



October 30, 2020

For Immediate Release

Company Name: Kurita Water Industries Ltd.
Representative: Michiya Kadota, President
(Securities Code: 6370, First section of TSE)
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Notice of Absorption-type Merger of Wholly Owned Subsidiary
(Simplified Merger and Short-form Merger)

Kurita Water Industries Ltd. (hereinafter the “Company”) announces that its Board of Directors has resolved at a meeting held today that the Company will absorb Kurita Engineering Co., Ltd. (hereinafter "Kurita Engineering"), a wholly owned subsidiary of the Company, with an effective date of April 1, 2021.

As it is an absorption-type merger of a wholly owned subsidiary of the Company, some items and details are omitted from the disclosure below.

1. Purpose of the merger

Kurita Engineering was established in 1959 when the chemical cleaning division was separated from the Company, and has been developing its business focusing on chemical cleaning for large plants in Japan as a leading company in plant facilities cleaning services. In the social and industrial infrastructure markets such as electric power, iron and steel, petroleum refining, and petrochemicals, which are the main markets for Kurita Engineering and the Company, there are growing needs to reduce environmental impact and improve productivity, including decarbonization measures against global climate change.

This merger will enable the Company to flexibly invest its management resources, such as financial and human resources, into Kurita Engineering’s solid technological and customer base so that the Company can accurately identify these needs and provide optimal solutions. We aim to expand the scope of our plant facilities cleaning business and achieve sustainable growth by establishing a system to respond promptly to social demands and customer needs in the future social and industrial infrastructure markets.

2. Summary of merger

(1) Merger schedule

Date of board resolution regarding the merger	October 30, 2020
Board meeting to approve merger agreement	December 2020 (Scheduled)
Date of merger agreement conclusion	December 2020 (Scheduled)
Date of merger (Effective date)	April 1, 2021 (Scheduled)

Note: As the merger is a simplified merger pursuant to Article 796, paragraph 2 of the Companies Act for the Company and a short-form merger pursuant to Article 784, paragraph 1 of the Companies Act for Kurita Engineering, in either case, the merger shall occur without obtaining approval at a shareholders meeting.

(2) Merger method

Kurita Engineering shall be dissolved through an absorption-type merger in which the Company shall be the surviving company.

(3) Allocations associated with merger

As Kurita Engineering is a wholly owned subsidiary of the Company, there shall be no allocation of shares or other monetary assets through the merger.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights of the absorbed company

Kurita Engineering has not issued any stock acquisition rights or bonds with stock acquisition rights.

3. Overview of parties to the merger (as of September 30, 2020)

	Surviving company	Absorbed company
(1) Trade name	Kurita Water Industries Ltd.	Kurita Engineering Co., Ltd.
(2) Address	10-1 Nakano 4-chome, Nakano-ku, Tokyo	2-22, Kitahama 2-chome, Chuo-ku, Osaka-shi, Osaka
(3) Title & name of representative	Michiya Kadota President and Representative Director	Ikuo Ishimaru President and Representative Director
(4) Business description	Manufacture and sale of water treatment chemicals and water treatment facilities; maintenance of water treatment facilities; ultrapure water supply; soil and groundwater remediation	Plant cleaning and maintenance; manufacture and sale of cleaning and sewage treatment chemicals, facilities, and equipment; rental of temporary machinery
(5) Share capital	13,450 million yen	160 million yen
(6) Date of establishment	July 13, 1949	June 2, 1959
(7) Issued shares	116,200,694 shares	320,000 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. (Trust Account): 7.61% Custody Bank of Japan, Ltd. (Trust Account): 6.80% Nippon Life Insurance Company: 5.30% State Street Bank and Trust Company 505025: 2.51% Custody Bank of Japan, Ltd. (Trust Account 5): 2.00%	Kurita Water Industries Ltd.: 100%

	MUFG Bank, Ltd.: 1.82% JP Morgan Chase Bank 385781: 1.61% Tokio Marine & Nichido Fire Insurance Co., Ltd.: 1.49% BNP Paribas Securities Services Paris /Jasdec French Res/Ucits Assets: 1.48% Custody Bank of Japan, Ltd. (Trust Account 7): 1.43%			
(10) Business performance and financial condition in most recent fiscal year	Fiscal year ended March 31, 2020 (Consolidated) (IFRS)		Fiscal year ended March 31, 2020 (Non-consolidated) (Japanese GAAP)	
	Total equity	244,108 million yen	Net assets	4,402 million yen
	Total assets	387,749 million yen	Total assets	5,944 million yen
	Equity per share	2,158.96 yen	Net assets per share	13,757.19 yen
	Net sales	264,807 million yen	Net sales	7,506 million yen
	Business profit	26,654 million yen	Operating income	977 million yen
	Operating profit	27,479 million yen	Ordinary income	1,014 million yen
	Profit attributable to owners of parent	18,287 million yen	Net income	692 million yen
	Basic earnings per share	162.86 yen	Net income per share	2,164.72 yen

Notes: 1. In addition to the above major shareholders, the Company holds 3,584,076 treasury stock.

2. Calculations of shareholding ratios exclude treasury stock.

3. Business profit is an original indicator of the Company's group that measures regular business performance by subtracting cost of sales and selling, general and administrative expenses from net sales.

4. Status after merger

After the merger, there will be no change to the trade name, address, title and name of representative, business description, share capital, or fiscal year end of the Company.

5. Future outlook

As the merger is with a wholly owned subsidiary, the impact on the consolidated business results of the Company will be minor.