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For Immediate Release

Company Name: Kurita Water Industries Ltd.  
Representative: Michiya Kadota, President  
(Securities Code: 6370, First  
Section of TSE)  
Contact: Shuichiro Kashimoto,  
General Manager of Corporate  
Communications and CSR  
Department  
(Tel. +81-3-6743-4389)

**Notice Regarding Acquisition of Shares of Pentagon Technologies Group, Inc. in the United States  
(to Make It a Subsidiary)**

Kurita Water Industries Ltd. (“Kurita”) announces that a meeting of its Board of Directors held today resolved to acquire an additional 26% of shares of Pentagon Technologies Group, Inc. (Head Office: California, U.S.; “Pentagon Technologies”), adding to the 25% stake currently owned by Kurita America Holdings Inc. (Head Office: Delaware, U.S.; “KAHI”), a wholly owned subsidiary of Kurita. As a consequence, Pentagon Technologies will become a consolidated subsidiary. Kurita has entered into a share transfer agreement with KAHI and nine shareholders of Pentagon Technologies. Kurita expects to proceed in the future to acquire additional shares to make Pentagon Technologies a wholly owned subsidiary.

1. Purpose of the acquisition of the shares

Based on the policy of making Pentagon Technologies a subsidiary, Kurita acquired 25% of the company’s shares through KAHI in April 2019. The acquisition of the additional shares this time is in line with this policy. By making Pentagon Technologies a subsidiary, Kurita will further increase its competitiveness in the market by acquiring a base for overseas service business in the electronics industry, which is positioned as a key business segment. Integrating the cutting-edge cleaning tool technologies and expertise of Pentagon Technologies, Kurita aims to continue to accelerate its business growth and offer new value by creating synergies with the precision cleaning tool business which the Kurita Group has been developing in Japan.

Pentagon Technologies has developed a precision cleaning tool business mainly in the U.S. and has been pursuing the development of cutting-edge cleaning tool technologies and unique cleaning methods that contribute to improving the quality of customers’ products and reducing the burden on the environment. Pentagon Technologies focuses on providing services for leading manufacturers of semiconductors and semiconductor manufacturing equipment that have production bases in the U.S. Pentagon Technologies’ factories are qualified as “certified cleaning factories” for these leading semiconductor equipment

manufacturers. As such, the company has established a solid customer base in the market for semiconductor precision tool cleaning and is one of the leading service providers in the global market.

## 2. Overview of the subsidiary to be changed

(1)	Name	Pentagon Technologies Group, Inc.	
(2)	Location of the head office	21031 Alexander Ct. Hayward, California 94545, U.S.A.	
(3)	Position and name of representative	Irwin H. Pfister, Chairman	
(4)	Business description	Precision tool cleaning business and development of measuring instruments for surface particles on semiconductor manufacturing equipment, consulting services relating to clean rooms, among other industry-related businesses	
(5)	Capital	2,000 US dollars	
(6)	Date of establishment	October 13, 1998	
(7)	Major shareholders and their shareholding ratio	Chairman of Pentagon Technologies 36.100% KAHI 25.000% President & CEO of Pentagon Technologies 9.620% VP Sales of Pentagon Technologies 6.666% CFO of Pentagon Technologies 6.577% CTO of Pentagon Technologies 5.623% VP Site Services of Pentagon Technologies 5.623% *The release of the name is withheld due to the request of the shareholder.	
(8)	Relationship between Kurita and the company	Capital relationship	KAHI, a subsidiary of Kurita, owns 25% of shares of Pentagon Technologies.
		Human relationships	Not applicable
		Business relationship	Not applicable
(9)	Net sales for the fiscal year ended December 2018	89,790,000 US dollars (9,787 million yen)	

(Note 1) Converted at the exchange rate of 109 yen to a US dollar.

(Note 2) The release of net assets, total assets, trends in net sales, operating income, ordinary income, net income and dividend per share is withheld because Kurita was unable to obtain consent from Pentagon Technologies.

### 3. Overview of the parties from whom the shares will be acquired

(1) Name	1) Chairman of Pentagon Technologies 2) President & CEO of Pentagon Technologies 3) VP Sales of Pentagon Technologies 4) CFO of Pentagon Technologies 5) CTO of Pentagon Technologies 6) VP Site Services of Pentagon Technologies 7) Info Tech of Pentagon Technologies 8) VP Products of Pentagon Technologies 9) Non-employee of Pentagon Technologies *The release of the name is withheld due to the request of the shareholder.
(2) Relationship between Kurita and the individuals	Not applicable

### 4. Number of shares to be acquired, acquisition value and the status of shareholding before and after the acquisition

(1) Number of shares held before acquisition	728,724 shares (shareholding ratio: 25%)
(2) Number of shares to be acquired	757,875 shares
(3) Acquisition value	Amount of shares to be acquired: 52 million US dollars (5.7 billion yen) Advisory fees (estimate)      Approximately 175 million yen
(4) Number of shares held after acquisition	1,486,599 shares (shareholding ratio: 51%)

(Note 1) Converted at the exchange rate of 109 yen to a US dollar.

### 5. Schedule

(1) Date of resolution at the Board of Directors meeting	December 26, 2019
(2) Date of agreement	December 26, 2019
(3) Date of transfer of shares	April 1, 2020 (planned)

## 6. Future outlook

The impact of the acquisition of the shares on forecasts for consolidated financial results of Kurita is currently being carefully examined, and if any matter to be disclosed occurs in the future, Kurita will promptly announce it.

End

(Reference) Consolidated results forecasts for the current fiscal year (announced on November 11, 2019) and consolidated financial results for the previous fiscal year (Unit: Million yen)

	Consolidated net sales	Consolidated operating profit	Profit before tax	Profit attributable to owners of parent
Consolidated results forecasts for the current fiscal year (Fiscal year ending March 31, 2020)	273,000	30,000	30,200	21,300

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Profit attributable to owners of parent
Consolidated financial results for the previous fiscal year (Fiscal year ended March 31, 2019)	259,409	24,326	23,919	17,323

(Note) Consolidated financial results for the previous fiscal year and consolidated results forecasts for the current fiscal year are prepared based on Japanese GAAP and the International Financial Reporting Standards (IFRS), respectively.