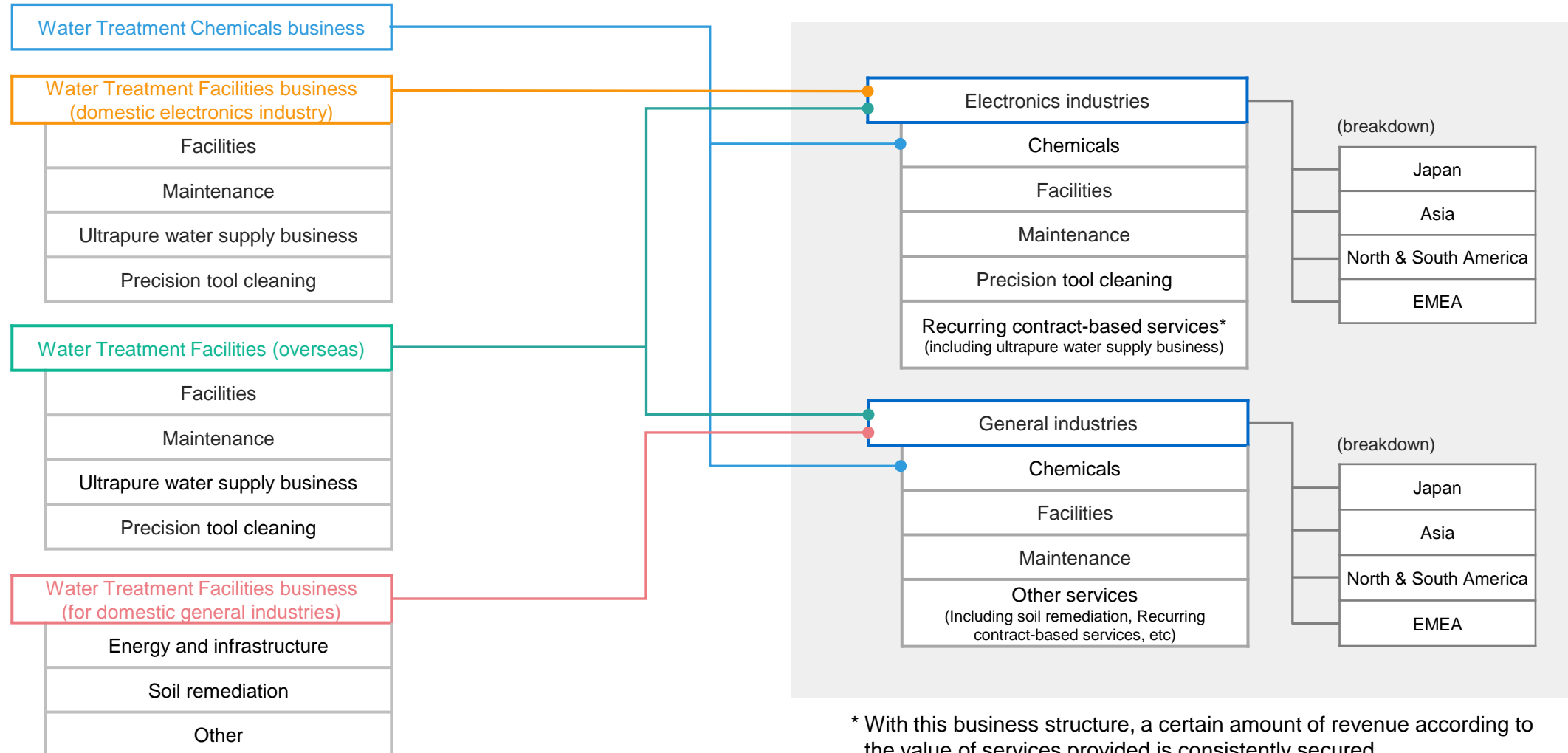
Basic Themes

Develop and disseminate innovative products, technologies, and business models	
Investment rate in innovation areas	30%
Rate of the number of themes in innovation areas	30%
Number of stakeholder engagements related to innovation areas	Continuous increase every year
Strategic development and utilization of human resources	
Engagement Score (a. rate of companies above the average of all industries, b. Score of each company surveyed)	a: 75% b: Continuous increase
Rate of women, foreigners, and experienced personnel among executives of KWI	40%
Fill rate of human resources for development, digital, and intellectual property	80%
Provide highly safe and quality products and services	
Reduction rate in the recurrence rate of accidents that affect customers and society	20% year on year
Conduct business activities respecting human rights	
Conducting human rights due diligence on suppliers	Continuous implementation
Accident Severity Rate (KWI, and group companies in Japan)	0.005 or less
Rate of participation in human rights-related training	100%
Establishment of a liaison for remedies from human rights violations (grievance mechanism)	Completed
Conduct fair business activities	
Rate of participation in whistle-blowing system related training	100%
Rate of participation in training related to laws and internal rules for anti-bribery and antitrust, etc.	100%
Number of violations of anti-bribery and antitrust laws	0

Segment Changes

Up to Fiscal Year Ended
March 31, 2023








From Fiscal Year Ending
March 31, 2024



Major External Recognitions During the Term of MVP-22



Inclusion in ESG indices

<div>FTSE4Good Index Series</div> <div></div> <div>FTSE4Good</div>	<div>FTSE Blossom Japan Index</div> <div></div> <div>FTSE Blossom Japan</div>	<div>FTSE Blossom Japan Sector Relative Index</div> <div></div> <div>FTSE Blossom Japan Sector Relative Index</div>	<div>MSCI ACWI ESG Leaders Index</div> <div></div>
<div>MSCI Japan ESG Select Leaders Index</div> <div></div>	<div>MSCI Japan Empowering Women (WIN) Select Index</div> <div></div>	<div>SOMPO Sustainability Index</div> <div></div>	

Recognition from ESG rating organizations

ISS-ESG

Corporate ESG
Performance

Prime

Recognition from supplier rating organizations

EcoVadis

* The inclusion of Kurita Water Industries Ltd. in the MSCI Index and the use of the MSCI logo, trademarks, service markets or index names on this page does not constitute support for, endorsement or promotion of Kurita Water Industries Ltd. on the part of MSCI or its affiliates.
Exclusive ownership of MSCI: MSCI, the MSCI index names and logos are the trademarks or service marks of MSCI or its affiliates.



Forward-looking Statements

This presentation contains forward-looking statements, business plan projections, and judgments based on information available to management at the time of writing. Due to the existence of a variety of risk factors and uncertainties, actual results may differ from those specified or implied by these forward-looking statements and projections.

The product or service names and logos used in this presentation are trademarks or registered trademarks of the Company or other companies.