[Translation for Reference and Convenience Purposes Only]

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 84th Ordinary General Meeting of Shareholders of Kurita Water Industries Ltd. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Notice of Convocation of the 84th Ordinary General Meeting of Shareholders

Kurita Water Industries Ltd.

[Translation for Reference and Convenience Purposes Only]

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Dear Shareholders,

We would like to express sincere thanks to all our shareholders for the support you provide. Furthermore, we would like to express our condolences to those who have passed away due to novel coronavirus disease (COVID-19) and their families. We also pray that those who have contracted COVID-19 recover as soon as possible. In addition, we would like to pay homage to those responding on the front lines such as everyone in medical and healthcare.
The shareholders of Kurita Water Industries Ltd. are hereby notified of the 84th Ordinary General Meeting of Shareholders to be held on Monday, June 29, 2020.
This notice details the agenda proposals of the General Meeting of Shareholders and provides an overview of business operations in the fiscal year ended March 31, 2020. We request that you read it.

June 2020

Sincerely yours,

Michiya Kadota
President and Representative Director

Corporate Philosophy

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

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.

Kurita Group will generate new functions and value for water, through further exploration and exploitation of the fundamental properties of water.

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.

[Translation for Reference and Convenience Purposes Only]

Securities Code: 6370

June 8, 2020

Dear Shareholders

Michiya Kadota
President and Representative Director
Kurita Water Industries Ltd.
10-1, Nakano 4-chome, Nakano-ku, Tokyo

NOTICE OF CONVOCATION OF THE 84th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby provide notice that the 84th Ordinary General Meeting of Shareholders of Kurita Water Industries Ltd. (the "Company") shall be held as described below.
Having carefully considered based on the situation of the spread of COVID-19 infection, the Company has decided to hold this meeting, taking appropriate measures beforehand to avoid infection. However, **you are encouraged to exercise your voting rights prior to the meeting by sending your Voting Rights Exercise Form or via the Internet, etc., and to refrain from traveling to the venue on the date of the meeting, if at all possible. Please review the attached Reference Documents for the General Meeting of Shareholders described hereinafter, and exercise your voting rights, no later than 5:15 p.m. on Friday, June 26, 2020.**

1. **Time and Date:** 11:00 a.m., Monday, June 29, 2020 (Reception starts at 10:00 a.m.)

2. **Place:** 10F Conference Room
Kurita Water Industries Ltd.
Nakano Central Park East,
10-1, Nakano 4-chome, Nakano-ku, Tokyo

3. **Objectives of the Meeting:**

Reports:
1. Reports on Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 84th Fiscal Year (From April 1, 2019, to March 31, 2020)
2. Reports on Non-Consolidated Financial Statements for the 84th Fiscal Year (From April 1, 2019, to March 31, 2020)

Agenda:
Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of Nine (9) Directors
Proposal No. 3: Election of Two (2) Members of the Audit & Supervisory Board
Proposal No. 4: Election of One (1) Substitute Member of the Audit & Supervisory Board

4. **Other Matters Regarding the Convocation of the General Meeting of Shareholders:**
If your voting rights are exercised in duplicate in writing and via the Internet, etc.:
The exercise of your voting rights that reaches the Company last shall be deemed valid.
Provided, however, that in the event your Voting Rights Exercise Form and your exercise via the Internet, etc. reach the Company on the same date, the exercise of your voting rights via the Internet, etc. shall be deemed valid.

[Translation for Reference and Convenience Purposes Only]

- If you attend the meeting, we request that you submit the enclosed Voting Rights Exercise Form to the reception desk at the meeting. Any persons other than the shareholders who are entitled to exercise their voting rights are not allowed to enter the place of this meeting.
- If there are any corrections to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and/or the Non-Consolidated Financial Statements, such corrections will be posted on the Company's website.
- The Company participates in the Electronic Voting Platform operated by ICJ, Inc.

The Company's website	https://ir.kurita.co.jp/en/shareholders_information/shareholder_meeting/index.html	

While the notes to consolidated financial statements and notes to non-consolidated financial statements have not been translated into English, a portion of the notes to consolidated financial statements is included in the English translation of the consolidated financial statements viewable via the following link:
https://ir.kurita.co.jp/en/downloads/pdf/immediate_200520_en.pdf

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

1. Year-end dividends

The Company's basic policy is to pay stable dividends on an ongoing basis. The Company will endeavor to return profits to shareholders by maintaining a dividend increase, setting a consolidated dividend payout ratio of 30% to 50% as a guide and making the decision based on consolidated dividend payout ratios for the most recent five years in order to respond flexibly to changes in the financial results each year.

The Company proposes that the year-end dividend for the current fiscal year be ¥31 per share, an increase of ¥4 per share from a year earlier.

The Company's annual dividend for the fiscal year under review would be ¥62 per share, including ¥31 per share distributed as an interim dividend, an increase of ¥4 per share from a year earlier, and the consolidated dividend payout ratio would be 38.1%.

(1)	Type of Property for Dividends	Cash	
(2)	Allotment of Property for Dividends and Total Amount Thereof	Dividend per share of common stock of the Company	¥31
		Total amount of dividends	¥3,490,878,907
(3)	Effective Date of the Distribution of Surplus	June 30, 2020	

2. Other appropriation of surplus

We propose the following internal reserves to be used for investments aimed at boosting corporate value, etc. in order to strengthen the management foundation in preparation for the development of operations in the future.

(1)	Item of surplus to be increased and amount of increase	General reserve	¥6,000,000,000
(2)	Item of surplus to be decreased and amount of decrease	Retained earnings brought forward	¥6,000,000,000

Proposal No. 2: Election of Nine (9) Directors

The term of office of ten (10) current Directors will expire at the conclusion of this General Meeting of Shareholders. Mr. Koichi Iioka has resigned on March 31, 2020. Accordingly, the Company proposes the election of nine (9) Directors (including three (3) External Directors). The Company nominates these candidates in accordance with the "Policies and procedures for nominating candidates for Directors and members of the Audit & Supervisory Board" on page 19. The candidates for Directors are as follows:

No.	Name	Positions and Assignments in the Company			Record of attendances at the Board of Directors meetings	Number of years as Director (at the conclusion of this General Meeting of Shareholders)
1	Michiya Kadota	President and Representative Director	—	Reappointment	100% (15/15)	6 years
2	Kiyoshi Itou	Executive Senior Managing Director and Representative Director	Executive General Manager of Corporate Planning and Control Division	Reappointment	100% (15/15)	11 years
3	Yoshio Yamada	Managing Director	Executive General Manager of Japan Sales Business Division and Chief Business Officer for Chemicals business	Reappointment	100% (15/15)	6 years
4	Hirohiko Ejiri	Managing Director	Executive General Manager of Engineering Division and Chief Business Officer for Facilities business	Reappointment	100% (15/15)	4 years
5	Yasuo Suzuki	Managing Director	Executive General Manager of Global Business Division and Chief Business Officer for Global business	Reappointment	100% (15/15)	2 years
6	Toshimi Kobayashi	Director	Senior General Manager of East Japan Group, Japan Sales Business Division	Reappointment	100% (15/15)	2 years
7	Tsuguto Moriwaki	External Director	—	Reappointment External Independent	100% (15/15)	5 years
8	Ryoko Sugiyama	External Director	—	Reappointment External Independent	86.6% (13/15)	3 years
9	Keiko Tanaka	External Director	—	Reappointment External Independent	91.6% (11/12)	1 year

Note: During the fiscal year ended March 31, 2020, the Board of Directors held 15 Board of Directors meetings. The record of attendances at the Board of Directors meetings for Ms. Keiko Tanaka counts only those meetings held after her appointment on June 27, 2019.

New	New candidates for Director	Reappointment	Candidates for reappointment as Director
External	Candidates for External Director	Independent	Independent Officer as set forth under regulations of the Tokyo Stock Exchange, Inc.

[Translation for Reference and Convenience Purposes Only]

Candidate No. 1	Michiya Kadota	Date of birth February 16, 1959 61 years old	Reappointment

Number of the shares of the Company held
18,600 shares

Number of years as Director
6 years
(at the conclusion of this General Meeting of Shareholders)

Record of attendances at the Board of Directors meetings
100% (15/15)

Brief personal history, positions and assignments in the Company

Apr. 1983 Joined Kurita Water Industries Ltd.
Apr. 2006 General Manager of Business Process Reengineering Dept., Corporate Planning Division
Apr. 2008 General Manager of Internal Auditing Dept.
Apr. 2012 General Manager of Finance and Accounting Dept., Administrative Division
Jun. 2013 Executive Officer of the Company
Jun. 2014 Director of the Company
Jun. 2014 Executive General Manager of Administrative Division
Apr. 2016 President and Representative Director of the Company (Current position)

Significant positions concurrently held

None

Reasons for deciding to make him a candidate for Director

Mr. Michiya Kadota has a career mainly in the area of general affairs such as finance and accounting and was responsible for the Administrative Division from June 2014. He also carried through the integration of the Water Treatment Chemicals business acquired in Europe in a short period of time as manager responsible for the integration. He served as Director since June 2014, and has been serving as President and Representative Director since April 2016. He has been exercising strong leadership unrestrained by preconceived ideas in implementing reforms of the Kurita Group as a whole through initiatives such as the transformation of the business model, emphasizing CSR and reviewing the business portfolio.

[Translation for Reference and Convenience Purposes Only]

Candidate No. 2	Kiyoshi Itou	Date of birth March 8, 1956 64 years old	Reappointment

Number of the shares of the Company held
35,600 shares

Number of years as Director
11 years
(at the conclusion of this General Meeting of Shareholders)

Record of attendances at the Board of Directors meetings
100% (15/15)

Brief personal history, positions and assignments in the Company

Apr. 1979	Joined Kurita Water Industries Ltd.
Apr. 2000	General Manager of Legal Dept., Administrative Division
Jun. 2003	General Manager of Personnel and Labor Relations Dept., Administrative Division
Jun. 2007	Executive Officer of the Company
Jun. 2009	Director of the Company
Jun. 2009	Executive General Manager of Administrative Division
Jun. 2013	Managing Director of the Company
Jun. 2013	Executive General Manager of Corporate Planning Division
Apr. 2016	Executive General Manager of Administrative Division
Apr. 2018	**Executive Senior Managing Director and Representative Director of the Company (Current position)**
Apr. 2018	Executive General Manager of Corporate Planning Division
Apr. 2019	**Executive General Manager of Corporate Planning and Control Division (Current position)**

Significant positions concurrently held

None

Reasons for deciding to make him a candidate for Director

Mr. Kiyoshi Itou held important posts in general affairs, such as personnel and legal affairs, and then assumed the position of Executive General Manager of Administrative Division in June 2009. Since then, he also served as Executive General Manager of the Corporate Planning Division and the Administrative Division. He has overseen the entire area of general affairs and has worked to improve corporate quality and enhance the corporate value of the Kurita Group as Executive General Manager of Corporate Planning and Control Division since April 2019. He served as Director since June 2009, became Managing Director in June 2013 and has been serving as Executive Senior Managing Director and Representative Director since April 2018. The Company believes that he is an individual capable of using his highly specialized knowledge and experience to strengthen the corporate governance of the Kurita Group and has therefore nominated him as a candidate for Director.

[Translation for Reference and Convenience Purposes Only]

Candidate No. 3	Yoshio Yamada	Date of birth June 18, 1958 62 years old	Reappointment

Number of the shares of the Company held
18,700 shares

Number of years as Director
6 years
(at the conclusion of this General Meeting of Shareholders)

Record of attendances at the Board of Directors meetings
100% (15/15)

Brief personal history, positions and assignments in the Company

Apr. 1982	Joined Kurita Water Industries Ltd.
Apr. 2004	General Manager of Pulp and Paper Project, Chemicals Group I, Chemicals and Maintenance Services Division
Apr. 2010	General Manager of Nagoya Sales, Group III, Chemicals Division
Jun. 2011	Executive Officer of the Company
Jun. 2011	General Manager of Planning and Coordination Dept., Chemicals Division
Jun. 2013	Senior General Manager of Sales Group II, Chemicals Division
Jun. 2014	Director of the Company
Apr. 2016	Senior General Manager of Sales Group I, Chemicals Division
Apr. 2017	Executive General Manager of Sales Division I
Apr. 2018	**Managing Director of the Company (Current position)**
Apr. 2018	Executive General Manager of Sales Division I and Chief Business Officer for Chemicals business
Apr. 2019	**Executive General Manager of Japan Sales Business Division and Chief Business Officer for Chemicals business (Current position)**

Significant positions concurrently held

None

Reasons for deciding to make him a candidate for Director

Mr. Yoshio Yamada held important posts at the sales departments after gaining experience in sales and technology development in the Water Treatment Chemicals business. Since April 2017, he has managed the Water Treatment Chemicals business, leading the initiative to strengthen service business integrating the water treatment chemicals and maintenance of the water treatment facilities. Since April 2019, he has overseen the development of total solutions for the entire domestic market, including the Water Treatment Facilities business. He served as Director since June 2014 and has been serving as Managing Director since April 2018. The Company believes that he is an individual capable of strengthening the function of the Company's Board of Directors, leveraging his broad insights and experience related to total solutions of the water treatment in general and has therefore nominated him as a candidate for Director.

[Translation for Reference and Convenience Purposes Only]

Candidate No. 4	Hirohiko Ejiri	Date of birth October 6, 1962 57 years old	Reappointment

Number of the shares of the Company held
11,100 shares

Number of years as Director
4 years
(at the conclusion of this General Meeting of Shareholders)

Record of attendances at the Board of Directors meetings
100% (15/15)

Brief personal history, positions and assignments in the Company

Apr. 1985	Joined Kurita Water Industries Ltd.
Apr. 2005	President of Kurita Europe GmbH
Apr. 2011	General Manager of Sales Dept. for Heavy Industries, Group II, Chemicals Division
Jun. 2013	General Manager of Business Management Dept., Chemicals Division
Apr. 2014	Executive Officer of the Company
Jun. 2014	Senior General Manager of Sales Group I, Chemicals Division
Apr. 2016	Executive General Manager of Corporate Planning Division
Jun. 2016	Director of the Company
Apr. 2018	Executive General Manager of Engineering Division
Apr. 2019	**Managing Director of the Company (Current position)**
Apr. 2020	**Executive General Manager of Engineering Division and Chief Business Officer for Facilities business (Current position)**

Significant positions concurrently held

None

Reasons for deciding to make him a candidate for Director

Mr. Hirohiko Ejiri led the initiative for expansion of the Kurita Group's business fields and transformation of revenue structure as Executive General Manager of Corporate Planning Division from April 2016, after holding important posts such as those at the sales departments of the Water Treatment Chemicals business and representative of an overseas group company. Since April 2018, he has been serving as Executive General Manager of Engineering Division, leading enhancement of production efficiency, improvement of product quality, and transformation of the production structure. He served as Director since June 2016 and has been serving as Managing Director since April 2019. The Company believes that he is an individual capable of strengthening the function of the Company's Board of Directors with the aim of expanding the Kurita Group's business and improving the company quality, leveraging his various viewpoints and extensive experience, and has therefore nominated him as a candidate for Director.

Candidate No. 5	Yasuo Suzuki	Date of birth August 16, 1959 60 years old	Reappointment

Number of the shares of the Company held
5,800 shares

Number of years as Director
2 years
(at the conclusion of this General Meeting of Shareholders)

Record of attendances at the Board of Directors meetings
100% (15/15)

Brief personal history, positions and assignments in the Company

Dec. 1997	Joined Kurita Water Industries Ltd.
Apr. 2005	General Manager of Steel and Oil Process Dept., Chemicals Group I, Chemicals and Maintenance Services Division of the Company
Apr. 2011	President of Kurita Europe GmbH
Apr. 2014	Executive Officer of the Company
Apr. 2017	Senior General Manager of Operation Group, Global Business Division
Apr. 2018	Executive General Manager of Global Business Division
Jun. 2018	Director of the Company
Apr. 2020	**Managing Director of the Company (Current position), Executive General Manager of Global Business Division and Chief Business Officer for Global business (Current position)**

Significant positions concurrently held

None

Reasons for deciding to make him a candidate for Director

Mr. Yasuo Suzuki, after holding technology and development roles in the Water Treatment Chemicals business, held important posts such as the representative of an overseas group company. In the acquisition of the Water Treatment Chemicals business in Europe, he managed the integrated company, putting the acquired business on track. While serving as the person responsible for the sales department of the overseas businesses since April 2017 and as Executive General Manager of Global Business Division since April 2018, he has worked to establish a global platform built on the four pivotal regions and has been promoting the acceleration of the Kurita Group's overseas development by acquiring several companies in North America and facilitating the integration in a short period of time. He served as Director since June 2018 and has been serving as Managing Director since April 2020. The Company believes that he is an individual capable of utilizing his experience from a global viewpoint to strengthen the function of the Company's Board of Directors and has therefore nominated him as a candidate for Director.

(Note) The registered name of the candidate for Director, Yasuo Suzuki, is Yasuo Hatta.

[Translation for Reference and Convenience Purposes Only]

Candidate No. 6	Toshimi Kobayashi	Date of birth July 12, 1958 61 years old	Reappointment

Number of the shares of the Company held
7,400 shares

Number of years as Director
2 years
(at the conclusion of this General Meeting of Shareholders)

Record of attendances at the Board of Directors meetings
100% (15/15)

Brief personal history, positions and assignments in the Company

Apr. 1982	Joined Kurita Seibi KK (Note)
Apr. 2005	General Manager of Tokyo Sales Dept. II, Maintenance Group, Chemicals and Maintenance Services Division of the Company
Apr. 2011	Executive Officer of the Company
Apr. 2011	Senior General Manager of Maintenance Group, Facilities Division
Apr. 2017	Senior General Manager of Sales Group I, Sales Division I
Apr. 2018	Senior General Manager of East Japan Sales Group, Sales Division I
Jun. 2018	**Director of the Company (Current position)**
Apr. 2019	Senior General Manager of Administration Group, Japan Sales Business Division
Apr. 2020	**Senior General Manager of East Japan Group, Japan Sales Business Division (Current position)**

(Note) Kurita Seibi KK was merged to Kurita Water Industries Ltd. in 1997.

Significant positions concurrently held

None

Reasons for deciding to make him a candidate for Director

Mr. Toshimi Kobayashi held important posts in the sales departments of the Water Treatment Facilities business and its maintenance business. He has promoted the development of total solutions, while first serving since April 2017 as the person responsible for the sales department, which integrates the water treatment chemicals and the maintenance of water treatment facilities, and since April 2019 as the person oversees the Administration Group, which covers the entire domestic market including the Water Treatment Facilities business, and then since April 2020 as the person responsible for East Japan sales group of the sales department. He has been serving as Director since June 2018. The Company believes that he is an individual capable of utilizing his broad insights and experience related to total solutions of the water treatment in general to strengthen the function of the Company's Board of Directors and has therefore nominated him as a candidate for Director.

Candidate No. 7	Tsuguto Moriwaki	Date of birth September 10, 1943 76 years old	Reappointment External Independent

Number of the shares of the Company held
4,800 shares

Number of years as Director
5 years
(at the conclusion of this General Meeting of Shareholders)

Record of attendances at the Board of Directors meetings
100% (15/15)

Brief personal history, positions and assignments in the Company

Apr. 1967 Joined Kobe Steel, Ltd.
Jun. 1996 Director, Kobe Steel, Ltd.
Jun. 1999 Managing Director, Kobe Steel, Ltd.
Oct. 1999 President and Representative Director, Kobelco Construction Machinery Co., Ltd.
Jun. 2002 Executive Vice President and Representative Director, Kobe Steel, Ltd.
Jun. 2004 President and Representative Director, Shinsho Corporation
Jun. 2010 Adviser, Shinsho Corporation
Jun. 2012 Retired from Shinsho Corporation
Jun. 2015 Director of Kurita Water Industries Ltd. (Current position)

Significant positions concurrently held

None

Reasons for deciding to make him a candidate for External Director

Mr. Tsuguto Moriwaki is an individual who possesses a great deal of knowledge about manufacturing and corporate reform. The Company believes that he is an individual capable of utilizing this knowledge as well as his experience of having served in 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 and has therefore nominated him as a candidate for External Director.

Notes concerning the candidate for External Director

- Kobe Steel, Ltd., of which Mr. Moriwaki served as Representative Director in the past, is one of customers of the Company. However, because the transaction value with Kobe Steel, Ltd. is less than 0.2% of consolidated net sales of the Company, it does not fall under a major customer. Similarly, neither Kobelco Construction Machinery Co., Ltd. nor Shinsho Corporation has conducted any transaction with the Company so far.
- The Company has entered into an agreement with Mr. Moriwaki that limits liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of the Articles of Incorporation thereof based on the provisions of Paragraph 1, Article 427 of the Act. The amount stipulated in Paragraph 1, Article 425 of the Act has been set as the maximum liability for damages based on this agreement. The Company intends to continue this agreement in case this proposal is approved and adopted at this meeting and Mr. Moriwaki is reappointed as an External Director of the Company.
- The Company has notified the Tokyo Stock Exchange, Inc. of the appointment of Mr. Moriwaki as an independent officer as set forth under regulations thereof.

Candidate No. 8	Ryoko Sugiyama	Date of birth July 27, 1955 64 years old	Reappointment / External / Independent

Number of the shares of the Company held
1,900 shares

Number of years as Director
3 years
(at the conclusion of this General Meeting of Shareholders)

Record of attendances at the Board of Directors meetings
86.6% (13/15)

Brief personal history, positions and assignments in the Company

May 1996	Established Sugiyama & Kurihara Environmental Consultants, Inc., Representative Director
Aug. 2007	Director of Sugiyama & Kurihara Environmental Consultants, Inc. (Current position)
Apr. 2010	Professor at the Faculty of Social and Environmental Studies, Fuji Tokoha University (current Tokoha University)
Jun. 2010	External Director and Audit and Supervisory Committee Member, LECIP Holdings Corporation (Current position)
Jun. 2015	External Director, UACJ Corporation (Current position)
Jan. 2016	Director, Gifu Sugiyama Memorial Foundation, a general incorporated foundation (now Gifu Sugiyama Memorial Foundation, a public interest incorporated foundation) (Current position)
Jun. 2017	**Director of Kurita Water Industries Ltd. (Current position)**
Dec. 2018	Head and Representative Director, Gifu Shimbun Co., Ltd. (Current position)

Significant positions concurrently held

Head and Representative Director, Gifu Shimbun Co., Ltd.
External Director and Audit and Supervisory Committee Member, LECIP Holdings Corporation
External Director, UACJ Corporation
Director, Gifu Sugiyama Memorial Foundation, a public interest incorporated foundation

Reasons for deciding to make her a candidate for External Director

Ms. Ryoko Sugiyama is an expert in the environment and wastes and is currently serving as an External Director of two listed companies as well as Director of three unlisted companies. The Company believes that she is capable of expressing opinions from an outside perspective different from the Company's and increasing the rationality and transparency of the Company's management and therefore nominated her as a candidate for External Director.

Notes concerning the candidate for External Director

- UACJ Corporation is one of customers of the Company. However, because the transaction value with UACJ Corporation is less than 0.1% of consolidated net sales of the Company, it does not fall under a major customer. LECIP Holdings Corporation is not a business partner of the Company.
- The Company has entered into an agreement with Ms. Sugiyama that limits liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of the Articles of Incorporation thereof based on the provisions of Paragraph 1, Article 427 of the Act. The amount stipulated in Paragraph 1, Article 425 of the Act has been set as the maximum liability for damages based on this agreement. The Company intends to continue this agreement in case this proposal is approved and adopted at this meeting and Ms. Sugiyama is reappointed as an External Director of the Company.
- The Company has notified the Tokyo Stock Exchange, Inc. of the appointment of Ms. Sugiyama as an independent officer as set forth under regulations thereof.

Candidate No. 9	Keiko Tanaka	Date of birth May 24, 1960 60 years old	Reappointment / External / Independent

Number of the shares of the Company held
100 shares

Number of years as Director
1 year
(at the conclusion of this General Meeting of Shareholders)

Record of attendances at the Board of Directors meetings
91.6% (11/12)

Brief personal history, positions and assignments in the Company

Apr. 1984 Joined NISSAN MOTOR CO., LTD.
Apr. 2011 Seconded to JATCO Ltd
Apr. 2013 Treated as equivalent to Vice President, JATCO Ltd
Sep. 2014 Retired from NISSAN MOTOR CO., LTD. and JATCO Ltd
Oct. 2014 Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay
Apr. 2018 Vice President, Nissan Financial Services Co., Ltd. (Current position)
Jun. 2019 Director of Kurita Water Industries Ltd. (Current position)

Significant positions concurrently held

Vice President, Nissan Financial Services Co., Ltd.

Reasons for deciding to make her a candidate for External Director

Ms. Keiko Tanaka has been active in business fields that differ from those of the Kurita Group and possesses a great deal of knowledge on public relations and marketing, as well as having held the position of Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay. The Company believes that she is capable of utilizing her expansive knowledge and international experience, and expressing opinions from an outside perspective while increasing the rationality and transparency of the Company's management and therefore nominated her as a candidate for External Director.

Notes concerning the candidate for External Director

- Nissan Financial Services Co., Ltd. has not conducted any transaction with the Company so far. JATCO Ltd, of which Ms. Tanaka served as equivalent to Vice President in the past, has not conducted any transaction with the Company so far.
- The Company has entered into an agreement with Ms. Tanaka that limits liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of the Articles of Incorporation thereof based on the provisions of Paragraph 1, Article 427 of the Act. The amount stipulated in Paragraph 1, Article 425 of the Act has been set as the maximum liability for damages based on this agreement. The Company intends to continue this agreement in case this proposal is approved and adopted at this meeting and Ms. Tanaka is reappointed as an External Director of the Company.
- The Company has notified the Tokyo Stock Exchange, Inc. of the appointment of Ms. Tanaka as an independent officer as set forth under regulations thereof.

Notes: 1. No special interest exists between the Company and any of the above candidates for Director.
2. Ages of the candidates indicated are as of the date of the General Meeting of Shareholders.

Proposal No. 3: Election of Two (2) Members of the Audit & Supervisory Board

At the conclusion of this General Meeting of Shareholders, the term of Mr. Kenjiro Kobayashi, the incumbent member of the Audit & Supervisory Board, will expire, and Mr. Shigekazu Torikai will retire. Accordingly, the Company proposes to elect two (2) members of the Audit & Supervisory Board.
The Company has already obtained the consent of the Audit & Supervisory Board for this proposal.
The candidates for the members of the Audit & Supervisory Board are as follows:

Candidate No. 1	Kenjiro Kobayashi	Date of birth October 1, 1953 66 years old	Reappointment External Independent
  Number of the shares of the Company held **2,800 shares** Number of years as member of the Audit & Supervisory Board **4 years** (at the conclusion of this General Meeting of Shareholders) Record of attendances at the Audit & Supervisory Board meetings **100% (11/11)**	**Brief personal history and positions in the Company** Apr. 1977 Joined Japan Development Bank (current Development Bank of Japan Inc.) Apr. 2002 General Manager of the New Business Division of Development Bank of Japan Inc. Jul. 2004 Managing Director of CITIC Provident Management Ltd. Jun. 2006 Executive Officer and General Manager of Corporate Strategy Planning Office of Johnson Diversey Apr. 2007 General Manager of Corporate Strategy Planning Division of Johnson Diversey Apr. 2008 General Manager in charge of the Co-Creation Business Promotion Project of City of Yokohama Nov. 2010 Representative Director and Executive Vice President of Japan Industrial Solutions Co., Ltd. May 2013 Director of Japan Industrial Solutions Co., Ltd. **Jun. 2016 (Full-time) Member of the Audit & Supervisory Board of Kurita Water Industries Ltd. (Current position)** **Significant positions concurrently held** None **Reasons for deciding to make him a candidate for External Member of the Audit & Supervisory Board** Mr. Kenjiro Kobayashi is an individual who has played an active role in different areas of the Kurita Group's businesses and has high expertise and a wealth of international experience in the areas of finance, corporate planning, new business development and M&A, etc. As he has conducted high quality audits based on this expertise and experience from an outside perspective as an external member of the Audit & Supervisory Board of the Company since 2016, the Company has decided to make him a candidate for an external member of the Audit & Supervisory Board. **Notes concerning the candidate for External Member of the Audit & Supervisory Board** ● Johnson Diversey, of which Mr. Kenjiro Kobayashi served as Executive Officer in the past, and Japan Industrial Solutions Co., Ltd., of which he served as Director in the past, are not business partners of the Company. ● The Company has notified the Tokyo Stock Exchange, Inc. of the appointment of Mr. Kobayashi as an independent officer as set forth under regulations thereof.		

Candidate No. 2	Toshiaki Tada	Date of birth July 28, 1968 51 years old	New / External / Independent

Number of the shares of the Company held
0 shares

Number of years as member of the Audit & Supervisory Board
—
(at the conclusion of this General Meeting of Shareholders)

Record of attendances at the Audit & Supervisory Board meetings
—

Brief personal history and positions in the Company

Apr. 1996	Registered as an attorney
Dec. 1996	Joined HIBIYA SOGO LAW OFFICES
Jul. 2002	Registered as an attorney, admitted in New York State, the U.S.A.
Jan. 2005	Partner, HIBIYA SOGO LAW OFFICES (Current position)
Jun. 2012	Audit & Supervisory Board Member, ITOCHU Techno-Solutions Corporation (Current position)
Jun. 2019	**Substitute Member of the Audit & Supervisory Board of Kurita Water Industries Ltd. (Current position)**

Significant positions concurrently held

Partner, HIBIYA SOGO LAW OFFICES
Audit & Supervisory Board Member, ITOCHU Techno-Solutions Corporation

Reasons for deciding to make him a candidate for External Member of the Audit & Supervisory Board

Mr. Toshiaki Tada has expertise as an attorney and a wealth of knowledge about corporate legal affairs in Japan and overseas. He assumed the position of Substitute Member of the Audit & Supervisory Board of the Company in June 2019. As the Company expects that Mr. Tada will conduct high quality audits based on his expertise and knowledge from an outside perspective, the Company has decided to make him a candidate for an external member of the Audit & Supervisory Board.

Notes concerning the candidate for External Member of the Audit & Supervisory Board

- The Company is one of customers of ITOCHU Techno-Solutions Corporation. However, because the transaction value with the Company is less than 0.1% of consolidated net sales of ITOCHU Techno-Solutions Corporation, the Company does not fall under a major customer of ITOCHU Techno-Solutions Corporation.
- Mr. Tada was not involved in corporate management in ways other than acting as an external director or an external member of the Audit & Supervisory Board in the past. However, the Company believes that he is capable of executing his duties appropriately in audits because he has expertise as an attorney and sufficient knowledge in corporate legal affairs.
- The Company plans to notify the Tokyo Stock Exchange, Inc. of the appointment of Mr. Tada as an independent officer as set forth under regulations thereof.

Notes: 1. No special interest exists between the Company and the above candidates for members of the Audit & Supervisory Board.
2. Ages of the candidates indicated are as of the date of the General Meeting of Shareholders.

Proposal No. 4: Election of One (1) Substitute Member of the Audit & Supervisory Board

To prepare for the case where the number of member of the Audit & Supervisory Board lacks in the number set forth by the relevant laws and regulations, the Company proposes that Mr. Tetsuya Nagasawa be elected as a Substitute Member of the Audit & Supervisory Board.
The Company has already obtained the consent of the Audit & Supervisory Board for this proposal.
The candidate for Substitute Member of the Audit & Supervisory Board is as follows:

Tetsuya Nagasawa	Date of birth April 17, 1970 50 years old	External Independent

Brief personal history

Apr. 1996	Registered as an attorney Joined Oh-Ebashi LPC & Partners
Jan. 2002	Registered as an attorney, admitted in New York State, the U.S.A.
Aug. 2002	Partner, Oh-Ebashi LPC & Partners (Current position)
Jul. 2006	Corporate Auditor, LifeFoods Co., Ltd. (Current position)
Oct. 2016	Visiting Professor, Kobe University Graduate School of Law (Current position)
Jul. 2018	Temporary Member, The Small and Medium Enterprise Agency, The Small and Medium Enterprise Policy-Making Council (Current position)

Significant positions concurrently held

Partner, Oh-Ebashi LPC & Partners
Corporate Auditor, LifeFoods Co., Ltd.
Visiting Professor, Kobe University Graduate School of Law

Reasons for deciding to make him a candidate for Substitute External Member of the Audit & Supervisory Board

Mr. Tetsuya Nagasawa has expertise as an attorney and a wealth of knowledge about corporate legal affairs in Japan and overseas. The Company decided to make him a candidate for Substitute External Member of the Audit & Supervisory Board so that such expertise and knowledge may be reflected in the Company's audits.

Notes concerning the candidate for Substitute External Member of the Audit & Supervisory Board

- Oh-Ebashi LPC & Partners, LifeFoods Co., Ltd., and Kobe University are not business partners of the Company.
- Mr. Nagasawa was not involved in corporate management in ways other than acting as an external director or an external member of the Audit & Supervisory Board in the past. However, the Company believes that he is capable of executing his duties appropriately in audits because he has expertise as an attorney and sufficient knowledge in corporate legal affairs.
- The Company plans to notify the Tokyo Stock Exchange, Inc. of the appointment of Mr. Nagasawa as an independent officer as set forth under regulations thereof, if he assumes the office of external member of the Audit & Supervisory Board.

Number of the shares of the Company held

0 shares

Notes: 1. No special interest exists between the Company and the above candidate for Substitute Member of the Audit & Supervisory Board.
2. Age of the candidate indicated is as of the date of the General Meeting of Shareholders.

<Reference> Policies and procedures for nominating candidates for Directors and members of the Audit & Supervisory Board

1) Policy for nominating candidates for Directors and members of the Audit & Supervisory Board

It is our policy that there should be three or more Directors in total, two or more of whom should be External Directors to ensure the independence and objectivity of the Board of Directors. We also aim to ensure that, to fulfill the highly effective supervisory function over the operational execution, the Board of Directors should be organized in a way that complements the necessary knowledge, experience and diversity for overall decision-making and consists of personnel with a high degree of expertise in various business fields, management planning, finance and accounting, legal affairs, and technologies, etc., and be composed of members with considerations made for gender, international experience and other matters. It is also our policy that there should be three or more members of the Audit & Supervisory Board, one or more of whom should be a member who specializes in finance, accounting and legal affairs.

2) Procedures for nominating candidates for Directors and members of the Audit & Supervisory Board

When making a proposal of candidates for the Directors, the President and Director, Representative Directors, and Directors with positions of responsibility as well as members of the Audit & Supervisory Board, the Chairperson of the Board of Directors will consult the Nomination and Remuneration Advisory Council in advance. Based on the report given by the Nomination and Remuneration Advisory Council, the Board of Directors will submit a proposal for recommending the candidates for the Directors and the members of the Audit & Supervisory Board by stating the reason for recommendation. After deliberating the proposal, the Board of Directors will nominate the candidates and make a decision on the President and Director, Directors with positions of responsibility, and Representative Directors. When submitting a proposal for recommending the candidates for the members of the Audit & Supervisory Board to the Board of Directors, it shall be carried out after obtaining the consent of the Audit & Supervisory Board in advance.

Distribution of knowledge and experience in the Board of Directors

Name	Sales		Corporate planning	Finance and accounting, legal affairs, personnel affairs	Development, production, technologies	Knowledge and experience expected to External Directors		
	Japan	Overseas				Corporate management	Environment	International
Michiya Kadota			●	●		—	—	—
Kiyoshi Itou			●	●		—	—	—
Yoshio Yamada	●				●	—	—	—
Hirohiko Ejiri	●	●	●		●	—	—	—
Yasuo Suzuki	●	●			●	—	—	—
Toshimi Kobayashi	●				●	—	—	—
Tsuguto Moriwaki (External)	—	—	—	—	—	●		
Ryoko Sugiyama (External)	—	—	—	—	—	●	●	
Keiko Tanaka (External)	—	—	—	—	—	●		●

<Reference> Our criteria for judging independence

The criteria for judging the independence of the Independent External Directors in selecting candidates shall be that the candidates for Independent External Directors and their close relatives (*1) must not fall under any of the following items.

a. A person who currently executes the operations of the Company or its subsidiary, or has executed such operations in the past 10 years
b. A person whose major business partner is currently the Company (*2) or was the Company at some time during the past year, or an individual who executes the operations of this party
c. A current major business partner of the Company (*3) or a major business partner at some time during the past year, or a person who executes the operations of the major business partner
d. A consultant, an accountant, or a legal professional who currently receives or has received at some point during the past year a lot of money or property (*4) other than remuneration for officers from the Company
e. A current major shareholder of the Company (*5) or a person who executes the operations of a major shareholder
f. A person who executes the operations of an organization in which an external officer also currently assumes office (the person only)
g. A person who executes the operations of an organization to which the Company currently makes a donation (the person only)

*1 The term “close relatives” means relatives within the second degree of kinship.
*2 The term “person whose major business partner is the Company” means a person whose sales in transactions with the Company make up 2% or more of that person’s consolidated net sales.
*3 The term “major business partner of the Company” means a business partner with whom the Company’s sales in transactions make up 2% or more of the consolidated net sales of the Company, or a business partner from which borrowings make up 1% or more of the consolidated total assets of the Company.
*4 The term “a lot of money or property” means money and other property that are equivalent to 10 million yen or more per year, other than remuneration for officers.
*5 The term “major shareholder of the Company” means a shareholder who has voting rights that account for 10% or more of the voting rights of the Company.

<Reference> Corporate Governance

1. Corporate Governance Policies

(1) Basic concept

Kurita Water Industries Ltd. and its consolidated subsidiaries (hereinafter the "Kurita Group," and Kurita Water Industries Ltd. on a non-consolidated basis shall be hereinafter referred to as the "Company") aim 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 will establish corporate governance, with the aim of realizing transparent, fair, prompt, and decisive decision-making measures and highly effective management supervision.

(2) Basic policies

1) Ensuring the rights and equality of shareholders
The Kurita Group will work to develop an environment in which the shareholders are able to appropriately exercise their rights, such as voting rights at a General Meeting of Shareholders, and provide the information needed to exercise of their rights in a timely and accurate manner in order to secure the substantive equality of the rights of shareholders, including minority and foreign shareholders.

2) Appropriate level of cooperation with stakeholders other than shareholders
The Kurita Group will work to ensure an appropriate level of cooperation with stakeholders such as customers, business partners, employees, and local communities under the leadership of the Board of Directors. To achieve this aim, the Kurita Group will properly respond to issues related to sustainability, and make actions based on compliance with laws, regulations, and social ethics a prerequisite for all corporate activities.

3) Ensuring appropriate information disclosure and transparency of information
The Kurita Group will develop an environment in which the Audit & Supervisory Board, the members of the Audit & Supervisory Board, and the Accounting Auditor are able to conduct audits properly. It will also disclose information in accordance with the laws and regulations related to information disclosure, such as the Companies Act and the Financial Instruments and Exchange Act, and regulations for the timely disclosure of corporate information established by the Tokyo Stock Exchange. The Kurita Group will actively and fairly disclose information that is deemed to be effective for facilitating understanding of the Kurita Group among shareholders and investors. This information will comprise financial information including financial conditions and results of operations, management strategies including risks, corporate governance and matters related to social and environmental issues, and policies for capital efficiency.

4) Duties of the Board of Directors and the Audit & Supervisory Board, etc.
The Board of Directors will fulfill its fiduciary responsibility and accountability to shareholders. It will strengthen the orientation of corporate strategies, decision-making on important matters related to operational execution, the supervision of overall management, the internal controls and risk management measures that support appropriate risk-taking, etc. in order to enhance the corporate value and earnings power, as well as improve capital efficiency, etc.
The members of the Audit & Supervisory Board and the Audit & Supervisory Board will fulfill their fiduciary responsibility to shareholders, and conduct audits in an appropriate manner and express their opinions from an independent and objective standpoint.

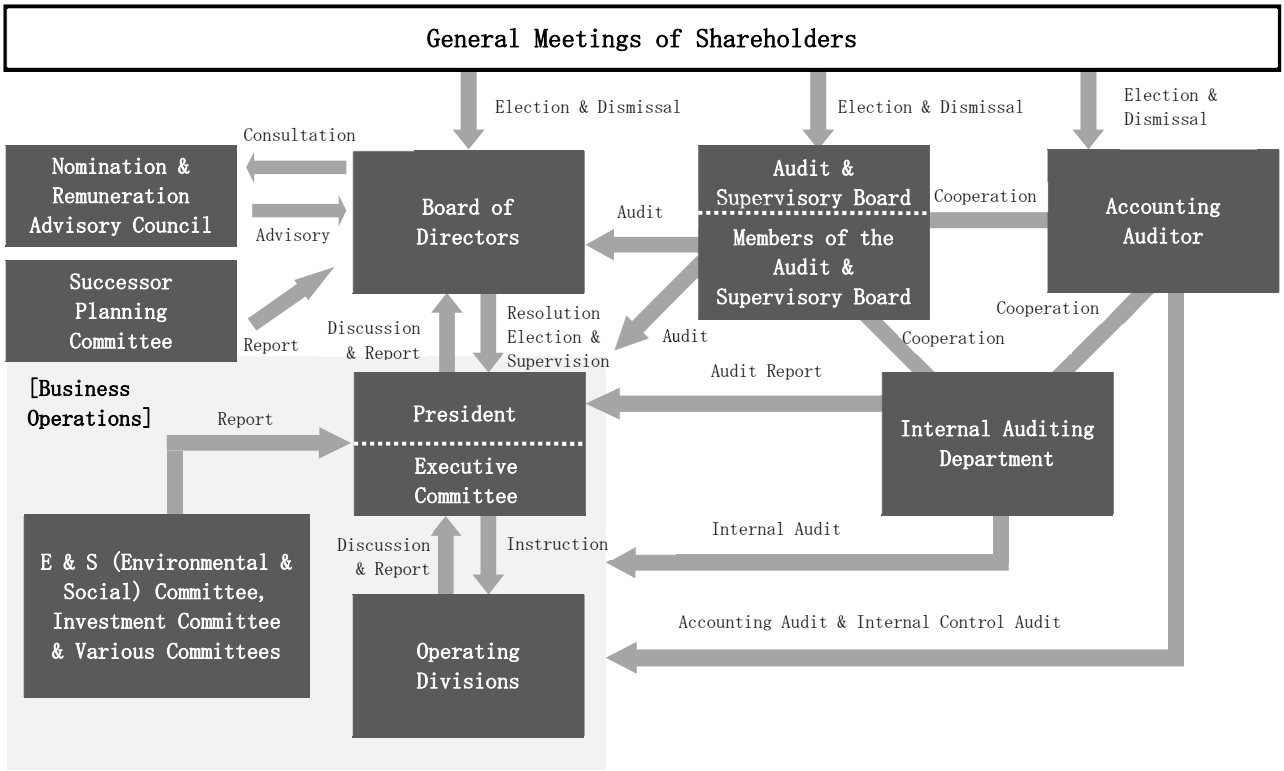
5) Dialogue with shareholders and investors
Continuing to emphasize management that values shareholders, the Kurita Group will make efforts to engage in constructive dialogues with shareholders and investors, as well as provide them with information in a timely and appropriate manner.

Further details have been made available to the public via the following URL on the Company's website on the Internet.
(https://ir.kurita.co.jp/en/corporate_governance/governance_policies/index.html)

2. Corporate governance organizational structure and conceptual diagram of the Company

The Company adopts the structure of a company with audit & supervisory board. In addition, the Board of Directors, in accordance with the Kurita corporate philosophy, provides a strategic direction that contributes to the Kurita Group's sustainable growth, makes decisions on important matters related to operational execution and performs supervisory functions of overall management. The Nomination and Remuneration Advisory Council, mainly consisting of External Directors and an external member of the Audit & Supervisory Board, is in place to enhance the transparency of the decision-making process related to the remuneration of Directors and the nomination of candidates for Directors/members of the Audit & Supervisory Board. In addition, the Successor Planning Committee was established in order to select and develop candidates for successors to the President and Directors, etc.
The Executive Committee conducts a review of matters resolved at the Board of Directors meetings when necessary to enable speedy and smooth decision-making by the Board of Directors. Furthermore, the E&S (Environmental & Social) Committee, Investment Committee and various other committees are in place as enterprise-wide organizations which facilitate solutions for management issues faced by the Company.
The members of the Audit & Supervisory Board, while performing the audits undertaken by the Audit & Supervisory Board in accordance with the audit policy and audit plan determined thereby, also attend important meetings including meetings of the Board of Directors, Executive Committee and E&S Committee to audit execution of duties by Directors.

(As of March 31, 2020)



3. Effectiveness of the Board of Directors

All Directors and members of the Audit & Supervisory Board analyzed and evaluated the effectiveness of the Board of Directors, and resolved the evaluation results at a meeting of the Board of Directors. This evaluation was conducted via a written survey, with each of the respondents identified. The Board of Directors, following the discussion on the aggregate results, evaluated the effectiveness of the Board of Directors, clarified problems, and established the issue and initiatives in the future, which were resolved at the Board of Directors meeting. The evaluation items consisted of six areas, i.e., (i) roles and responsibilities of the Board of Directors, (ii) collaboration with members of Audit & Supervisory Board and External Directors, (iii) composition of the Board of Directors, (iv) operation of the Board of Directors, (v) contributions of individual Directors and members of the Audit & Supervisory Board, and (vi) dialogue with shareholders, covering the period of one year from January to December 2019. In addition, part of the survey was revised to include more specific contents based on the results of the previous fiscal year.
According to the evaluation results, 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 "contributions of individual Directors and members of the Audit & Supervisory Board" was highly evaluated with less variance of evaluation among Inside Directors, External Directors and members of the Audit & Supervisory Board. On the other hand, among "roles and responsibilities of the Board of Directors," certain items related to deepening discussion and providing specific goals on business strategies and involvement in the environment and society were evaluated relatively lower than other items. The issue and measures to be addressed in fiscal 2020 were resolved to improve such evaluation.

(Issue)
Identification of specific themes and deepening of discussion are necessary for creating long-term corporate value.

(Measures)
We will provide occasions for considering value creation stories based on integrated thinking and the utilization of managerial resources for realizing those stories with executive officers, Senior General Managers and other positions who will take responsibility for the Company's future management, and discuss the results at the Board of Directors.

4. Results of corporate governance initiatives

(1) Improvement of successor training process
We established a structure to develop and evaluate each candidate for successor, including the "Successor Planning Committee" mainly consisting of External Directors and external members of the Audit & Supervisory Board established in the fiscal year ended March 31, 2019, in order to further improve objectivity in the selection of the President, Directors, and executive officers of the Company, and ensure transparency in the selection process.
In the fiscal year ended March 31, 2020, we improved the process for selecting candidates for successors to President and Directors. Specifically, in order to develop managerial human resources in the medium and long term, the range of ranks eligible for new candidates has been expanded. According to this, if any eligible persons unknown to the External Directors and full-time external members of the Audit & Supervisory Board are listed for selection, the External Directors and full-time external members of the Audit & Supervisory Board shall interview them, and the candidates for successors shall subsequently be selected by the Successor Planning Committee.

(2) Reduction of strategic shareholdings in other listed companies
Based on the policy that "The propriety of holding each individual stock owned for policy purposes is reviewed on a regular or timely basis at the Board of Directors by closely examining the expected return against the cost of capital and the status of business transactions with the company whose shares the Company holds. Based on the results of the examination, the Company aims to reduce the holding of shares owned for policy purposes." stated in the Corporate Governance Policies, the Company proceeded with the sale of strategic shareholdings in the fiscal year ended March 31, 2020.

(Attached documents to the notice of convocation of the 84th ordinary general meeting of shareholders)

Business Report

(From April 1, 2019 to March 31, 2020)

1. Group Overview of Operations

(1) Operations and results

During the fiscal year ended March 31, 2020, economic growth slowed in China and Europe due to the protracted trade dispute between the United States and China and the Brexit issue. Toward the end of the fiscal year under review, the global economy declined sharply, reflecting the spread of COVID-19. The Japanese economy became increasingly stagnant due to the consumption tax hike and stay-at-home requests to tackle the spread of COVID-19.

Looking at the market environment surrounding the Kurita Group, in Japan, production in the manufacturing sector remained weak as exports continued to struggle, and capital expenditure restraint was seen. Overseas, the sense of slowdown strengthened as production activity slowed, as seen by the trend of postponements in capital expenditure mainly in the electronics industry in East Asia.

In this environment, the Kurita Group used the fiscal year under review, which is the second year of its medium-term management plan Maximize Value Proposition 2022 (MVP-22), to accelerate the development of total solutions that solve the issues that customers and society face, by making excellent use of its products, technologies and services for water treatment chemicals, water treatment facilities and maintenance services. We proceeded with the creation of solution models encompassing the products, technologies, services and contractual methods that enable horizontal expansion, bringing together marketing, sales, technologies and development. Through these efforts, we completed six models such as a model for papermaking process which contributes to improving in-plant water quality and increasing productivity by combining the equipment with IT and sensing technology to maximize the effect of the water treatment chemicals. The Kurita Group also integrated the sales functions of water treatment chemicals, water treatment facilities and maintenance services in Japan into a single sales division to strengthen the sales structure into one that differentiates by market and by geographical region as part of our grand design to promote total solutions. We also established Kurita Kitakantou Co., Ltd., a new company that provides both water treatment chemicals and maintenance services. Overseas, U.S. Water Services, Inc., which was acquired by the Company and became a U.S. subsidiary in the previous fiscal year, was merged with Kurita America Inc. and Fremont Industries, LLC, pre-existing U.S. subsidiaries, to generate synergies promptly in production and sales. The Kurita Group thereby has built a business foundation for providing total solutions across the United States. Also, the Company acquired U.S.-based Avista Technologies, Inc. and U.K.-based Avista Technologies (UK) Ltd. (collectively "Avista Technologies"), which provide reverse osmosis (RO) membrane treatment chemicals and RO membrane management services in the fiscal year under review. As such, the Kurita Group has acquired RO membrane treatment chemicals technology and a business model, providing a competitive edge in the global market, and is rolling them out. Furthermore, toward developing the tool cleaning business overseas and strengthening competitiveness in the electronics industry, the Kurita Group entered into an agreement for making U.S.-based Pentagon Technologies Group, Inc. a subsidiary through acquisition of its additional shares.

In response to the spread of COVID-19, in view of the status of infection in each country and the city lockdowns and restrictions on movement, etc. we strove to provide products and services to our customers while taking precautions to ensure the safety of our employees.

As a result, total consolidated orders for the Kurita Group in the fiscal year ended March 31, 2020 amounted to 259,545 million yen (up 0.4% year on year), and net sales amounted to 264,807 million yen (up 2.9% year on year). Operating profit was 27,479 million yen (up 38.4% year on year), profit before tax rose 31.7% over the previous year to 26,691 million yen and profit attributable to owners of parent was 18,287 million yen (up 51.8% year on year), marking a significant increase in profits. The main contributing factors behind this increase were the recording of a gain on sale of fixed assets of 4,777 million yen mainly from the partial sale of facilities for the ultrapure water supply business despite recording a loss on sale of fixed assets of 2,305 million yen accompanying the decision to relocate our R&D center, and also temporary losses that were recorded in the previous fiscal year comprising a 2,867 million yen loss associated with the transfer of the aluminum compound business of Kurita Europe GmbH and a 1,171 million yen impairment loss on goodwill of Kurita Water Industries (Jiangyin) Co., Ltd.

From the fiscal year under review, the Kurita Group prepares consolidated financial statements based on the International Financial Reporting Standards (IFRS), instead of the conventional Japanese Generally Accepted Accounting Principles (GAAP). Figures for the previous fiscal year are reclassified based on IFRS for comparison and analysis.

(2) Status of segment of the Kurita Group

Water Treatment Chemicals business

The MVP-22 plan for the Water Treatment Chemicals business is to transform the business model and strengthen the business foundations overseas in order to enhance profitability.

In Japan, we have focused on receiving orders in the service contract-type business, in which we help customers to realize productivity improvements and reduced environmental burden by providing total solutions based on a thorough understanding of the customer and grasp of their issues, and share this value with the customer on a continuous basis. Overseas, U.S. Water Services, Inc. joined us as a subsidiary, and our sales network was expanded in the U.S. We acquired Avista Technologies, Inc. to expand our RO membrane treatment chemicals and related services and strengthen our structure for global development. Furthermore, we made efforts to improve efficiency and profitability in each region, such as reviewing our products and services and integrating our U.S. subsidiaries.

As for products and services, we focused on completing and proposing solution models, such as a model that combines equipment and IT and sensing technology in the papermaking process to maximize the effect of water treatment chemicals, helping to improve water quality in the plant and productivity. We also expanded our service contract-type business through the IT and sensing technology S.sensing® CS, a model that was completed in the previous fiscal year, which enables optimization and automatic control of the dosage of water treatment chemicals in wastewater treatment. In addition, we focused on creating customer value by promoting the use of technology such as Dropwise Technology (dropwise condensation technology), which increases the heat transfer efficiency of heat exchangers.

With respect to orders and sales in Japan, orders fell, reflecting one-time orders from the oil refinery and petrochemical industries recorded in the previous fiscal year, but net sales, primarily sales of process treatment chemicals for iron and steel production, increased due to the Kurita Group's efforts to gain new customers by proposing total solutions that contribute to energy saving and increasing productivity at customers' plants. Overseas, both orders and sales rose primarily due to the new consolidation of operating results (for 12 months) in the water treatment chemicals business at U.S. Water Services, Inc. and operating results (for ten months) at U.S.-based Avista Technologies, Inc., despite a decrease in sales resulting from the transfer of the aluminum compound business in Europe in the previous fiscal year and the effect of a stronger yen. Operating profit increased significantly year on year, due to the absence of temporary losses posted in the previous fiscal year, namely a loss on transfer of business related to the aluminum compound business in Europe and an impairment loss on goodwill based on the Kurita Group's decision to transfer a water treatment chemical production function in China. As a result, total Group orders for the Water Treatment Chemicals business amounted to 113,777 million yen (up 10.5% year on year), while sales amounted to 113,632 million yen (up 11.3% year on year). Operating profit amounted to 10,127 million yen (up 137.8% year on year).

Water Treatment Facilities business

The MVP-22 plan for the Water Treatment Facilities business is to apply knowledge and technology cultivated in the ultrapure water supply business to comprehensive contract proposals for maintenance and operational management starting from large-scale Engineering, Procurement and Construction (EPC) projects in order to increase profitability

In Japan, in addition to developing total solutions, we promoted cost efficiency improvements for maintenance projects and increased efficiency of operational management through the use of AI, IoT, and sensing technologies. In addition, we actively made capital expenditure in the ultrapure water supply business and the tool cleaning business, which will lead to future earnings. Overseas, we made efforts to develop reclaimed water supply services mainly in China and entered into an agreement for acquiring additional Pentagon Technologies Group, Inc.'s shares to make it our consolidated subsidiary as a means of strengthening the competitiveness of the tool cleaning business.

As for products and services, we expanded the service contract-type business by promoting development of reclaimed water supply services utilizing the CORR® System (The Customized Optimal Ready-made Recycle System) that serves as a standardized wastewater reclamation system as a solution model and widening the market for application of the pure water supply service KWSS® (Kurita Water Supply Service) by expanding the lineup. Also, on the production side, we took measures to improve the quality of designs and construction by improving operational processes in plant production, introducing a risk management system and strengthening its implementation.

With respect to orders and sales in Japan, in the electronics industry, both orders and sales of water treatment facilities declined from the previous fiscal year, during which orders were received and sales were recorded for

large-scale projects; while maintenance services rose due to progress in the construction work for expansion and renovation projects for the purpose of increasing production capacity at customers' plants. For general industries, orders for water treatment facilities fell, but sales rose due to progress in construction work for orders for large-scale projects received in the previous fiscal year. In maintenance service, orders decreased slightly and sales increased only slightly in reaction to strong orders and sales in the previous fiscal year. In facilities for electric power plants, orders declined in reaction to orders for large-scale projects in the previous fiscal year, but sales increased due to progress in construction work for received orders. In soil remediation, both orders and sales decreased, reflecting a completion of large-scale projects. Overseas, orders increased, chiefly attributable to the new consolidation of operating results (for 12 months) in the water treatment facilities business of U.S. Water Services, Inc. However, net sales decreased in reaction to sales from large-scale projects in the electronics industry in China and South Korea posted in the previous fiscal year and due to the effect of a stronger yen. Total sales in the ultrapure water supply business in Japan and overseas increased chiefly due to the commencement of a new contract, despite a fall due to the effect of changes in contracts with certain customers. Total operating profit for the Water Treatment Facilities business increased, chiefly reflecting an improvement in the cost of sales ratio mainly due to the steps taken to prevent additional costs in the production of water treatment facilities, and a gain on sale of fixed assets resulting primarily from the sale of a certain facility in the ultrapure water supply business. As a result, total Group orders for the Water Treatment Facilities business amounted to 145,768 million yen (down 6.3% year on year), while sales amounted to 151,174 million yen (down 2.6% year on year). Operating profit amounted to 17,390 million yen (up 12.1% year on year).

(3) Status of capital expenditure

The Kurita Group carried out capital expenditure amounting to a total of 31,729 million yen (down 8,274 million yen year on year).

The amount consists of capital expenditure in the Water Treatment Chemicals business largely used for expanding and upgrading existing facilities of 6,423 million yen (up 2,647 million yen year on year), and in the Water Treatment Facilities business largely used for newly constructing and expanding facilities for the ultrapure water supply business and tool cleaning services of 25,306 million yen (down 10,921 million yen year on year).

(4) Status of financing

Short-term working capital is basically supplied by the Company's own funds. Capital expenditure and other investments in growth fields depend chiefly on the Company's own funds, but the Company considers financing through bank loans as needed. The Company has concluded commitment line contracts with four financial institutions (realized borrowings: 35,000 million yen; unrealized borrowings: 35,600 million yen as of the end of the fiscal year under review).

(5) Changes in assets and profit and loss

[The Kurita Group]

	Classification	81st Fiscal Year 2016	82nd Fiscal Year 2017	83rd Fiscal Year 2018		84th Fiscal Year 2019
		Japanese GAAP	Japanese GAAP	Japanese GAAP	IFRS	IFRS
Profit and Loss	Orders (Million yen)	218,730	251,447	258,439	258,439	259,545
	Net sales (Million yen)	214,187	236,815	259,409	257,331	264,807
	Operating profit (Million yen)	19,452	22,475	24,326	19,860	27,479
	Profit before tax (Million yen)	20,465	25,535	27,532	20,267	26,691
	Profit attributable to owners of parent (Million yen)	14,506	17,897	17,323	12,050	18,287
	Basic earnings per share (Yen)	125.23	159.37	154.29	107.33	162.86
Assets	Total assets (Million yen)	299,249	323,046	349,885	359,500	387,749
	Total equity (Million yen)	228,758	240,853	239,473	239,184	244,108
	Equity attributable to owners of parent per share (Yen)	1,991.91	2,126.96	2,116.19	2,113.32	2,158.96
Number of Companies	Consolidated subsidiaries	49	52	60	60	62
	Equity method affiliates	5	4	4	4	9

(Notes) 1. From the 84th fiscal year, we adopted IFRS for preparing the consolidated financial statements. For reference purpose, the table includes figures of the 83rd fiscal year complying with IFRS. “Income before income taxes,” “Profit attributable to owners of parent,” “Net income per share,” “Total assets,” “Net assets” and “Net assets per share” under Japanese GAAP are respectively stated as “Profit before tax,” “Profit attributable to owners of parent,” “Basic earnings per share,” “Total assets,” “Total equity” and “Equity attributable to owners of parent per share” under IFRS, in each column.

2. Basic earnings per share is calculated by deducting the number of treasury stock from the average total number of issued shares during the fiscal year.

3. Equity attributable to owners of parent per share is calculated by deducting the number of treasury stock from the total number of issued shares at the end of the fiscal year.

4. Treasury stock includes about 312 thousand shares of treasury stock for performance-linked stock compensation to Directors, held by Japan Trustee Services Bank, Ltd. (Trust Account).

(6) Issues to be addressed

The Company has implemented the MVP-22 plan since the fiscal year ended March 31, 2019, aiming at realizing the corporate vision of "'A creator of unique value to the solution of water and environment' contributing to the realization of a sustainable society." In the MVP-22 plan, we are making efforts to create shared value with society, positioning CSR (corporate social responsibility) as the core of management. Also, we are aiming at realizing high profitability and sustainable growth, in addition to offering new value to customers, by clarifying that the source of the Company's competitive power is "customer intimacy" and performing business processes with dramatically improved work quality and speed.

In the fiscal year under review, the second year of the MVP-22 plan, we focused on promoting total solutions. We proceeded with the creation of solution models encompassing the products, technologies, services and contractual methods that enable horizontal expansion and built a structure which can develop total solutions efficiently in the future by reorganizing operational systems in Japan and integrating U.S. subsidiaries. Furthermore, through M&A, we strengthened our products, technologies and services leading to the expansion of total solutions such as RO membrane treatment chemicals, RO membrane management services and the tool cleaning business. In doing so, we have continued to strengthen the foundation for promoting total solutions. However, to achieve the goals of the MVP-22 plan, we need to accelerate the creation of solution models and measures to improve profitability by the entire Group.

In addition, due to the COVID-19 infection spread, measures such as lockdown of cities and restrictions on movement have been taken in many countries. The outlook is uncertain as the impact of the restrictions on economic activity and corporate activities on the global economy is extremely significant. Regarding the business environment of the Company, operations are being maintained in the electronics and food markets, but the building and air conditioning market, etc. is sluggish due to commercial facilities voluntarily refraining from operating or closing. The Company and the Kurita Group in Japan have instructed employees in areas where self-restraint has been requested to work at home in principle and limit jobs requiring outings only to those necessary for securing business continuity of our customers and the Kurita Group and responding to social demands, while taking anti-infection measures. The Kurita Group companies overseas are also taking measures in accordance with the situation in each country. The Company is working to minimize the impact on procurement through initiatives such as efficiently procuring raw materials across the entire Group and switching to alternative suppliers

We have found that the issues to be addressed by the Kurita Group involve continuing to provide high social value and customer value by making every effort to continue to provide products, technologies and services indispensable for solving social issues and for the business activities of our customers.

Based on the above, positioning the fiscal year ending March 31, 2021, the interim year of the MVP-22 plan, we will accelerate the promotion of "CSV (Creating Shared Value) businesses," that promote the creation of shared value with society and excel in "water saving," "CO2 reduction" and "waste reduction" for customers, creating additional solution models, and the transformation of our business processes and business models by utilizing IoT and AI, and we will prioritize the following three key measures.

1) Accelerating the promotion of total solutions

We will accelerate the promotion of total solutions by strengthening a structure where marketing, sales, technologies and development functions cooperate with each other for each customer market. Based on thorough understanding of social issues and customers' issues, we will focus on proposal activities for customers to whom high value can be offered, and promote CSV businesses and solution models in Japan and overseas as service contract-type businesses, as well as set and manage specific profitability improvement indicators.

2) Transformation of business model and process

We will accelerate the transformation of the Kurita Group's businesses by newly establishing the Digital Strategy Division and unifying the Kurita Group's IT-related departments, in order to move away from existing business model and to promote digital transformation which utilizes digital technologies to create new value. We will also utilize technologies and knowledge that our U.S. subsidiary Fracta possesses, thereby leading to creation of new customer value. Furthermore, we will improve the efficiency of facility production systems through the utilization of AI for automation of designs and the introduction of simulation technologies.

3) Increasing profitability overseas

In the overseas business, we will improve profitability both globally and locally by utilizing business bases and technologies acquired through M&A. Specifically, as part of our global efforts, Avista Technologies will lead the initiative for developing RO membrane treatment chemicals and related services, and strengthening global market deployment. And in each region, we aim to demonstrate synergy through the integration of subsidiaries in the U.S., in addition to expanding the service contract-type business, which includes operational management and maintenance, starting from EPC transactions in East Asia.

(7) Principal businesses (As of March 31, 2020)

Since its founding, the Kurita Group has contributed to developing industry and society and conserving the environment through various business activities in the water and environment areas.

Major principal products in each business segment of the Kurita Group are as follows:

Segment	Principal products
Water Treatment Chemicals	Boiler water treatment chemicals, cooling water treatment chemicals, air conditioning-related water treatment chemicals, process treatment chemicals for oil refining and petrochemicals, process treatment chemicals for pulp and paper, process treatment chemicals for steel, marine vessel-related water treatment chemicals, wastewater treatment chemicals, sludge dehydrating chemicals, civil engineering and construction related chemicals, dioxin treatment chemicals, heavy metal stabilizers, RO membrane treatment chemicals, chemical dosing systems, ion exchange resin, maintenance services, water analysis and software services
Water Treatment Facilities	Ultra-pure water production systems, pharmaceutical-use water production systems, deionizer, condensate demineralizers, filtration systems, standard-type products (deionizers, wastewater treatment systems, various water treatment systems), water and wastewater treatment systems for various industries (electronics, steel, oil refining, petrochemicals, electric power, paper, pulp, pharmaceuticals, food products, etc.), wastewater reclamation systems, marketable substance recovery systems, biogas production systems, seawater desalination system, swimming pool-related equipment, ion exchange resin, RO membranes, ultrafiltration membranes, functional water production equipment for the semiconductor manufacturing process, water purifiers, ultrapure water supply, reclaimed water supply, maintenance services, tool cleaning services, chemical cleaning services, operation and maintenance of water treatment facilities, soil and groundwater remediation, household drinking water and software services

(8) Principal offices (As of March 31, 2020)

The Company	Head Office	10-1, Nakano 4-chome, Nakano-ku, Tokyo
	Osaka Office	2-22, Kitahama 2-chome, Chuo-ku, Osaka-shi, Osaka
	Branch Office	Tohoku Office (Aoba-ku, Sendai-shi, Miyagi)
		Nagoya Office (Naka-ku, Nagoya-shi, Aichi)
		Hiroshima Office (Naka-ku, Hiroshima-shi, Hiroshima)
		Kyushu Office (Hakata-ku, Fukuoka-shi, Fukuoka)
	Production, R&D facilities	Shizuoka Plant (Yoshidacho, Haibara-gun, Shizuoka)
		Tsuruga Plant (Tsuruga-shi, Fukui)
		Yamaguchi Plant (Yamaguchi-shi, Yamaguchi)
		Toyoura Plant (Shimonoseki-shi, Yamaguchi)
		Kurita Global Technology Center (Nogi-machi, Shimotsuga-gun, Tochigi)
		Engineering Center (Mitaka-shi, Tokyo)
Subsidiary	Japan	Kurita Chemical Manufacturing Ltd. (Ibaraki and others)
		Kuritaz Co., Ltd. (Tokyo, Osaka and others)
		Kuritec Service Co., Ltd. (Osaka and others)
		Kurita Engineering Co., Ltd. (Osaka and others)
	Overseas	Hansu Technical Service Ltd. (South Korea)
		Hansu Co., Ltd. (South Korea)
		Kurita Water Industries (Dalian) Co., Ltd. (China)
		Kurita Water Industries (Jiangyin) Co., Ltd. (China)
		Kurita Water Industries (Suzhou) Ltd. (China)
		Kurita (Singapore) Pte. Ltd. (Singapore)
		Kurita Europe GmbH (Germany and others)
		Kurita do Brasil Ltda. (Brazil)
		U.S. Water Services, Inc. (United States)

(Notes) 1. The Company has 25 sales branch offices in addition to those listed above.
2. U.S. Water Services, Inc. changed its name to Kurita America Inc. on April 1, 2020.

(9) Important subsidiaries (As of March 31, 2020)

Company name	Capitalization (In millions)	Ownership (%)	Principal business
Kurita Europe GmbH	EUR 50	100	Manufacture and sale of water treatment chemicals
Kurita Water Industries (Suzhou) Ltd.	JPY 530	100	Manufacture and sale of water treatment facilities
Kurita Water Industries (Jiangyin) Co., Ltd.	USD 16	100	Manufacture and sale of water treatment chemicals
Hansu Technical Service Ltd.	KRW 26,400	100	Manufacture and sale of water treatment facilities Operation and maintenance of water treatment facilities
Hansu Co., Ltd.	KRW 2,500	100	Manufacture and sale of water treatment chemicals
U.S. Water Services, Inc.	USD 0.00001	100	Manufacture and sale of water treatment chemicals and water treatment facilities
Kuritaz Co., Ltd.	JPY 220	100	Operation and maintenance of water treatment facilities
Kurita Engineering Co., Ltd.	JPY 160	100	Chemical cleaning services
Kuritec Service Co., Ltd.	JPY 50	100	Tool cleaning services
Kurita Chemical Manufacturing Ltd.	JPY 50	100	Manufacture of water treatment chemicals

(Note) U.S. Water Services, Inc. changed its name to Kurita America Inc. on April 1, 2020.

(10) Employees (As of March 31, 2020)

[The Kurita Group]

Number of employees	Year-on-year change
6,737	+124

[The Company]

Number of employees	Year-on-year change	Average age	Average length of service
1,541	- 8	42.6	17 years and 2 months

(11) Main lenders and outstanding borrowings (As of March 31, 2020)

Lender	Outstanding borrowings (Million yen)
Syndicated loan	35,000

(Note) The syndicated loan is under a commitment line contract (maximum loan amount: 70,000 million yen) concluded by MUFG Bank, Ltd., Resona Bank, Limited and Sumitomo Mitsui Trust Bank, Limited.

(12) Important matters concerning the Kurita Group

1) Acquisition of Avista Technologies, Inc. and Avista Technologies (UK) Ltd.

On May 15, 2019 PST, the Company completed acquisition of all shares of U.S.-based Avista Technologies, Inc. and U.K.-based Avista Technologies (UK) Ltd. which provide RO membrane treatment chemicals and RO membrane management services and made them subsidiaries.

Avista Technologies, Inc. specializes in RO membrane treatment chemicals, manufactures and sells various types of RO membrane treatment chemicals, in addition to providing services including RO membrane cleaning. Avista Technologies (UK) Ltd. also operates similar business in EMEA (Europe, Middle East and Africa) under license from Avista Technologies, Inc.

We will promote global sales expansion of RO membrane treatment chemicals in the future and strengthen services related to RO membranes by sharing technologies and knowledge between the two companies.

2) Turning Pentagon Technologies Group, Inc. into a subsidiary.

On December 26, 2019, the Company entered into a share transfer agreement for acquiring additional shares of Pentagon Technologies Group, Inc., a company operating a precision tool cleaning business in the U.S. Ensuring speedier cooperation by holding a majority of the shares and thereby making it into a subsidiary, we will further promote efforts to create new value including integration of technologies and services in the business side toward generating synergies.

On April 1, 2020 PST, the Company completed the procedure involved in the acquisition of the shares in question.

3) Merger of U.S. subsidiaries

On March 31, 2020, our subsidiaries (U.S. Water Services, Inc., which manufactures and sells water treatment chemicals and facilities in the U.S.; Kurita America Inc., which sells water treatment facilities and manufactures, sells, imports and exports water treatment chemicals; Fremont Industries, LLC, which manufactures and sells water treatment chemicals; and Global Water Services Holding Company, Inc., which is the holding company of U.S. Water Services, Inc.) were merged with U.S. Water Services, Inc. as the surviving company. Through this merger of four U.S.-based subsidiaries of the Company, we aim to offer total solutions to customers by integrating business models, products, technologies, as well as sales, production, and management control system, and enhancing business operating efficiency.

On April 1, 2020 CST, U.S. Water Services, Inc. changed its company name to Kurita America Inc.

2. Stock of the Company (As of March 31, 2020)

(1) Total number of issuable shares

531,000,000 shares

(2) Total number of issued shares

116,200,694 shares (including 3,591,697 shares of treasury stock)

(3) Number of shareholders

24,346 persons

(4) Major shareholders (Top 10 shareholders)

Name of shareholder	Number of shares	Ratio of shareholding
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,581	6.73
Japan Trustee Services Bank, Ltd. (Trust Account)	7,545	6.70
Nippon Life Insurance Company	5,979	5.31
Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,202	1.95
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,155	1.91
MUFG Bank, Ltd.	2,056	1.82
State Street Bank and Trust Company 505025	2,056	1.82
JP Morgan Chase Bank 385151	1,935	1.71
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,913	1.69
BNP PARIBAS SECURITIES SERVICES PARIS /JASDEC FRENCH RES /UCITS ASSETS	1,790	1.58

(Notes) 1. Treasury stock held by the Company is omitted from the above table.
2. Ratio of shareholding is calculated based on the number of shares after deduction of the number of treasury stock from the total number of issued shares.
3. Treasury stock does not include about 312 thousand shares of treasury stock for performance-linked stock compensation to Directors, held by Japan Trustee Services Bank, Ltd. (Trust Account).

(5) Other important matters regarding stock

Holdings of the Company stock by means of a trust pertaining to the performance-linked stock compensation plan

As of March 31, 2020, 312,900 shares of the Company stock have been acquired by the stock distribution trust established with monetary funds contributed by the Company on the basis of the performance-linked stock compensation plan which was adopted upon resolution made at the 80th Ordinary General Meeting of Shareholders held on June 29, 2016 and held by Japan Trustee Services Bank, Ltd. (Trust Account).

3. Directors and members of the Audit & Supervisory Board of the Company (As of March 31, 2020)

(1) Directors and members of the Audit & Supervisory Board

Name	Position	Responsibility and important concurrent positions
Koichi Iioka	Chairman and Director	Chief Business Officer for Global business
Michiya Kadota	President and Representative Director	
Kiyoshi Itou	Executive Senior Managing Director and Representative Director	Executive General Manager of Corporate Planning and Control Division
Toshitaka Kodama	Managing Director	Executive General Manager of Solution Business Division and Chief Business Officer for Facilities business
Yoshio Yamada	Managing Director	Executive General Manager of Japan Sales Business Division and Chief Business Officer for Chemicals business
Hirohiko Ejiri	Managing Director	Executive General Manager of Engineering Division
Toshimi Kobayashi	Director	Senior General Manager of Administration Group, Japan Sales Business Division
Yasuo Suzuki	Director	Executive General Manager of Global Business Division
Tsuguto Moriwaki	Director (External Director)	
Ryoko Sugiyama	Director (External Director)	Head and Representative Director of the Board, Gifu Shimbun Co., Ltd. External Director and Audit and Supervisory Committee Member, LECIP Holdings Corporation External Director, UACJ Corporation Director, Gifu Sugiyama Memorial Foundation, a public interest incorporated foundation
Keiko Tanaka	Director (External Director)	Vice President, Nissan Financial Services Co., Ltd.
Kenjiro Kobayashi	Full-time member of the Audit & Supervisory Board (External member of the Audit & Supervisory Board)	
Yukihiko Mutou	Full-time member of the Audit & Supervisory Board	
Shigekazu Torikai	Member of the Audit & Supervisory Board (External member of the Audit & Supervisory Board)	Representative Lawyer, Torikai Law Office External Director, United Super Markets Holdings Inc. Outside Director, RISO KAGAKU CORPORATION Representative Director, Torikai Consulting Group

(Notes)
1. Mr. Takahito Namura and Mr. Yukihiko Mutou retired from the office of Director at the conclusion of the 83rd Ordinary General Meeting of Shareholders held on June 27, 2019.
2. Mr. Shiro Hayashi resigned from the office of Member of the Audit & Supervisory Board at the conclusion of the 83rd Ordinary General Meeting of Shareholders held on June 27, 2019.
3. Mr. Koichi Iioka resigned from the office of Director on March 31, 2020.
4. Directors Tsuguto Moriwaki, Ryoko Sugiyama and Keiko Tanaka are External Directors of the Company under Item 15, Article 2 of the Companies Act.

5. Members of the Audit & Supervisory Board Kenjiro Kobayashi and Shigekazu Torikai are external members of the Audit & Supervisory Board of the Company under Item 16, Article 2 of the Companies Act.
6. Member of the Audit & Supervisory Board Kenjiro Kobayashi has considerable insight with respect to finance and accounting, having handled operations that include the investment and loan business of Japan Development Bank (currently, Development Bank of Japan Inc.) for 27 years until his appointment as a member of the Audit & Supervisory Board of the Company.
7. Member of the Audit & Supervisory Board Yukihiko Mutou has considerable insight with respect to finance and accounting, as he was engaged in finance and accounting in the Finance and Accounting Dept. for 16 years at Kurita Water Industries Ltd.
8. On April 1, 2020, the following changes were made in the position and responsibility of Directors.

Name	Position	Responsibility and important concurrent positions
Toshitaka Kodama	Managing Director	Executive General Manager of Digital Strategy Division
Hirohiko Ejiri	Managing Director	Executive General Manager of Engineering Division and Chief Business Officer for Facilities business
Yasuo Suzuki	Managing Director	Executive General Manager of Global Business Division and Chief Business Officer for Global business
Toshimi Kobayashi	Director	Senior General Manager of East Japan Group, Japan Sales Business Division

9. The Company has registered the following individuals as independent officers with the Tokyo Stock Exchange, Inc.

   Director Tsuguto Moriwaki
   Director Ryoko Sugiyama
   Director Keiko Tanaka
   Member of the Audit & Supervisory Board Kenjiro Kobayashi
   Member of the Audit & Supervisory Board Shigekazu Torikai

(2) Outline of agreements for limitation of liability with external officers

The Company has entered into an agreement with External Directors Tsuguto Moriwaki, Ryoko Sugiyama and Keiko Tanaka, and an external member of the Audit & Supervisory Board Shigekazu Torikai that limits liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of the Articles of Incorporation thereof based on the provisions of Paragraph 1, Article 427 of the Act. The amount stipulated in Paragraph 1, Article 425 of the Act has been set as the maximum liability for damages based on this agreement.

(3) Policies and procedures for determining the remuneration of the Directors and the members of the Audit & Supervisory Board

The remuneration system for the Company's Directors (excluding the External Directors) consists of fixed remuneration as the basic remuneration and incentive remuneration that reflects performance. The remuneration system for External Directors with supervising functions and members of the Audit & Supervisory Board is a fixed remuneration system. The fixed remuneration is a fixed amount by position for the Directors and by working form for the members of the Audit & Supervisory Board, and a portion thereof is appropriated for the Directors' and the members of the Audit & Supervisory Board's Shareholding Scheme for the purchase of the Company's shares so that the Directors and the members of the Audit & Supervisory Board share the risks of share price fluctuations with the shareholders. The incentive remuneration is intended to motivate Directors (excluding the External Directors) to continuously improve the Kurita Group's business results for the enhancement of corporate value. The incentive remuneration consists of short-term incentive remuneration, which increases or decreases depending on factors such as the level of attainment of the annual business plan or the evaluation of each individual's performance of his or

her duties and long-term incentive remuneration, whereby shares are issued to retiring directors according to their performance while in office and their title.

Regarding the remuneration system and the remuneration level of the Directors and the members of the Audit & Supervisory Board and the performance evaluation of the Directors (excluding External Directors), the Chairperson of the Board of Directors will consult the Nomination & Remuneration Advisory Council in advance. Based on the report given by the Nomination & Remuneration Advisory Council, the Board of Directors will decide the remuneration of the Directors within the total amount determined by a General Meeting of Shareholders. The Nomination & Remuneration Advisory Council consists of the five members of three External Directors, one full-time external Member of the Audit & Supervisory Board, and the President and is chaired by an External Director. The allocation of remuneration to each member of the Audit & Supervisory Board shall be decided through discussions among members of the Audit & Supervisory Board.

(4) Remuneration of Directors and members of the Audit & Supervisory Board during the fiscal year under review

Classification	Number of payees	Amount of remuneration
Director	13 (including three External Directors)	453 million yen
Member of the Audit & Supervisory Board	4 (including two external members of Audit & Supervisory Board)	81 million yen
External officers	5	85 million yen

(Notes)
1. The above table includes two Directors and one member of the Audit & Supervisory Board who retired from office at the conclusion of the 83rd Ordinary General Meeting of Shareholders held on June 27, 2019.
2. Remunerations for the Directors do not include the employee salaries paid to the Directors who concurrently serve as employees.
3. At the 72nd Ordinary General Meeting of Shareholders held on June 27, 2008, a resolution was passed to set the amount of remuneration for Directors (excluding External Directors) at a maximum of an annual 800 million yen (excluding the employee salaries paid to Directors who concurrently serve as employees).
4. At the 80th Ordinary General Meeting of Shareholders held on June 29, 2016, a resolution was made to pay performance-linked stock compensation (long-term incentive remuneration) to Directors (excluding External Directors) from a separate fund from that shown in 3. above.
5. The Company will record the estimates of money to be paid for short-term incentive remuneration and long-term incentive remuneration as provisions, etc. as of March 31, 2020. The amounts of remuneration paid to Directors stated above include 40 million yen of provision for short-term incentive remuneration for the fiscal year under review and 91 million yen of provision, etc. for long-term incentive remuneration for the fiscal year under review.
6. In addition to the above-stated remuneration paid to Directors, 114 million yen of short-term incentive remuneration for the previous fiscal year has been paid to Directors and 39 million yen of provision for long-term incentive remuneration (including the amount of deliverable shares calculated as cash) has been paid to two Directors who retired as of the conclusion of the 83rd Ordinary General Meeting of Shareholders held on June 27, 2019.

(5) External Directors and external members of the Audit & Supervisory Board

1) The important concurrent positions that External Directors and external members of the Audit & Supervisory Board hold at other companies are described in the aforementioned "(1) Directors and members of the Audit & Supervisory Board."

2) Principal activities of External Directors and external members of the Audit & Supervisory Board

Name	Position	Principal Activities
Tsuguto Moriwaki	External Director	Mr. Moriwaki attended all 15 Board of Directors meetings (attendance rate: 100%) held during the fiscal year under review. He questions and expresses his opinions from his professional standpoint as an external director over the course of deliberations on proposals and confirmations of matters reported, drawing on his career background acting as representative director of listed companies in different industries and based on his experience and insight with respect to manufacturing and corporate reform.
Ryoko Sugiyama	External Director	Ms. Sugiyama attended 13 of 15 Board of Directors meetings (attendance rate: 86.6%) held during the fiscal year under review. She poses questions and expresses her opinions over the course of deliberations on proposals and confirmations of matters reported from an outsider's perspective in general, drawing on her career background acting as an external director, etc. at listed companies in other industries in addition to her significant knowledge of the environment and waste.
Keiko Tanaka	External Director	Ms. Tanaka attended 11 of 12 Board of Directors meetings (attendance rate: 91.6%) held after she assumed the office of Director at the 83rd Ordinary General Meeting of Shareholders held on June 27, 2019. She poses questions and expresses her opinions over the course of deliberations on proposals and confirmations of matters reported from an outsider's perspective in general, based on her extensive knowledge about PR, marketing, etc. and global experience in business segments different from those of the Kurita Group.
Kenjiro Kobayashi	External member of the Audit & Supervisory Board	Mr. Kobayashi attended all 15 Board of Directors meetings and all 11 Audit & Supervisory Board meetings (each attendance rate: 100%) held during the fiscal year under review. He conducts daily audits as a full-time member of the Audit & Supervisory Board, and expresses his opinions in the Board of Directors meetings, Audit & Supervisory Board meetings and other important meetings, in part based on his expert perspective in finance and accounting.
Shigekazu Torikai	External member of the Audit & Supervisory Board	Mr. Torikai attended all 15 Board of Directors meetings and all 11 Audit & Supervisory Board meetings (each attendance rate: 100%) held during the fiscal year under review. He expressed his opinions from his professional standpoint as an attorney at law.

4. Accounting Auditor

(1) Name of Accounting Auditor

Grant Thornton Taiyo LLC

(2) Remuneration to Accounting Auditor for the fiscal year under review

Classification	Amount of remuneration
Amount of Remuneration paid by the Company for the fiscal year under review	73 million yen
Sum of the amount of money and other material advantage to be paid by the Company and its subsidiaries to Accounting Auditor	87 million yen

(Notes)
1. The amount of remuneration listed above in the row "Amount of Remuneration paid by the Company for the fiscal year under review" has been determined on the basis of the audit agreement entered into between the Company and the Accounting Auditor. The above paid amount is the total of payments since the remuneration from audits pursuant to the Companies Act and Financial Instruments and Exchange Act are not clearly divided or cannot be practically divided.
2. The Audit & Supervisory Board has furnished its consent with respect to remuneration, etc. of the Accounting Auditor, upon having conducted requisite validation of the audit plan of the Accounting Auditor, evaluations of results of prior fiscal year audits, status of executing duties, and rationale used for calculating quotations for remuneration.
3. Among the Company's significant subsidiaries, Kurita Europe GmbH, Kurita Water Industries (Suzhou) Ltd., Kurita Water Industries (Jiangyin) Co., Ltd., Hansu Technical Service Ltd. and Hansu Co., Ltd. are audited by Certified Public Accountants or audit corporations (including persons or entities with equivalent qualifications overseas) other than the Company's Accounting Auditor.

(3) Policy on decision to dismiss or not reappoint Accounting Auditor

Where the Audit & Supervisory Board deems the Accounting Auditor corresponds to the provisions of Paragraph 1, Article 340 of the Companies Act based on the agreement of the all members of Audit & Supervisory Board, the Accounting Auditor will be dismissed.

Moreover, the Audit & Supervisory Board evaluates the Accounting Auditor in terms of its auditing frameworks, independence and expertise, and if deemed necessary, determines the content of proposals calling for the dismissal or non-reappointment of the Accounting Auditor, particularly if the Audit & Supervisory Board finds it difficult for the Accounting Auditor to execute its duties appropriately. Meanwhile, the Board of Directors submits such proposals to general meetings of shareholders, pursuant to such decision by the Audit & Supervisory Board.

5. System to ensure that the execution of the duties of Directors conforms with laws, regulations, and the Articles of Incorporation and other systems to ensure appropriate operations

The Kurita Group's Basic Policies for Constructing an Internal Control System (April 1, 2019 Partial Revision) are as follows.

(1) System to ensure that the execution of the duties of Directors and employees conforms with laws, regulations, and the Articles of Incorporation

1) The Company and its consolidated subsidiaries (the "Group Companies") comply with laws and regulations in accordance with social ethics and the construction of transparent and fair relationships with shareholders, customers, employees, local communities, and trade partners at all places in which business activities are conducted, and have specified actions based on compliance with laws, regulations, and social ethics as a prerequisite for corporate activities. We have established Core Values (fairness, transparency, integrity, safety and compatibility) that officers and employees should emphasize, and the Kurita Group Code of Conduct with which officers and employees should comply, transcending differences in their language, custom and cultural background, to fully enforce actions based on compliance with laws, regulations and social ethics in our daily business activities. In addition, the Company and the Group Companies will stand up to antisocial forces that potentially pose a threat to social order and safety with a resolute attitude, and work to fight off the unjustified claims of antisocial forces in a determined manner.

2) The Company sets up the E&S (Environmental & Social) Committee, which is chaired by the Director, and the Group E&S Committee, which is also chaired by the same Director and whose members are the representatives of the Group Companies. In these Committees, the members set out policies and important measures for compliance activities, and convey them to all employees through the divisions and the department committees of the Group Companies. The Company will also work continuously to raise the compliance level by regularly reporting the status of activities and their results to the Board of Directors. If the Chairman of these Committees determines that there is a serious problem or a doubt related to compliance, the Chairman will immediately report it to the President and Representative Director, and then formulate and implement remedial actions and preventive measures. The President and Representative Director or the Chairman of these Committees will report these events to the Board of Director and the Audit & Supervisory Board whenever appropriate.

3) The Company establishes the Internal Auditing Department, which is placed under the direct control of the President and Representative Director, to conduct internal audits on matters such as those related to compliance activities.

4) The Company establishes the Public Interest Whistle-Blower Protection Regulations as a mechanism for the employees of the Company and the Group Companies to directly provide information about legally doubtful conducts, etc. In conjunction with these regulations, the Company also establishes the Compliance Counselling Counter. The Company also works to ensure the fairness and transparency of the management of the Company and the Group Companies by regularly reporting the status of the operation of the contact for Public Interest Whistle-Blowing to the Board of Directors.

5) The Company develops and operates the "Internal Control Reporting System" in accordance with the Financial Instruments and Exchange Act to ensure the accuracy of the financial reporting of the Company and the Group Companies. Monitoring, recommendations for improvement, and support for improvement for the operation of the System are implemented, with the Internal Auditing Department as the responsible department. In addition, the Finance and Accounting Department in the Corporate Planning and Control Division shares responsibility for monitoring, recommendations for improvement, and support for improvement related to the "operations process control inside the Company" and the "account settlement and financial reporting process control of consolidated subsidiaries from a company-wide perspective."

6) In response to the "Corporate Governance Code" set forth in the Securities Listing Regulations of Tokyo Stock Exchange, Inc., the Company establishes policies for corporate governance and strengthens its corporate governance, with the aim of realizing transparent, fair, prompt, and decisive decision-making and more effective management supervision of the Company and the Group Companies.

Outline of operational status

(a) Having defined the objective of initiatives on CSR as "creating and maximizing shared value for the Kurita Group and society" and "identifying, preventing and mitigating possible adverse impacts by the Kurita Group," the Company identified seven material issues (primary focused area) related to CSR and formulated and is operating the "CSR Policy" including what we should be like and the frame of mind that we should maintain firmly in 2030.

(b) To enhance the effectiveness of the Kurita Group Code of Conduct, the Company revised the policies shared by the Group Companies on environment, finance, and taxation, thereby promoting the establishment of the Kurita Group Business Policy in the fiscal year ended March 31, 2020.

(c) The Company is operating the Regulation for Responding to Anti-social Forces that prescribes matters relating to an organizational structure and other approaches to cutting any relations with anti-social forces.

(d) The E&S Committee holds meetings regularly to check the state of progress of key measures and issues.

(e) The Company established the Kurita Group Code of Conduct, the Corporate Governance Policies, the Basic Policies for Constructing an Internal Control System, the CSR Policy, the Kurita Group BCM Policy (Business Continuity Management) and the Kurita Group Business Policy as its basic policies. In the fiscal year ended March 31, 2020, the Company conducted the Management Monitoring by the Internal Auditing Department with the purpose of confirming the implementation status of the basic policies in the Group Companies, and confirmed that there was no material deficiency.

(f) The Company and the Group Companies have been conducting questionnaires on compliance on an annual basis. They have been drawing on questionnaire results to monitor progress with respect to improvements, pinpointing issues, and then reflecting those findings in activity policies for the subsequent fiscal year.

(g) The Company and the Group Companies have been operating whistle-blowing system of internal control. They have accordingly established the Public Interest Whistle-Blower Protection Regulations and have set up consultation desk and reporting desk operated by outside organizations.

(h) With respect to internal controls for financial reporting, a team dedicated to such tasks from the Internal Auditing Department has been engaging in monitoring in accordance with fiscal year plans, and the Finance and Accounting Department in the Corporate Planning and Control Division has also been taking on some responsibility in that regard. The Company has also been monitoring the effectiveness of respective controls.

(i) The Company revises our policies on corporate governance regularly (at least once a year) or as necessary. In the fiscal year ended March 31, 2020, following a transition of accounting standards of the Kurita Group to IFRS, the Company partially revised its Corporate Governance Policies on February 1, 2020 to revise operating standards relating to important transactions among related parties.

(2) System to store and manage information about the execution of the duties of Directors

Information about the execution of the duties of Directors is recorded and stored in documents or electromagnetic media in accordance with the Document Regulations and the Confidential Information Management Regulations established by the Board of Directors. The Directors and members of the Audit & Supervisory Board may inspect these documents, etc. when necessary.

Outline of operational status

Original copies of such information are being stored in vaults, and duplicates are being kept in locked document cabinets under stringent control. In addition, the Company has stipulated that those who have been granted permission to view documents must follow certain procedures in that regard, under the Company's regulations.

(3) Regulations and other systems for managing the risk of loss

1) Risks pertaining to the Company and the Group Companies are monitored and risk management is promoted, with the Executive General Manager of the Corporate Planning and Control Division acting as the officer in charge. The Executive General Manager of the Corporate Planning and Control Division regularly analyzes and assesses the risks of the Company and the Group Companies, and makes efforts to prevent the occurrence of risks through continuous monitoring. If a risk that may have a material impact on management arises, the

Executive General Manager of the Corporate Planning and Control Division will appoint a responsible official, draw up a system to address the risk, and immediately issue a command after gaining the approval of the President and Representative Director. The responsible official will immediately implement countermeasures and report the impact of the risk, the status of correcting the risk, and the measures for preventing the risk to the President and Representative Director and the Executive General Manager of the Corporate Planning and Control Division.

2) In regards to serious risks, the Chairman of the E&S Committee will be the responsible official for risks related to compliance, and the Chairman of the Headquarters Health and Safety Committee will be the responsible official for risks related to health, safety, and disasters. Risks that are directly related to daily business activities are addressed by the executive general managers of the divisions, who acts as the responsible official. Other day-to-day risks related to quality, the environment, information security, and export regulations, etc. are addressed by their respective departments.

3) The Executive General Manager of the Corporate Planning and Control Division, the Chairmen of the Committees, and the executive general managers of the divisions regularly report the status of activities to promote risk management and compliance to the Board of Directors, and report the occurrence and result of material risks to the Board of Directors and the Audit & Supervisory Board whenever appropriate.

4) The status of the implementation of risk management and improvements is monitored, with the Internal Auditing Department acting as the responsible department.

Outline of operational status

(a) The Company and the Group Companies have adopted risk management systems whereby risk is categorized either as “Group-wide risk” which must be addressed by the entire Kurita Group such as in the event of an earthquake or other disaster, or as “business risk” which derives directly from daily business affairs. The Company and the Group Companies have also been conducting review on an annual basis of risk maps. The risk maps indicate probabilities of risks materializing, profile the impact and magnitude of impact that a risk event would pose, and assess the significance of such situations. To such ends, the Company and the Group Companies have been striving to prevent risk from materializing by implementing prevention measures, and otherwise have been preparing themselves to address unforeseen circumstances by establishing action plans for risk events. In addition, the Kurita Group implements the “Kurita Group BCM Policy (Business Continuity Management)” which sets out the Kurita Group’s principles on response measures for officers, executive officers, and employees in handling emergencies that pose a risk to the continuity of the Kurita Group’s businesses such as major earthquakes, storm and flood damage, or pandemics.

(b) The Company and the Group Companies have established legal violation risk maps, and accordingly engage in practices that involve identifying major risks of legal violation and regularly monitoring implementation of initiatives in that regard.

(c) The Board of Directors has been regularly receiving reports regarding the promotion status of risk management and compliance activities, and the Board of Directors and the Audit & Supervisory Board have been receiving reports whenever appropriate with respect to the occurrence and materializing of significant risk events.

(d) The status of the implementation of risk management and improvements is monitored, with the Internal Auditing Department acting as the responsible department.

(4) System to ensure the efficient execution of duties by the Directors

The Company will improve the efficiency of the execution of duties of the Directors based on the following management control system and mechanism.

1) The Board of Directors specifies the operations delegated to the Directors, the executive officers, and the responsible officials of organizations (managerial personnel with the rank higher than Senior General Manager, Head of Osaka Office or Head of an Office).

2) The Board of Directors formulates a long-term vision, a medium-term management plan, and a business plan for a single fiscal year, and sets out the targets, policies, and focused measures for each organization. The

Board of Directors also implements monthly and quarterly business controls in relation to the consolidated and non-consolidated targets of the Company and the business departments.

3) The final decision application system is set up, in line with the Executive Committee and the Final Decision and Examination Regulations, as a decision-making system to complement the resolutions made at the Board of Directors meetings.

4) The Executive Committee makes decisions and conducts a review of matters resolved at the Board of Directors meetings to facilitate the decision-making progress when necessary. The Executive Committee consists of the President and Representative Director, Directors with a rank of Managing Director or above, the Executive General Manager of the Corporate Planning and Control Division, and the Directors and executive officers appointed by the President and Representative Director. The committee meets twice a month in principle, and on a temporary basis when necessary. In the Executive Committee, the members deliberate matters related to the management of the Company and the Kurita Group, conduct a monthly and quarterly check of whether targets have been achieved and the status of implementation of policies and measures, and give the Directors and the executive officers in charge instructions to correct deviations. The members of the Audit & Supervisory Board may attend the Executive Committee.

5) The decision to establish, revise, or abolish the Final Decision and Examination Regulations is made by the Board of Directors. For the Directors and the executive officers to conduct their duties more efficiently, internal regulations conforming to the Final Decision and Examination Regulations are established and implemented.

Outline of operational status

(a) To enable the Board of Directors to better provide strategic direction that contributes to the Kurita Group's sustainable growth, make decisions on important matters related to operational execution, and exercise supervisory functions over the execution of duties, the Company reviewed and is operating the Final Decision and Examination Regulations when necessary.

(b) The Executive Committee has been making judgments and decisions on matters that have been delegated to it by the Board of Directors, and has been conducting review with respect to agenda items for meetings of the Board of Directors. Executive Committee members include the President and Representative Director, Directors with a rank of Managing Director or above, the Executive General Manager of the Corporate Planning and Control Division, and the Directors and executive officers appointed by the President and Representative Director. The committee has been meeting twice a month in principle, and on a temporary basis when necessary. The full-time members of the Audit & Supervisory Board have been attending meetings of the Executive Committee.

(5) System to ensure the accuracy of operations in a corporate group consisting of the Company and its subsidiaries

The Company and the Group Companies perform operations appropriately by the following systems and the frameworks that are in place.

1) The Company and the Group Companies set a medium-term management plan and a business plan for a single fiscal year based on a unified outline for formulating plans.

2) The overall management of the Group Companies is controlled by the Corporate Planning and Control Division. In addition, an officer and a department of the Company in charge of each Group Company are appointed to regularly determine the status of the business performance achieved and the status of risk management based on the medium-term management plan and the business plan for a single fiscal year, and to provide the Group Companies with guidance.

3) A Board of Directors is set up in each Group Company, and the Company or the Group Companies dispatch a (non-standing) Director and (non-standing) member of the Audit & Supervisory Board to monitor the management, business performance, settlement of accounts, and risks. If a decision needs to be made as the Kurita Group, the Executive Committee of the Company deliberates the matter and makes the decision in accordance with "7. Matters related to subsidiaries and associates in Japan and overseas," an appendix of the

Final Decision and Examination Regulations of the Company, or the Board of Directors or the Executive Committee of the Company makes the decision.

4) In regards to the Group Companies' efforts related to compliance, the Group E&S Committee stated in Paragraph 2, Article 1 of the Basic Polices for Constructing an Internal Control System sets out policies and implements specific measures. In addition, the system for ensuring the accuracy of the financial reporting by the Kurita Group is considered and established as part of the approaches stated in Paragraph 5, Article 1.

5) The Group Companies report the status of their management, sales activities, manufacturing, and risk management, etc. to the Company regularly, such as on a monthly or quarterly basis.

Outline of operational status

(a) The Company and the Group Companies have set a medium-term management plan and a business plan for a single fiscal year based on a unified outline for formulating plans. Meanwhile, the President and Representative Director of the Company has been holding management plan review sessions with respective Group Companies annually, and has been making decisions on general matters with respect to the fiscal year and plans for the subsequent fiscal year. The overall management of Group Companies is controlled by the Corporate Planning and Control Division.

(b) The Group E&S Committee, the Group Health and Safety Committee, and other such bodies have been regularly providing an understanding of circumstances with respect to compliance and risk management of Group Companies, and have been providing necessary guidance in that regard.

(c) In order to strengthen governance at the Group Companies, the Company improves the systems and structures provided by the Company, and the Board of Directors accurately evaluates operational status and aims to improve effectiveness. In the fiscal year ended March 31, 2020, as part of these efforts, the Company evaluated the effectiveness of the Board of Directors for the Group Companies in Japan to identify current issues and determine support to be provided by the Company and measures to be taken by each Group Company.

(d) Members of the Audit & Supervisory Board have been conducting audits and surveys with respect to the Company and the Group Companies in accordance with audit policies and audit plans, etc. established by the Audit & Supervisory Board.

(6) Matters related to an employee if a member of the Audit & Supervisory Board requests the assignment of the employee to assist him/her, matters related to the independence of the employee from the Directors, and matters related to ensuring the effectiveness of instructions issued to the employee

1) The Audit & Supervisory Board of the Company may appoint a full-time assistant. If a full-time assistant is not appointed, a member of the Audit & Supervisory Board may instruct a certain employee who belongs to the Internal Auditing Department to assist his/her auditing work as necessary.

2) The employee who assists the auditing work of the member of the Audit & Supervisory Board in accordance with the instruction described in the preceding paragraph provides assistance independent of the Directors and within the necessary scope of assistance. In addition, the opinions of the member of the Audit & Supervisory Board are respected regarding personnel changes and evaluations, etc. of the employee.

3) The employee who assists the auditing work of the member of the Audit & Supervisory Board may regularly attend places where opinions are exchanged between the Representative Director and the Accounting Auditor within the company of the member of the Audit & Supervisory Board.

Outline of operational status

The Audit & Supervisory Board of the Company has no full-time assistant. However, to help members of the Audit & Supervisory Board perform sufficient audit work, the General Manager of Internal Auditing Department supports the Audit & Supervisory Board in audit work as the secretariat of the Audit & Supervisory Board, and members of the Audit & Supervisory Board give instructions to specific employees in the Internal Auditing Department to assist audit work as necessary.

(7) System for the Directors and employees of the Company and Group Companies to report to the Audit & Supervisory Board, and other systems for reporting to the Audit & Supervisory Board

1) In order to regularly confirm that the Directors, executive officers and employees of the Company perform operations appropriately, the members of the Audit & Supervisory Board are required to attend the Board of Directors meetings. They may also attend the Executive Committee and the E&S Committee, etc.
2) The members of the Audit & Supervisory Board of the Company may inspect documents, etc. necessary for their auditing work at any time, irrespective of the provisions of the Document Regulations, the Confidential Information Management Regulations, and other regulations.
3) The Directors of the Company report important matters related to the execution of duties to the members of the Audit & Supervisory Board or the Audit & Supervisory Board whenever appropriate through the Board of Directors meetings and other important meetings.
4) The executive officers and employees of the Company and the Directors, the members of the Audit & Supervisory Board, and the employees of the Group Companies report matters stipulated in laws and regulations as well as cases of compliance violations, cases in dispute, the occurrence of material risks, and matters related to accounting and the settlement of accounts, etc. to the respective departments in charge within the Company. The departments in charge report the details of reports from the executive officers and employees of the Company and the Directors, the members of the Audit & Supervisory Board and employees of Group Companies to the members of the Audit & Supervisory Board or the Audit & Supervisory Board when necessary. In addition, the departments in charge also make necessary reports at the request of a member of the Audit & Supervisory Board.
5) The Company prohibits those who made a report to a department in charge, a member of the Audit & Supervisory Board, or the Audit & Supervisory Board in accordance with the provisions of the preceding paragraph from being treated unfavorably on the grounds of making a report, and makes this fact fully known to the Directors, executive officers and employees of the Company and the Directors and employees of the Group Companies.

Outline of operational status

(a) Each member of the Audit & Supervisory Board has been attending the Board of Directors meetings and other important meetings such as those of Executive Committee and E&S Committee, and has been performing audits of Directors with respect to their execution of duties.
(b) The Directors of the Company have been reporting important matters related to the execution of duties to the members of the Audit & Supervisory Board or the Audit & Supervisory Board whenever appropriate, through the Board of Directors meetings and other important meetings.
(c) The executive officers and employees of the Company, and the Directors, members of the Audit & Supervisory Board and the employees of the Group Companies report on the matters stipulated in laws and regulations as well as cases of compliance violations, cases in dispute, the occurrence of material risks, and matters related to accounting and the settlement of accounts, etc. to the departments in charge within the Company. The departments in charge report on the details of the reports from the executive officers and employees of the Company, and the Directors, members of the Audit & Supervisory Board and employees of Group Companies to the members of the Audit & Supervisory Board or the Audit & Supervisory Board when necessary. In addition, the departments in charge also make the necessary reports at the request of a member of the Audit & Supervisory Board.
(d) In accordance with the Public Interest Whistle-Blower Protection Regulations, the Company and the Group Companies have prohibited the unfair treatment of those who have reported information set forth in the previous paragraph, on the ground of having made such a report.

(8) Other systems to ensure the effective auditing of the Audit & Supervisory Board

1) A meeting for the President and Representative Director and the members of the Audit & Supervisory Board or the Audit & Supervisory Board to exchange opinions is held regularly.

2) The Audit & Supervisory Board establishes standards for appointing, dismissing, and refusing to reappoint the Accounting Auditor, and nominates a candidate for the Accounting Auditor. The Company and the Group Companies secure sufficient amount of time for the Accounting Auditor to conduct a high-quality audit. The members of the Audit & Supervisory Board, the Internal Auditing Department, and the Accounting Auditor promote a cooperation by mutually checking each other's audit plans and sharing their concerns.
3) The members of the Audit & Supervisory Board or the Audit & Supervisory Board hold discussions and exchange opinions with the Internal Auditing Department and the Accounting Auditor when necessary.
4) The Audit & Supervisory Board allocates expenses that are deemed necessary for the execution of duties in advance. However, the Audit & Supervisory Board may charge the Company postmortem for expenses it spent on urgent or provisional matters.

Outline of operational status

(a) Members of the Audit & Supervisory Board have been regularly holding meetings for exchanging opinions with the President and Representative Director of the Company in order to facilitate mutual understanding and further develop relationships of trust.
(b) The Audit & Supervisory Board establishes standards for appointing, dismissing, and refusing to reappoint the Accounting Auditor, and nominates a candidate for the Accounting Auditor.
(c) Members of the Audit & Supervisory Board have been holding discussions and exchanging opinions with the Internal Auditing Department whenever appropriate, and have also been taking steps to promote cooperation with the Accounting Auditor by mutually checking each other's audit plans and regularly exchanging opinions through forums such as briefing sessions for reporting on settlement of accounts and audit results.

Basic Policies for Constructing an Internal Control System are made available to the public via the following URL on the Company's website on the Internet upon revision by resolution of the Board of Directors.
(https://ir.kurita.co.jp/en/corporate_governance/internal_control_system/index.html)

[Translation for Reference and Convenience Purposes Only]

Consolidated Financial Statements
Consolidated Statement of Financial Position (As of March 31, 2020)

(Million yen)

Account item	Amount	Account item	Amount
Assets		**Liabilities**	
Current assets	**162,847**	**Current liabilities**	**94,408**
Cash and cash equivalents	50,215	Trade payables	24,016
Trade receivables and contract assets	93,067	Contract liabilities	5,912
Securities, deposits with a maturity of over three months	2,062	Borrowings	35,371
Finished products	5,038	Accounts payable - other and accrued expenses	16,455
Work in process	1,291		
Raw materials and supplies	2,917	Income taxes payable	1,998
Other	8,254	Provisions	1,557
Non-current assets	**224,902**	Other	9,096
Property, plant and equipment	**106,358**	**Non-current liabilities**	**49,232**
Buildings and structures	19,847	Borrowings	1,305
Machinery, equipment and vehicles	62,231	Lease liabilities	13,701
Land	12,624	Retirement benefit liability	16,913
Construction in progress	7,376	Other	17,311
Other	4,277	**Total liabilities**	**143,640**
Right-of-use assets	**17,784**	**Equity**	
Intangible assets	**60,415**	**Equity attributable to owners of parent**	**242,225**
Goodwill	47,033	Share capital	13,450
Software	3,307	Capital surplus	8,212
Customer and technology related assets	9,565	Retained earnings	231,456
Other	508	Treasury shares	(10,893)
Investments and other assets	**40,343**	**Other components of equity**	**216**
Investment securities	21,002	Financial assets measured at fair value through other comprehensive income	8,747
Investments accounted for using equity method	7,469	Cash flow hedge	503
Deferred tax assets	4,295	Exchange differences on translation of foreign operations	**(9,033)**
Other	7,576	**Non-controlling interests**	**1,666**
		Total equity	**244,108**
Total assets	**387,749**	**Total liabilities and equity**	**387,749**

(Note) Figures are rounded down to the nearest millions of yen.

[Translation for Reference and Convenience Purposes Only]

Consolidated Statement of Profit or Loss

(From April 1, 2019 to March 31, 2020)

(Million yen)

Account item	Amount
Net sales	**264,807**
Cost of sales	**172,092**
Gross profit	**92,715**
Selling, general and administrative expenses	**66,060**
Other income	**5,832**
Other expenses	**5,006**
Operating profit	**27,479**
Finance income	**569**
Finance costs	**1,417**
Share of profit of investments accounted for using equity method	**60**
Profit before tax	26,691
Income tax expense	8,378
Profit for the period	**18,312**
Profit attributable to non-controlling interests	25
Profit attributable to owners of parent	**18,287**

(Note) Figures are rounded down to the nearest millions of yen.

[Translation for Reference and Convenience Purposes Only]

Consolidated Statement of Changes in Equity

(From April 1, 2019 to March 31, 2020)

(Million yen)

	Equity attributable to owners of parent				
				Other components of equity	
	Share capital	Capital surplus	Treasury shares	Exchange differences on translation of foreign operations	Cash flow hedges
Balance as of April 1, 2019	13,450	10,265	(10,932)	(4,671)	310
Profit for the period					
Other comprehensive income				(4,362)	192
Total comprehensive income for the period	–	–	–	(4,362)	192
Purchase of treasury shares			(3)		
Dividends					
Share-based payment transactions		103	42		
Changes in ownership interests in subsidiaries		(1,385)		0	
Transfer from other components of equity to retained earnings					
Put options granted to non-controlling shareholders		(771)			
Other		(0)			
Total transactions with owners		(2,053)	38	0	–
Balance as of March 31, 2020	13,450	8,212	(10,893)	(9,033)	503

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity						
	Financial assets measured at fair value through other comprehen-sive income	Remeasure-ments of defined benefit plans	Total	Retained earnings	Total		
Balance as of April 1, 2019	9,199	–	4,838	219,660	237,282	1,902	239,184
Profit for the period				18,287	18,287	25	18,312
Other comprehensive income	(462)				(4,569)	(49)	(4,619)
Total comprehensive income for the period	(462)	63	(4,569)	18,287	13,717	(24)	13,693
Purchase of treasury shares		63	(4,569)		(3)		(3)
Dividends				(6,521)	(6,521)	(24)	(6,546)
Share-based payment transactions					145	8	154
Changes in ownership interests in subsidiaries			0		(1,385)	(196)	(1,581)
Transfer from other components of equity to retained earnings	10	(63)	(52)	52	–		–
Put options granted to non-controlling shareholders					(771)		(771)
Other				(21)	(21)		(21)
Total transactions with owners	10	(63)	(52)	(6,490)	(8,557)	(211)	(8,769)
Balance as of March 31, 2020	8,747	–	216	231,456	242,442	1,666	244,108

(Note) Figures are rounded down to the nearest millions of yen.

[Translation for Reference and Convenience Purposes Only]

Non-Consolidated Financial Statements
Non-Consolidated Balance Sheet (As of March 31, 2020)

(Million yen)

Account item	Amount	Account item	Amount
Assets		**Liabilities**	
Current assets	**85,699**	**Current liabilities**	**72,031**
Cash and deposits	23,044	Accounts payable – trade	13,452
Notes receivable – trade	4,553	Short-term borrowings	35,000
Accounts receivable – trade	47,556	Accounts payable – other and accrued expenses	7,587
Finished products	618	Deposits received	9,165
Work in process	306	Provision for bonuses	1,080
Raw materials	786	Other	5,744
Short-term loans receivable	3,098	**Non-current liabilities**	**26,232**
Other	5,735	Lease obligations	392
Non-current assets	**235,336**	Deferred tax liabilities related to revaluation	1,119
Property, plant and equipment	**85,212**	Net defined benefit liability	10,829
Buildings and structures	14,144		
Machinery, equipment and vehicles	53,097	Other	13,891
Land	9,429	**Total liabilities**	**98,263**
Leased assets	450	**Net assets**	
Construction in progress	6,527	**Shareholders' equity**	**212,554**
Other	1,562	**Common stock**	**13,450**
Intangible fixed assets	**9,421**	**Capital surplus**	**11,426**
Software	2,855	Legal capital surplus	11,426
Technology-related assets	6,435	**Retained earnings**	**198,571**
Other	129	Legal retained earnings	2,919
Investments and other assets	**140,702**	Other retained earnings	195,651
Investment securities	20,195	Reserve for advanced depreciation of non-current assets	773
Shares of subsidiaries and associates	77,531	General reserve	181,480
Investments in capital of subsidiaries and associates	28,453	Retained earnings brought forward	13,397
		Treasury stock	**(10,893)**
Long-term loans receivable	5,929	**Valuation and translation adjustments**	**10,217**
Deferred tax assets	2,719	Unrealized gains (losses) on available-for-sale securities	8,506
Other	5,952		
Allowance for doubtful accounts	(79)	Deferred gains (losses) on hedges	(0)
		Revaluation reserve for land	1,711
		Total net assets	**222,772**
Total assets	**321,035**	**Total liabilities and net assets**	**321,035**

(Note) Figures are rounded down to the nearest millions of yen.

[Translation for Reference and Convenience Purposes Only]

Non-Consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Million yen)

Account item	Amount
Net sales	**121,467**
Cost of sales	**81,913**
Gross profit	**39,554**
Selling, general and administrative expenses	**26,733**
Operating profit	**12,821**
Non-operating income	**6,268**
Interest and dividend income	2,311
Other	3,957
Non-operating expenses	**1,298**
Interest expense	173
Other	1,125
Ordinary profit	**17,791**
Extraordinary income	**4,752**
Gain on sale of fixed assets	4,752
Extraordinary losses	**3,005**
Loss on sale of non-current assets	2,293
Loss on valuation of investment securities	344
Provision for environmental measures	368
Income before income taxes	**19,538**
Income taxes	
Current	625
Deferred	4,006
Net income	**14,907**

(Note) Figures are rounded down to the nearest millions of yen.

[Translation for Reference and Convenience Purposes Only]

Non-Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity						
	Common stock	Capital surplus	Retained earnings				
		Legal capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
				Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance as of the beginning of the fiscal year	13,450	11,426	2,919	773	163,980	24,433	192,106
Change during the period							
Provision of general reserve					17,500	(17,500)	–
Dividend from surplus						(6,531)	(6,531)
Net income						14,907	14,907
Purchase of treasury stock							
Disposal of treasury stock		(0)					
Reversal of revaluation reserve for land						(1,911)	(1,911)
Net change in items other than shareholders' equity during the period							
Total change during the period	–	(0)	–	–	17,500	(11,035)	6,464
Balance as of the end of the fiscal year	13,450	11,426	2,919	773	181,480	13,397	198,571

[Translation for Reference and Convenience Purposes Only]

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance as of the beginning of the fiscal year	(10,932)	206,051	8,552	0	(200)	8,352	214,404
Change during the period							
Provision of general reserve		–					–
Dividend from surplus		(6,531)					(6,531)
Net income		14,907					14,907
Purchase of treasury stock	(3)	(3)					(3)
Disposal of treasury stock	42	42					42
Reversal of revaluation reserve for land		(1,911)					(1,911)
Net change in items other than shareholders' equity during the period			(46)	(0)	1,911	1,864	1,864
Total change during the period	38	6,503	(46)	(0)	1,911	1,864	8,367
Balance as of the end of the fiscal year	(10,893)	212,554	8,506	(0)	1,711	10,217	222,772

(Note) Figures are rounded down to the nearest millions of yen.

Audit Report

Accounting Auditor's Audit Report on the Consolidated Financial Statements

Report of Independent Auditor

May 26, 2020

The Board of Directors

Kurita Water Industries Ltd.

Grant Thornton Taiyo LLC
Tokyo Office
Tetsuo Shibaya
Designated and Engagement Partner (Seal)
Certified Public Accountant

Makio Wada
Designated and Engagement Partner (Seal)
Certified Public Accountant

Kenta Nishimura
Designated and Engagement Partner (Seal)
Certified Public Accountant

Opinion

Pursuant to Paragraph 4, Article 444 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to consolidated financial statements of Kurita Water Industries Ltd. (the "Company") applicable to the fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the consolidated financial statements, which were prepared under the designated IFRS with omission of a part of disclosure items pursuant to the provisions of the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, present fairly, in all material respects, the consolidated financial position of Kurita Water Industries Ltd. and its subsidiaries as of March 31, 2020, and their financial performance for the year then ended.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As stated in significant subsequent events, Kurita America Holdings Inc., a consolidated subsidiary, acquired additional shares of Pentagon Technologies Group, Inc. on April 1, 2020, thereby making the company a consolidated subsidiary.

Our opinion is not qualified in respect of this matter.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in conformity with the provisions of the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting that allows companies to prepare consolidated financial statements with the omission of a part of the disclosure items required under the designated International Financial Reporting Standards ("IFRS"), and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and for disclosing, as necessary, matters related to going concern, in accordance with the provisions of the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, which allows the omission of a part of items required to be disclosed by the designated IFRS in preparing the consolidated financial statements.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

・Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

・Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.

・Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

・Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with the provisions of the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, which allows the preparation of the consolidated financial statements with some omissions of disclosure items required by the designated IFRS, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.

・Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act.

Accounting Auditor's Audit Report on the Non-Consolidated Financial Statements

Report of Independent Auditor

May 26, 2020

The Board of Directors

Kurita Water Industries Ltd.

Grant Thornton Taiyo LLC
Tokyo Office
Tetsuo Shibaya
Designated and Engagement Partner (Seal)
Certified Public Accountant

Makio Wada
Designated and Engagement Partner (Seal)
Certified Public Accountant

Kenta Nishimura
Designated and Engagement Partner (Seal)
Certified Public Accountant

Opinion

Pursuant to Item 1, Paragraph 2, Article 436 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity, the notes to non-consolidated financial statements and the related supplementary schedules of Kurita Water Industries Ltd. (the "Company") (hereinafter, the "financial statements, etc.") applicable to the 84th fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations pertaining to these financial statements, etc., applicable to the fiscal year ended March 31, 2020 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements, Etc. and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the financial statements, etc., with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

・Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・When auditing the financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

・Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.

・Conclude on the appropriateness of preparing the financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the financial statements, etc. or, if the notes to the financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

・Evaluate whether the presentation of the financial statements, etc. and notes to the financial statements, etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the financial statements, etc., including the related notes thereto, and whether the financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

The Audit & Supervisory Board's Audit Report

Audit Report

With respect to the Directors' performance of their duties during the 84th fiscal year (from April 1, 2019 to March 31, 2020), the Audit & Supervisory Board has prepared this audit report, as the agreed opinion of all members of the Audit & Supervisory Board formed as a result of their deliberations, based on the audit reports prepared by each member of the Audit & Supervisory Board, and hereby reports as follows:

1. Method and Contents of Audit by Members of the Audit & Supervisory Board and the Audit & Supervisory Board

   The Audit & Supervisory Board stipulated auditing policies and the audit plan for the fiscal year under review, designated the status of the establishment and operation of internal control systems (including internal controls for financial reporting) and risk management systems as priority audit items, received reports from each member of the Audit & Supervisory Board about the implementation status and results of the audit, received reports from the Directors and Accounting Auditors about the status of performing such duties, and requested explanations as necessary.

   In accordance with the auditing standards for members of the Audit & Supervisory Board determined by the Audit & Supervisory Board, and in compliance with auditing policies and the audit plan, each member of the Audit & Supervisory Board made efforts to collect information and establish auditing circumstances through communication with Directors, the Internal Auditing Department and other employees, and conducted the audit by the following methods.

   (1) Each member of the Audit & Supervisory Board has attended the Board of Directors meetings and other important meetings, received reports from the Directors and employees about the status of performance of their duties, and requested them to provide explanation when needed. Each member of the Audit & Supervisory Board has reviewed important authorized documents and examined the status of business operations and financial position of the Company and its principal offices. As for subsidiaries, each member of the Audit & Supervisory Board also facilitated communication and information exchange with Directors and employees, visited subsidiaries when needed, and examined the status of business operations and financial position of the subsidiaries and their principle officers.

   (2) Each member of the Audit & Supervisory Board verified the resolutions adopted by the Board of Directors regarding the establishment of a system for ensuring that the Directors' duties, as stated in the Business Report, are executed in conformity of laws and regulations, and the Articles of Incorporation of the Company, and the establishment of a system necessary to ensure proper business operations of a stock company set forth in Paragraphs 1 and 3 of Article 100 of the Regulation for Enforcement of the Companies Act. Each member of the Audit & Supervisory Board also received reports from Directors and employees on the status of the establishment and operation of the system (internal control system) established in accordance with such resolutions adopted by the Board of Directors, and requested explanations as necessary and expressed his/her opinions. As for internal controls for financial reporting, we received reports from the Directors and Accounting Auditor about the status of evaluation and audit of the internal controls, and requested explanations as necessary.

   (3) Each member of the Audit & Supervisory Board audited whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of its performance of duties, and requested explanations as necessary. In addition, each member of the Audit & Supervisory Board was notified by the Accounting Auditor that it had established a "System to ensure that the performance of the duties of the Accounting Auditors was properly conducted" (the matters set forth in the items of Article 131 of the Regulation on Corporate Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and requested explanations as necessary.

Based on the above method, the Audit & Supervisory Board has examined the Business Report and the supplementary schedules, the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity and the notes to the non-consolidated financial statements) and the supplementary schedules, as well as the consolidated financial statements (the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements) for the fiscal year under review.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

(a) We acknowledge that the Business Report and the related supplementary schedules fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

(b) We acknowledge that there is no misconduct or material fact in violation of the applicable laws or regulations and the Articles of Incorporation of the Company with regard to the performance of duties by Directors.

(c) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We also acknowledge that there are no matters warranting special mention, neither regarding content provided in the Business Report on the internal control systems, nor regarding the performance of duties by Directors. As for internal controls for financial reporting, we received reports from Grant Thornton Taiyo LCC stating that the internal controls were functioning effectively Company-wide as of the date on which this report was prepared, and furthermore that there were no deficiencies warranting disclosure with respect to the internal controls in business processes.

(2) Results of Audit of Financial Statements and Related Supplementary Schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditor Grant Thornton Taiyo LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor Grant Thornton Taiyo LLC, are appropriate.

May 28, 2020

Kurita Water Industries Ltd.	Audit & Supervisory Board
Full-time member of the Audit & Supervisory Board (External member of the Audit & Supervisory Board)	Kenjiro Kobayashi
Full-time member of the Audit & Supervisory Board	Yukihiko Mutou
External member of the Audit & Supervisory Board	Shigekazu Torikai