Last Update: November 15, 2024

Kurita Water Industries Ltd.

Director, President and Representative Executive Officer: Hirohiko Ejiri
Contact: General Affairs and Risk Management Department,
Corporate Control and Administration Division
+81-3-6743-5068
Securities code:6370
https://www.kurita-water.com/

The corporate governance of Kurita Water Industries Ltd. is described below.

Note: The company website uses an automatic translation function. For each website link included in this report, you can view the content in English by selecting the Global language option.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views Updated

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 humanity 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.

[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(medium- to long-term sustainability including ESG factors), 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 Committee, the members of the Audit Committee, and the accounting auditor are able to conduct audits properly. It will also disclose information in accordance with the laws related to information disclosure, such as the Companies Act and the Financial Instruments and Exchange Act, and regulations established by the financial instruments 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, sustainability issues and other 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, the supervision of overall management, which is made from an independent and objective standpoint, 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.

(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.

The Company's Corporate Governance Policies are posted on our website:
https://ir.kurita.co.jp/en/downloads/pdf/csr_governance_pdf_01.pdf

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company complies with all the principles of the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code Updated

[Supplementary Principle 1.2.4 Participation in Electronic Voting Platform]
In light of its shareholder composition, etc., the Company introduced the Electronic Voting Platform for institutional investors at the time of the general shareholder meeting in 2006 and notifies shareholders to this effect in the convocation notice.

[Supplementary Principle 1.2.5 Exercise of rights by institutional investors at general shareholder meetings]
Where institutional investors who hold shares in the name of a trust bank or custodial institutions express an interest in attending the general shareholder meeting, the Company confirms the fact that such institutional investors hold shares and arranges for their observation of the meeting.

[Principle 1.4 Policies regarding shares owned for policy purposes and the exercise of voting rights]
(1) Policy regarding shares owned for policy purposes
In some cases, the Company holds listed shares as shares owned for policy purposes to strengthen business relationships, etc. When holding such shares, the Company makes efforts to minimize the risk of holding shares owned for policy purposes by examining economic rationality in the medium and long term and relationships with companies whose shares the Company holds. 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 strives to reduce the holding of shares owned for policy purposes.

(2) Policy for exercising the voting rights of shares owned for policy purposes
When exercising the voting rights of shares owned for policy purposes, the Company will do so by judging the pros and cons of each proposal, taking into comprehensive consideration whether it will contribute to medium- and long-term enhancement of the corporate value of the Company and a company in which the Company holds shares.

(3) Policy for responding to the intention to sell, etc. of the Company's shares indicated by a shareholder

owning shares for policy purposes (Note 1)
If a shareholder owning shares for policy purposes indicates its intention to sell, etc. the Company's shares, the Company will not prevent the shareholder from making such sale, etc.

Note 1: The term "shareholder owning shares for policy purposes" means a shareholder who owns the Company's shares for policy purposes.

(4) Policy for transactions with shareholders owning shares for policy purposes
The Company will not conduct transactions with any shareholder owning shares for policy purposes if such transactions are detrimental to the Company itself and common interests of its shareholders.
⇒ In accordance with the above policies, the Company reviewed shares owned for policy purposes, and as a result, sold 10 holdings (including ones sold partially) in the fiscal year ended March 31, 2024.

[Principle 1.7 Transactions between related parties (Note 2)]
When conducting an important transaction (Note 3) with a related party, the Company will review and decide on the transaction in advance at the Board of Directors to ensure that the transaction does not harm the interests of the Kurita Group and the common interests of its shareholders. The details of the submission standards, etc. shall be set forth in the Board of Directors Regulations, and the standards shall be disclosed.

Note 2: The term "Transactions between related parties" means transactions between the Company and following persons.
(a) An officer of the Company and its close relative, (b) a shareholder who holds 10% or more of the voting rights of the Company and its close relative, (c) an important officer of a subsidiary and its close relative, (d) a subsidiary of the Company (excluding wholly owned subsidiaries) and its affiliate, and (e) a company in which a party mentioned in (a) through (d) above holds the majority of the voting rights for its own account and its subsidiary.

Note 3: The term "important transaction" means the transactions listed below.
(a) Transaction exceeding 10% of the net sales or the sum of the cost of sales and selling, general and administrative expenses on a consolidated statement of income, (b) transaction related to profit or loss exceeding 10% of other income, other expense, finance income, or finance costs on a consolidated statement of income, (c) transaction exceeding 1% of the total assets on consolidated balance sheet, (d) transaction in which the balance, the total amount of transactions generated, or the average balance for the period of the loan of funds or the purchase or sale of tangible fixed assets or securities, etc. exceeds 1% of total assets on a consolidated balance sheet, (e) in the case of the transfer or acquisition of business, the total amount of assets or liability subject to the transfer or acquisition, whichever amount is greater, exceeds 1% of the total assets on a consolidated balance sheet, (f) in the event the related party is an individual, the transaction of an item on a consolidated statement of income or a consolidated balance sheet that exceeds 10 million yen, and (g) other transactions which are judged to need to be submitted to the Board of Directors for discussion, in light of their characteristics.

[Supplementary Principle 2.4.1 Approach to human resources diversity and policy for responding to human resources diversity]
Based on the concept that human resources diversity is the foundation for generating innovation as well as a source for pioneering new value for water linked to sustained growth, the Kurita Group, in its efforts to secure diversity, established as its human resources policy a basic approach to human resources. This approach ensures that those with diverse experience, skills and qualities can be active, leveraging their expertise. At the same time, the Kurita Group will determine the direction for human resources utilization and organizational support in its human resources policy in order to nurture talent and improve the internal environment, and will disclose the progress of the relevant initiatives. Moreover, the Kurita Group will endeavor to ensure diversity in the appointment, etc. of core human resources, clarify its approach and voluntary and measurable targets, while disclosing the status of relevant initiatives.

<Approach to human resources diversity>
The Kurita Group aims to provide value to customers and society through innovative achievements made by

its human resources with diverse backgrounds -- including gender, nationality, age, presence or absence of disabilities, how they joined the company, work style (employment status and working arrangements), and experience -- by taking advantage of each other's experience, knowledge, skills, and other qualities, toward realizing the Corporate Philosophy. The Kurita Group is also proactive in ensuring the diversity of its management and employees in management positions (and their equivalents) as its core human resources.

<Voluntary and measurable targets on diversity and the current level of diversity>
(1) Promotion of women to management positions, etc.
The Company has developed an action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life and is taking initiatives to (a) increase the ratio of female recruits, (b) provide career development support for women in career track positions, (c) expand the roles of female employees and systematically appoint women to management positions, and (d) establish opportunities for women to interact both inside and outside the Company. For targets and results for past fiscal years, please refer to the attachments at the end of this report.
As of December 2023, the number of women in management positions at the Company is 13 (4.2% of all employees in management positions). In addition, the Company positions senior employees, management assistants, and specialists under the specialist system as "equivalent to employees in management" including employees in management positions, and they are working actively as core human resources. As of December 2023, the number of women who are equivalent to employees in management positions is 29. Because of its initiatives to promote women to core human resources, the Company has been selected as a constituent of the MSCI Japan Empowering Women Index (WIN) since 2017.

(2) Promotion of non-Japanese employees to management positions, etc.
The Kurita Group strives to establish a system for operating globally by adopting ways of thinking of diverse countries and regions through the following initiatives. (a) Have the Company's headquarters organizations (organizations other than those exclusively engaged in the Japanese market) work together with overseas Kurita Group companies and (b) Promote locally recruited employees to the senior management of overseas Kurita Group companies.
Accordingly, the Company is promoting globally competitive human resources including non-Japanese to positions equivalent to management positions at headquarters organizations. The company defines "globally competitive human resources" as those who have experienced living and working overseas for three years or longer, those who have experienced overseas businesses for three years or longer, and those who can use English for work, etc. The Company recruits several non-Japanese employees every year. As of December 2023, it has 20 such employees, three of whom are working actively in positions equivalent to management positions. In addition, the ratio of globally competitive human resources to those equivalent to employees in management positions at headquarters organizations is 31.0% as of December 2023, and the Company will increase this ratio further. The Company has not set any long-term target for the recruitment and promotion of non-Japanese employees. However, it will continue to recruit globally competitive human resources and promote them to core human resources proactively as it expands its businesses globally.

(3) Promotion of mid-career recruits to management positions, etc.
The Company is strengthening recruits of mid-career employees, and the number of mid-career employees hired in FY2023 is approximately four times higher than the previous year, expecting them to contribute immediately to its business expansion. In addition, the mid-career recruits have demonstrated practical work skills, and as of December 2023, 85 of those who joined the Company as mid-career recruits have been promoted to positions equivalent to management positions (constituting 13.2% of all employees in such positions). The company plans to increase the ratio of mid-career recruits to all employees, which is approx. 10% at present, to around 30% by April 2031. Thus, the Company will continue to recruit such human resources and promote them to core human resources proactively.

(4) Other matters
The Kurita Group has developed its Value Creation Story (Note 4), which provides a roadmap for growing together with society sustainably over the long term. The Group believes that human resources in technology fields (Note 5) supporting Kurita, human resources promoting DX (Note 6) and intellectual property human resources are important for achieving this. The Human Resources Development Committee will enhance measures to secure, train, and utilize engineers in technology fields supporting Kurita, and the DX Committee will take the same initiatives for business human resources promoting DX. For intellectual property human

resources, the Company will promote the active hiring of experienced personnel. Specific plan targets are to have around 130 "human resources in technology fields supporting Kurita," around 750 "human resources promoting DX," and around 30 "intellectual property human resources" by the fiscal year ending March 2028.

<Policies for human resource development and improving the internal environment for ensuring diversity, and their status>
As a human resource development policy, the Company, reflecting demand for systematic support for career development among its employees that was revealed in an engagement survey, has reviewed transfers and assignments from the viewpoint of supporting the career development of young employees and employee career development [experience], developing management-level employees who support their subordinates when they take on challenges [advice], and providing effective learning opportunities and an environment for independent learning [training]. The Company institutes human resource development measures accordingly. Specifically, the Company takes the following initiatives.
- Development of successors to specialized engineers by the subcommittee of specialized engineers, and development of digital specialists by the DX Master College
- Improving training videos, standardizing the contents of human resource development, and making them available for viewing to the Group
- Providing programs which lead to motivation to achieve personal development autonomously and acquire the fundamental capability of solving issues, together with an environment for independent learning, using internal and external e-learning content through grade-based training
- Improving the quality of communication between superiors and subordinates by visualizing the characteristics (qualities) of human resources and the psychological status of each person
- Revising the Self-Reporting System, establishing career consultation services, and instituting transfer matching by using the personnel information management system, so as to facilitate appropriate allocation and autonomous career development

As its policy for improving the internal environment, the Company takes initiatives with a focus on the following two points.
(1) Foster an organizational culture with Diversity & Inclusion (Note 7) instilled in it and a high level of engagement, so as to create value that contributes to customers and society
⇒ The Company is pursuing initiatives to take advantage of diversity, including training for fostering a culture of diversity, deepening understanding of diversity through workplace discussions, human rights training for instilling an understanding of diversity, including sexual minorities, and round tables and workshops on the theme of promoting the success of diverse human resources. Specific examples are as follows:
◇ Career development support for women in career track positions
- Implement career development workshops for management-oriented and professional-oriented employees, respectively.
◇ Support for the success of mid-career recruits
- Strengthen explanations of job descriptions and career paths during the selection process, implement an onboarding program, and conduct regular interviews after joining the Company.
In addition, the Company is making use of work from home and remote work, helping employees balance work and life events such as childcare and nursing care, and taking other steps to build an environment where diverse employees can work comfortably. Further, initiatives to build an organization with a high level of engagement are taken on a group-wide basis by instilling an understanding of the Value Creation Story to encourage employees to support the Corporate Philosophy and by implementing a PDCA cycle based on regular engagement surveys.

(2) Build a system for providing value globally in accordance with characteristics of each region
⇒ The Company aims to provide value that is suitable for the characteristics of customers and society in each of the countries and regions in which it operates, including Japan. In particular, in countries other than Japan, the Company is fostering locally recruited employees in each area and promoting them to senior management in accordance with the situation of each overseas Kurita Group company. In addition, diverse human resources from all over the world participate in multiple Group-wide projects. Then the company launched an overseas trainee program in the fiscal year ended March 31, 2024 for the purpose of cultivating human resources with the mindset and skills to bring about results in a global business environment. Thus, the globalization of human resources is also promoted through creation of new value.

Note 4: It provides a roadmap for the Kurita Group to achieve sustainable growth with society by creating corporate value over the long term to achieve the Corporate Philosophy. Please refer to page 6 of the Company's Integrated Report, "the Value Creation Story."
https://www.kurita-water.com/ir/library/annual-report.html
Note 5: It refers to approx. 30 technology fields indicated in the map of the Group's engineers.
Note 6: They are digital specialists of the Company who create new business models and value using digital technologies.
Note 7: The Company is fostering a corporate culture and taking other actions based on Our Vision for Diversity & Inclusion, "The corporate group that continues to create new value for water through interaction among diverse people who care about water and the environment and who accept each other's differences," which was set to enhance the Company's measures to improve the Kurita Group's competitiveness by taking advantage of diversity, including the promotion of women's empowerment.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]
The Company does not adopt the fund-type and contract-type defined benefit corporate pension plan and the employees' pension fund so that it does not fall under the relevant general principles.
The Company has adopted a corporate-type defined contribution pension plan, which is operated by employees on their own. The Company provides training and information about the plan to employees on a regular basis, in addition to providing an explanation on it when they join the Company.

[Principle 3.1 Full Disclosure]
Regarding (1) Company objectives (e.g. business principles), business strategies and business plans and
(2) Basic views and guidelines on corporate governance based on each of the principles of the Code, please refer to 1. Basic Views under I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information of this report.

(3) Policies and procedures for determining the remuneration of t the Directors and the Executive Officers
(a) Policies for deciding remuneration of the Directors and the Executive Officers
Remuneration of the Company's officers will be determined based on the following policies.
i. Remuneration shall enable the Company to recruit and retain excellent human resources with diverse capabilities, experience, etc. that contribute to achieving its corporate philosophy.
ii. Importance shall be attached to the link between remuneration and business performance and medium- and long-term corporate value, so that remuneration will function as a sound incentive for achieving sustainable growth.
iii. Decisions on remuneration shall always be objective, and the process of making the decisions shall be highly transparent.

Because the Directors focus on supervision, the remuneration system for Directors is a fixed remuneration plan only. In addition, a portion of the fixed remuneration of Directors (excluding External Directors and Directors who are members of the Audit Committee) is non-performance-linked stock compensation so that Directors will share the risks of share price fluctuations with shareholders. A portion of fixed remuneration of External Directors and Directors who are members of the Audit Committee is appropriated for the Directors' Shareholding Scheme for the purchase of the Company's shares.

The remuneration system for the Executive Officers consists of fixed remuneration and incentive remuneration that reflects performance. Incentive remuneration consists of short-term incentive remuneration, which increases or decreases depending on the level of attainment of the annual business plan, the evaluation of each individual's performance of his or her duties, and the level of achievement of certain indexes and targets linked to the Kurita Group's materiality, and long-term incentive remuneration, whereby points are granted to Executive Officers in accordance with business performance and position during their time in office, and a number of shares of the Company's stock with restriction on transfer equivalent to the number of points granted are annually delivered to the Executive Officer (However, for Executive Officers who are non-resident in Japan, if special handlings are required according to laws, regulations, and taxation, or due to other special circumstances, the Company may deliver the stock without transfer restrictions, subject to resolution of the Compensation Committee).

(b) Procedures for deciding the remuneration of the Directors and the Executive Officers
The Compensation Committee will make decisions on the remuneration systems and levels of Directors and Executive Officers and the assessment of the performance of Executive Officers. Based on the remuneration systems, levels, and performance assessment which have been determined, the Compensation Committee will determine the contents of remuneration of individual Directors and Executive Officers.

(4) "Policies and procedures for nominating Directors", "Policies and procedures for nominating and appointing/dismissing the President and Executive Officer and other Executive Officers and "Selection of candidates for the successor to the President and Executive Officer and succession planning policies"

(a) Policies and procedures for nominating Directors
In the selection of candidates for Directors including External Directors, considerations will be given to diversity, and candidates for Directors will be nominated based on "(12) Makeup and size of the Board of Directors" and requirements specified by the Nominating Committee, so that the Board of Directors will reflect the perspective of shareholders and other stakeholders and focus its efforts on supervision of management to help enhance the corporate value. The Nominating Committee will decide on candidates for Directors to be recommended at a general meeting of shareholders by clarifying reasons for the recommendation.

(b) Policies and procedures for nominating and appointing/dismissing the President and Executive Officer and other Executive Officers
In appointing the President and Executive Officer and other Executive Officers, the Board of Directors will review the management structure at least once a year so that the administrative structure will create shared value with stakeholders and contribute to the sustainable growth of the Kurita Group. The Board of Directors will nominate candidates for the President and Executive Officer and other Executive Officers based on requirements determined by the Board of Directors. Decisions on the selection and dismissal of the President and Executive Officer and the appointment and removal of Executive Officers are made by the Board of Directors based on reports from the Nominating Committee. Whether to reappoint the President and Executive Officer or not will be considered by the Nominating Committee based on its regular review of the status of operational execution, and the Nominating Committee submits a report to the Board of Directors.

(c) Selection of candidates for the successor to the President and Executive Officer and succession planning policies
The Nominating Committee will deliberate on requirements for the President and Executive Officer in light of the aims of the Company and specific management strategies and then report the results to the Board of Directors. The Nominating Committee will select multiple candidates for the successor to the President and Executive Officer and develop succession planning measures based on requirements set forth by the Board of Directors. The Board of Directors will regularly confirm the selection of candidates for the successor to the President and Executive Officer, development of the succession planning measures, and its progress based on reports from the Nominating Committee.

(5) Explanations with respect to the appointment and nomination of directors and members of the Audit & Supervisory Board
In 2016, the Company began to disclose explanations with respect to the individual appointments and nominations in the notice of convocation of the Ordinary General Meeting of Shareholders.

[Supplementary Principle 3.1.2 Provision of information in English]
From the perspective of fair information disclosure to investors, the Company strives to provide English versions of the notice of convocation of a general shareholder meeting, materials including presentation materials used in financial results briefings, integrated reports, and sustainability reports, as well as summaries of questions and answers used in financial results briefings. The Company is listed among companies with excellent English disclosure in the Results of the Survey of Overseas Investors on English Disclosure by Japanese Companies, which was announced by the Tokyo Stock Exchange, on August 31, 2023.

[Supplementary Principle 3.1.3 Initiatives for sustainability, etc.]

(1) Policy for sustainability issues and other matters related to social and environmental issues

The Kurita Group views sustainability as corporate activities within the natural environment and social systems, and the pursuit of sustainable growth taking into account the impact of corporate activities on the environment and social systems, and vice versa. It positions sustainability at the core of business management. The Group identifies key issues for the realization of its corporate vision in each of its medium-term management plans based on global issues related to sustainability, defines them as "Kurita Group's Materiality," and sets metrics and targets to address them. The departments in charge of activities designated for each metrics carry out activities to achieve the goals and report their activities to the Sustainability Committee. The Sustainability Committee chaired by the Executive General Manager of the Sustainability Division, who is an Corporate Officer of the Company, comprehensively manages and promotes materiality initiatives, while submits for discussion or reports on the status to the Executive Committee twice a year. The Executive Committee reports the status of materiality initiatives to the Board of Directors, and the Board of Directors supervises it. In addition, the Sustainability Advisory Council, which is an advisory body to the Board of Directors, examines and deliberates on the Company's approach to sustainability management from the perspective of multi-stakeholders and a medium- to long-term perspective in light of domestic and international situations surrounding sustainability, and provides advice and reports to the Board of Directors. Of the incentive remuneration for Executive Officers, part of the calculation of short-term incentive remuneration, which is performance-linked remuneration, uses certain indicators tied to Materiality and an environmental contribution coefficient that evaluates the degree of achievement of targets.

In addition, the Kurita Group works on engagement with stakeholders such as customers, business partners, employees, shareholders and investors, and local communities, and promotes information disclosure in accordance with international disclosure standards such as the Task Force on Climate-related Financial Disclosures (TCFD). Expectations, concerns and evaluations obtained through engagement are used to verify the validity of the Kurita Group's Materiality, its indicators and targets, and to conduct various activities to achieve these targets. The Sustainability Committee will collect the status of engagement from the relevant departments as determined for each engagement and reflects it in these initiatives.

Details of the disclosed contents are available at the Company's website. Please refer to the following.

・Sustainability and materiality initiatives
https://www.kurita-water.com/sustainability/2024/index.html
・Sustainability Report https://www.kurita-water.com/sustainability/2024/library/report.html
・Integrated Report https://www.kurita-water.com/ir/library/annual-report.html

(2) Investment in human capital

The Kurita Group views its human resources as the foundations underpinning its sustainable growth. To enhance customer intimacy as the Group's strength, each employee needs to be a human resource with a high level of expertise and commit themselves to solving customers' issues. Therefore, the Kurita Group works to secure and develop human resources and succeed technologies related to water that it has cultivated over many years. At the same time, it is building an environment in which each one of its employees can fully demonstrate their capabilities and aptitude and create an organizational culture that permits diverse human resources to work actively. For details, please refer to page 60 of the Company's Integrated Report, "Human Resources Strategy."

https://www.kurita-water.com/ir/library/annual-report.html

(3) Investment in intellectual property

To expand its business and improve profitability by making maximum use of its intellectual property, the Kurita Group engages in intellectual property activities under a basic approach it has specified and the Kurita Group Policy on Intellectual Property Activities, which it has established for the purpose of facilitating the appropriate acquisition, protection, and utilization of intellectual property and respecting the property of other companies. As investments in intellectual property, the Group makes investments aimed at increasing the number of patents applications filed overseas in response to the expansion of global operation and investments for reinforcing the protection of patents covering the CSV business, which is the Company's focus. In addition, to reliably protect the results of its research and development activities, the Group strives to increase its competitiveness by clarifying the sources of competitive advantage that should be patent protected from the development stage and by building a patent network from both the elemental technology and business model perspectives.

The Group's R&D activities and use of intellectual property other than the above are introduced in page 50 of the Company's Integrated Report, "Intellectual Property Strategy."

https://www.kurita-water.com/ir/library/annual-report.html

[Supplementary Principle 3.2.1 Selection and evaluation of an external accounting auditor]
(1) Policy for a nominating the accounting auditor
The Audit Committee will nominate a candidate for the accounting auditor by establishing the criteria for nominating, dismissing, and refusing to reappoint the accounting auditor of the Company. These criteria are meant to ensure the independence and expertise of the accounting auditor so that it may conduct audits properly, and thereby enable the Kurita Group to earn the confidence of its shareholders and society and fulfill its social responsibility as a company.

(2) Standards for selecting a candidate for the accounting auditor and evaluating the accounting auditor
When selecting a candidate for the accounting auditor, the Audit Committee will make a judgment on the nomination, dismissal, and refusal to reappoint the accounting auditor of the Company by obtaining the necessary information, receiving a report from the Directors and related divisions inside the Company, and making a comprehensive assessment of the following items based on the evaluation standards set forth in the Audit Standards of the Audit Committee:
a) Independence, b) Quality control, c) Auditing capabilities, d) Audit plan, e) Implementation system, and f) Audit costs

[Supplementary Principle 4.1.1 The scope of judgments and decisions made by the Board of Directors and the scope of responsibility delegated to senior management (Note 8)**]**
The Board of Directors will make decisions on matters to be resolved by the Board of Directors stipulated in laws, regulations, or the articles of incorporation and matters which will have a significant impact on the management of the Kurita Group, including policies for formulating the corporate vision, medium-term management plans, and annual business plans set forth in the Board of Directors Regulations. The Board of Directors will determine operations to delegate to the Executive Officers and entrust the Executive Officers to make decisions on operational execution, excluding matters to be resolved by the Board of Directors. In regards to decisions on operational execution to be made by the Executive Officers, the Executive Committee consisting of senior management or senior management, etc. with the decision-making authority set forth in the Internal Decision Approval and Review Rules will quickly make such decisions, striving to achieve the objectives of the business plans.

Note 8: The term “senior management” means the President and Executive Officer and the Executive Officers and Corporate Officers who are appointed by the President and Executive Officer.

[Supplementary Principle 4.1.3 Development of successor and succession plan]
Please refer to (4)“Policies and procedures for nominating Directors”, “Policies and procedures for nominating and appointing/dismissing the President and Executive Officer and other Executive Officers and “Selection of candidates for the successor to the President and Executive Officer and succession planning policies” in [Principle 3-1 Full Disclosure] above.

[Principle 4.8 Policy for the effective use of independent External Directors]
The Company's Board of Directors currently consists of eight (8) directors, with four (4) internal directors and four (4) external directors (with the ratio of independent external directors at 50%). It provides strategic direction that contributes to the Kurita Group’s sustainable growth, makes decisions on important matters related to operational execution based on the direction, and exercises supervisory functions over the execution of duties by the directors and overall management. With respect to the number of independent external directors, the Company, as a company listed on the Prime Market, will continue to consider appointing a sufficient number of such directors by taking a comprehensive perspective based on the operating environment and the skills matrix.

[Supplementary Principle 4.8.1 Policies for the effective use of independent External Directors]

The Directors and the Executive Officers shall mutually exchange information with independent External Directors and promote the shared understanding of the execution of operations, using opportunities such as the Board of Directors and other individual meetings. The exchange of information and shared understanding will enable independent External Directors to fulfill their roles and responsibilities.
If necessary, independent External Directors may instruct certain employees to assist the Directors with their duties.

[Supplementary Principle 4.8.3 Listed company with a controlling shareholder]
This code is not applicable because the Company does not have a controlling shareholder.

[Principle 4.9 Roles and duties of independent External Directors and criteria for judging the independence of independent External Directors]
Independent External Directors shall evaluate the results of the business activities of the Kurita Group and the execution of duties by the Directors and the Executive Officers, taking into consideration the corporate philosophy, the corporate vision, the medium-term management plan, and the management plan for a fiscal year. They shall express their opinions at the Board of Directors from the standpoint of promoting the sustainable growth of the Kurita Group and enhancing its corporate value in the medium and long term.

Independent External Directors shall express their opinions at the Board of Directors from an independent position and the standpoint of supervising management in regards to important decisions made at the Board of Directors.

The criteria for judging the independence of independent External Directors in selecting candidates shall be that the candidates for independent External Directors and their close relatives (Note 10) 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 (Note 11) 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 (Note 12) 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 (Note 13) other than remuneration for officers from the Company
e. A current major shareholder of the Company (Note 14) 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)

Note 10: The term “close relatives” means relatives within the second degree of kinship.
Note 11: 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.
Note 12: 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.
Note 13: 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.
Note 14: 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.

[Supplementary Principle 4.11.1 Makeup and size of the Board of Directors]
(1) Human resources structure
To fulfill the highly effective supervisory function over operational execution, the Board of Directors will consist of persons with the necessary knowledge, experience and competence, taking into consideration gender and diversity. With regard to this knowledge, experience and competence, the Company will identify skills regarding corporate management, corporate planning and other aspects of corporate governance management, skills required to realize the direction sought by the Kurita Group of creating social value by leveraging diversity and Water Knowledge, and necessary skills, etc. for realizing the corporate philosophy. The Board of Directors as a whole will be organized in a way that complements the above.
For the skills matrix, please refer to the attachments at the end of this report.

(2) Number of Directors
There shall be three or more Directors in total. No less than one-third of these Directors shall be External Directors to ensure the independence and objectivity of the Board of Directors.

[Supplementary Principle 4.11.2 Restriction on concurrent service of Directors]
Independent External Directors shall not concurrently serve as a Director or a corporate auditor at more than three listed companies including the Company. The Company will disclose the concurrent service status of Directors every year.

[Supplementary Principle 4.11.3 Policies for evaluating the Board of Directors]
(1) Purpose and frequency of evaluation
The Board of Directors will analyze and evaluate its effectiveness every year in order to fulfill its expected roles and functions more effectively.

(2) Method and items of evaluation
The effectiveness of the Board of Directors shall be analyzed and evaluated from various aspects by setting appropriate evaluation items. These items will make it possible to understand the makeup of the Board of Directors and identify the degree of contribution individual directors make to the Board of Directors, etc.
[Evaluation subject] All directors
[Evaluation method] Self-Evaluation
This evaluation was conducted via a written survey, with each of the respondents identified, which was followed by individual interviews for supplementing the written survey. Following a discussion using the aggregated results, the Board of Directors evaluated its effectiveness, clarified issues and adopted measures for the future.
[Evaluation items]
(a) Roles and responsibilities of the Board of Directors(b) Size and composition of the Board of Directors(c) Operation of the Board of Directors(d) Compositions, roles, and statuses of operation of committees(e) System for supporting external directors(f) Relationship and dialogues with stakeholders(g) Overall evaluation
[Evaluation period]
15 months from January 2023 to March 2024
*To evaluate the effectiveness of the Board of Directors after the change in institutional design, the evaluation period was made three months longer than usual, and an intensive evaluation was undertaken in the nine-month period after the change in institutional design, or from June 2023 to March 2024.

(3) Disclosure of evaluation results
The overview of the evaluation results and the future issues and measures of the Board of Directors will be disclosed every year via the Company's website and the integrated report, etc.
https://www.kurita-water.com/ir/cg/evaluation.html
=> According to the evaluation results for January 2023 to March 2024, the results of the evaluation of all directors were favorable, indicating that the effectiveness of the Board of Directors had been maintained. The transition to a company with a nominating committee, etc., which took place in June 2023, contributes to improving the effectiveness of the Board of Directors. On the other hand, it was confirmed that there is room for improvement in the Kurita Group's long-term direction and discussions from the perspectives of diverse stakeholders, including the Board of Directors' supervision of individual key management issues, such as the

promotion of DX and innovation activities. The Company's measures for addressing this issue are as follows.

Issue: The Kurita Group's long-term direction needs to be made specific from the perspectives of diverse stakeholders, so as to ensure the appropriate supervision of growth strategies taken by Executive side.

Measures:

(1) Create opportunities to deepen understanding of the global trend in the water business, so as to clarify the Kurita Group's long-term direction from an objective viewpoint.

(2) Focus efforts on finding opinions to and expectations for the Kurita Group from stakeholders other than shareholders and investors, based on reports, etc. from management, and deepen understanding of them.

(3) Clarify the Kurita Group's long-term vision from a medium- to long-term perspective, based on integrated thinking which reflects viewpoints of diverse stakeholders.

[Supplementary Principle 4.14.2 Training policies for the Directors]

(1) Orientation for newly-appointed Directors

Newly-appointed Directors shall participate in the prescribed orientation immediately after they take office so that they can perform their expected roles and duties.

(2) Self-improvement of the Directors

The Directors shall acquire the knowledge they require on their own and continuously devote themselves to learning so that they can perform their expected roles as executives who play a role in the important governing bodies of a company. The Company will provide the Directors with information about external seminars and other opportunities for self-improvement, and cover their expenses within the range specified in a separate document.

(3) Checking the implementation status of training

The Board of Directors will check the implementation status of training for the Directors every year.

⇒ In the fiscal year ended March 31, 2024, the Company held study sessions to exchange opinions on engagement with capital markets and on DX-related topics. In addition, the company conducted on-site inspections of the company (for outside directors) and orientations for newly appointed directors, and each director also participates in external seminars and others for self-development.

[Principle 5.1 Policies for dialogue with shareholders and investors and the appropriate disclosure of information]

(1) Basic stance

Kurita Water Industries Ltd. and its consolidated subsidiaries (hereinafter the "Kurita Group) strive for management that respects shareholders. To facilitate its sustainable growth and enhance corporate value in the medium and long term, the Kurita Group promotes constructive dialogues with shareholders, investors and others by making fair and timely information disclosures in accordance with relevant laws and rules, while actively and fairly disclosing various kinds of information the Kurita Group deems effective for promoting an understanding of its activities.

(2) Framework for promoting dialogue

The responsible official in charge of conducting constructive dialogue with shareholders and investors shall be the Executive General Manager of the Corporate Control and Administration Division. The Executive General Manager of the Corporate Control and Administration Division shall, upon receiving a request for dialogue from shareholders and investors, individually engage in dialogue, and work to set up a useful place for shareholders and investors by securing opportunities for them to engage in a dialogue with the President and Executive Officer and the Directors including External Directors.

As an organization that supports dialogue with shareholders and investors, the Company will set up full-time IR and SR sections in the Corporate Control and Administration Division, and appoint full-time IR and SR staff. To identify and gather important in-house information and manage and disclose it appropriately, the Executive General Manager of the Corporate Control and Administration Division will also set up an disclosure council consisting of the persons in Corporate Control and Administration Division in charge of Corporate Planning, General Affairs and Risk Management, Corporate Accounting and Corporate Finance, and Sustainability Division in charge of ESG Integration, Governance Promotion, and Corporate Communication

to share information regularly or as needed. The Executive General Manager of the Corporate Control and Administration Division will manage this group and provide the information necessary for dialogue.

(3) Efforts to enhance IR and SR activities
The Executive General Manager of the Corporate Control and Administration Division shall be in charge of IR and SR activities. The full-time IR and SR staff will work to ensure a constructive dialogue with shareholders and investors by planning and conducting various explanatory meetings and transmitting more information via website.

(4) Conveying the feedback of shareholders and investors to management
The Executive General Manager of the Corporate Control and Administration Division shall convey the feedback and concerns of shareholders identified through dialogue with them to the Board of Directors on a regular basis or as needed. The full-time IR and SR staff shall prepare the minutes soon after the dialogue is conducted, and provide an environment where the Directors, the Executive Officers, and the Corporate Officers are able to read the minutes whenever they wish to do so.
The Executive General Manager of the Corporate Control and Administration Division shall report on the results of and plans for IR and SR activities at the Board of Directors twice a year.

(5) Management of insider information
The Company has established the "Regulations Concerning Regulations on Insider Trading of Shares, etc." as specified by law to prevent insider trading from occurring, and will work to observe the Regulations in dialogue with shareholders and investors. The Company has also set up a silent period that lasts from the day after the fiscal year end to the announcement of business results. In general, the purpose of the silent period is to prevent the leakage of information about business results and ensure fair information disclosure. The Company will refrain from answering questions and commenting on business results during the silent period. However, in the event that performance is expected to significantly deviate from forecasts during the quiet period, the Company will implement appropriate information disclosure in accordance with the standards for information disclosure.

(6) Understanding the shareholder structure
To promote dialogue with substantial shareholders, the Company will make efforts to understand the shareholder structure by conducting a survey at least twice a year in Japan and other countries to identify substantial shareholders.

[Supplementary Principle 5.2.1 Policy for business portfolio management]
In accordance with the policy for business portfolio management approved at its meetings, the Board of Directors evaluates each business segment at least once a year from the perspectives of growth potential, return on capital, etc. and supervises the allocation of managerial resources and implementation of strategies based on the business portfolio. Moreover, the Board will work to better illustrate the status of review of the business portfolio, etc. when publicly disclosing managerial strategies, etc.

[Initiatives for management that takes into consideration the cost of capital and stock price] [Last updated on November 15,2024]
The Company ensures financial management with an awareness on optimal capital structure in order to maintain a stable financial foundation. We focus on the ratio of operating profit ratio for profitability, and ROE and ROIC for capital efficiency. For details, please see the Company's Medium-term Management Plan, etc.
・Medium-term Management Plan https://www.kurita-water.com/ir/manage-policy/plan.html
・Integrated Report https://www.kurita-water.com/ir/library/annual-report.html

[Holding dialogue with shareholders]
For information on dialogue with shareholders and investors, etc., please refer to [Principle 5.1 Policies for dialogue with shareholders and investors and the appropriate disclosure of information] above, the relevant section of this report (III. Implementation of Measures for Shareholders and Other Stakeholders, 2. Status of IR-related Activities), page 23 of the Integrated Report.
・Integrated Report https://www.kurita-water.com/ir/library/annual-report.html

2. Capital Structure

Foreign Shareholding Ratio	More than 30%

Status of Major Shareholders Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,106,700	14.29
Custody Bank of Japan, Ltd. (Trust Account)	7,142,768	6.33
Nippon Life Insurance Company	5,979,883	5.30
CACEIS BANK, LUXEMBOURG BRANCH ／ UCITS CLIENTS ASSETS	2,046,194	1.81
BANK PICTET AND CIE （EUROPE） AG, SUCCURSALE DE LUXEMBOURG REF UCITS	2,006,300	1.78
NORTHERN TRUST CO．（AVFC） RE IEDU UCITS CLIENTS NON TREATY ACCOUNT 15.315 PCT	1,827,574	1.62
MUFG Bank, Ltd.	1,686,131	1.49
CLEARSTREAM BANKING S.A.	1,669,702	1.48
BNP PARIBAS LUXEMBOURG／2S／JASDEC／FIM／LUXEMBOURG FUNDS／UCITS ASSETS	1,593,901	1.41
STATE STREET BANK AND TRUST COMPANY 505001	1,589,909	1.41

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	---
Name of Parent Company, if applicable	None

Supplementary Explanation Updated

1. The status of the Company's major shareholders shown above is as of September 30, 2024.

2. Custody Bank of Japan, Ltd. (Trust Account), which has 7,142,768 shares, includes 183,968 shares of treasury stock for stock compensation plan for the officers of the Company and for certain officers of the major domestic Group companies.

3. The Company hold 3,536,559 shares of treasury stock, which is not included in above major shareholders. Treasury stock does not include 183,968 shares of treasury stock for stock compensation plan for the officers of the Company and for certain officers of the major domestic Group companies, held by Custody Bank of Japan, Ltd. (Trust Account).

4. 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. 183,968 shares for stock compensation plan for the officers of the Company and for certain officers of the major domestic Group companies, owned by Custody Bank of Japan, Ltd. (Trust Account), is not included in the treasury stock deducted from the total number of issued shares.

5. Based on a large shareholding report (change report) that was submitted by BlackRock Japan Co., Ltd. to the Director of the Kanto Finance Bureau effective December 5, 2023, the Company received a report that, as of November 30, 2023, eight group companies of BlackRock Japan Co., Ltd. held 6,068,275 shares (percentage to the number of shares outstanding: 5.22%). However, this company group is not included in the above "Status of Major Shareholders" because the Company has yet to confirm the substantive number of shares held at present.

6. Based on a large shareholding report (change report) that was submitted by Sumitomo Mitsui Trust Bank, Ltd., to the Director of the Kanto Finance Bureau effective February 6, 2024, the Company received a report that, as of January 31, 2024, three group companies of Sumitomo Mitsui Trust Bank, Ltd., held 6,046,200 shares (percentage to the number of shares outstanding: 5.20%). However, this company group is not included in the above "Status of Major Shareholders" because the Company has yet to confirm the substantive number of shares held at present.

7. Based on a large shareholding report (change report) that was submitted by Amundi Japan Ltd. to the Director of the Kanto Finance Bureau effective February 22, 2024, the Company received a report that, as of February 15, 2024, nine group companies of Amundi Japan Ltd. held 7,873,098 shares (percentage to the number of shares outstanding: 6.78%). However, this company group is not included in the above "Status of Major Shareholders" because the Company has yet to confirm the substantive number of shares held at present.

8. Based on a large shareholding report (change report) that was submitted by Nomura Securities Co.,Ltd. to the Director of the Kanto Finance Bureau effective May 21, 2024, the Company received a report that, as of May 15, 2024, three group companies of Nomura Securities Co.,Ltd. held 5,544,916 shares (percentage to the number of shares outstanding: 4.77%). However, this company group is not included in the above "Status of Major Shareholders" because the Company has yet to confirm the substantive number of shares held at present.

9. Based on a large shareholding report (change report) that was submitted by Mitsubishi UFJ Financial Group, Inc. to the Director of the Kanto Finance Bureau effective July 29, 2024, the Company received a report that, as of July 22, 2024, three group companies of Mitsubishi UFJ Financial Group, Inc. held 4,965,331 shares (percentage to the number of shares outstanding: 4.27%). However, this company group is not included in the above "Status of Major Shareholders" excluding Mitsubishi UFJ Bank, Ltd. because the Company has yet to confirm the substantive number of shares held at present.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	March
Business Sector	Machinery
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	More than 1000
Net Sales (Consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

No controlling shareholder

5. Other Special Circumstances which may have a Material Impact on Corporate Governance

None

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Three Committees (Nomination, Audit and Compensation)

Directors

Number of Directors Stipulated in Articles of Incorporation	No upper limit to the number of directors is stipulated.
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman
Number of Directors	8

External Directors

Number of External Directors	4
Number of Independent Directors	4

External Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Kenjiro Kobayashi	From another company											
Keiko Tanaka	From another company											
Masahiro Miyazaki	From another company								△			
Yoshiko Takayama	From another company											

*Categories for "Relationship with the Company".
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

a. Person who executes business for the Company or its subsidiary
b. Person who executes business for or a non-executive director of the Company's parent company
c. Person who executes business for a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
e. Major client of the Company or a person who executes business for said client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
k. Other

External Directors' Relationship with the Company (2)

Name	Membership of Committee			Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
Kenjiro Kobayashi	○		○	○	———	Mr. Kenjiro Kobayashi 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. Based on this expertise and experience, he has expressed his opinions on growth strategies and financial strategies from a medium- to long-term perspective at the Board of Directors. He has also had appropriate discussions and deliberations on results of audits, visits for audits, and hearings on the execution of duties of the Company's officers as a chairperson of the Audit Committee. The Company believes that he is an individual capable of continuously increasing the rationality and transparency in the Kurita Group's management from an outside perspective and strengthening the supervisory function of the Board of Directors. The Company has no business with companies, judicial persons, etc. that he belonged to in the past as an individual who executes the operations. Thus, the Company has determined that he has no conflict of interest with general shareholders, and has designated him as an independent officer.
Keiko Tanaka	○	○		○	———	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, marketing, and HR management as well as an experience of having held the position of Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay. Based on this experience, she has actively expressed her opinions on corporate management and business administration in corporate groups with global operations at the Board of Directors. She also gave advice on group-wide human resource development, through appropriate discussions and deliberations on successor candidate development planning for president, etc. as a chairperson of the Nominating Committee. The Company believes that she is an individual capable of continuously expressing opinions from an outside perspective to increase the rationality and transparency of the Kurita Group's management and utilizing her expansive knowledge and international experience for strengthening the supervisory function of the Board of Directors. The Company has no business with companies, judicial persons, etc. that she belonged to in the past as an individual who executes the operations. Further, Nissui Corporation which she has served as an Outside Director since June 2024 is a business partner of the Company, but the ratio of the business with the company to the Kurita Group's consolidated net sales is less than 0.1%, and as such the company is not a major business partner of

						the Company. Thus, the Company has determined that she has no conflict of interest with general shareholders, and has designated her as an independent officer.
Masahiro Miyazaki	○	○		○	The Company had business with Hitachi High-Tech Corporation in FY2022, but the ratio of the business with the company to the Kurita Group's consolidated net sales was less than 0.1% and as such Hitachi High-Tech Corporation was not a major business partner of the Company. The Company has had no business with the company from FY2023.	Mr. Masahiro Miyazaki has experience of holding important positions such as a representative executive officer and president and chief executive officer at corporate groups with global operations mainly in the electronics industry, both in Japan and overseas. Based on this experience, he has actively expressed his opinions on growth strategies from a medium- to long-term perspective with aspects of appropriate risk-taking at the Board of Directors. He also revised the remuneration system through appropriate discussions and deliberations on performance evaluation of officers and remuneration details as a chairperson of the Compensation Committee. The Company believes that he is an individual capable of continuously increasing the rationality and transparency of the Kurita Group's management and strengthening the supervisory function of the Board of Directors from an outside perspective based on his extensive experience in corporate management and global business. As stated in the left-hand column, Hitachi High-Tech Corporation, which he had been serving as an Advisor until March 2023, has no recent business with the Company. Further, Astellas Pharma Inc., which he serves as an Outside Director, is a business

						partner of the Company, but the ratio of the business with the company to the Kurita Group's consolidated net sales is less than 0.1%, and as such the company is not a major business partner of the Company. Thus, the Company has determined that he has no conflict of interest with general shareholders, and has designated her as an independent officer.
Yoshiko Takayama		○	○	○	———	Ms. Yoshiko Takayama has abundant international experience in different areas of the Kurita Group's businesses, as well as abundant experience and skills in the field of Investor Relations and high expertise related to corporate governance. Based on this experience, skills, and expertise, she has actively expressed her opinions on sustainability management and engagement with capital markets at the Board of Directors. She also identified issues for increasing corporate value and submitted reports to the Board of Directors, through appropriate discussions and deliberations on initiatives for materiality as a chairperson of the Sustainability Advisory Council, while explaining sustainability management to stakeholders. The Company believes that she is an individual capable of continuously increasing the rationality and transparency of the Kurita Group's management and strengthening the supervisory function of the Board of Directors. The Company has no business with companies,

						judicial persons, etc. that she belonged to in the past as an individual who executes the operations. Further, the Company has no business with J-Eurus IR Co., Ltd., which she serves as Vice Chairperson, Japan Board Review Co., Ltd., where she is Representative Director, and Ernst & Young ShinNihon LLC, where she is an External Member of the Governance Council. Thus, the Company has determined that she has no conflict of interest with general shareholders, and has designated her as an independent officer.

Supervisory Committees

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	External Directors	Committee Chair
Nomination Committee	5	3	2	3	External Director
Compensation Committee	5	2	2	3	External Director
Audit Committee	3	2	1	2	External Director

Executive Officers

Number of Executive Officers	5

Status of Concurrent Duties

Name	Representative Authority	Concurrent Duties as Director			Concurrent Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Hirohiko Ejiri	Yes	Yes	○	○	No
Shuji Shirode	No	Yes	×	×	No
Katsuya Amano	No	No	×	×	No
Kunihiro Kuse	No	No	×	×	No
Jordi Verdés Prieto	No	No	×	×	No

Auditing Structure

Appointment of Directors and/or staff to Support the Audit Committee	Appointed

Matters Related to the Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

The Company has established the Audit Committee Secretariat as an organization to assist the Audit Committee in its duties and has assigned dedicated employees, etc. The Audit Committee may also instruct certain employees, etc. of the Internal Auditing Department to provide assistance as needed. Employees, etc. assisting the Audit Committee in its duties shall perform their duties independent of the Executive Officers. In addition, the opinions of the Audit Committee members shall be respected regarding personnel changes and evaluations, etc. of the employees, etc.
Employees, etc. assisting the Audit Committee in its duties may accompany the Audit Committee members and participate in periodic exchanges of opinions with the President and Representative Executive Officer and the Accounting Auditor.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Department

The Audit Committee shall confirm the independence of the Accounting Auditor and its performance of duties, and discuss and exchange opinions with the Accounting Auditor on accounting audits on a regular and as-needed basis. In addition, the Audit Committee members shall discuss the audit plans of the Internal Auditing Department, which is in charge of internal audits of the Company, and exchange opinions on the evaluation of internal controls and risk management related to audit results and financial reporting.

Matters Concerning Independent Directors

Number of Independent Directors	4

Other Matters Concerning Independent Directors

The Company designates external officers as independent officers because they all fulfill the qualification requirements as independent officers. For the roles and duties of the Company's independent external directors and the criteria for judging their independence, please refer to Principle 4.9 Roles and duties of independent External Directors and criteria for judging the independence of independent External Directors in [Disclosure Based on the Principles of the Corporate Governance Code] under I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Key Information of this report.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors and/or Executive Officers	Introduction of Performance-linked Remuneration

Supplementary Explanation for Applicable Items

For this explanation, please refer to Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods under [Remuneration for Directors and Executive Officers] below.

Persons Eligible for Stock Options	

Supplementary Explanation for Applicable Items

None

Remuneration for Directors and Executive Officers

Status of Disclosure of Individual Director's Remuneration	Remuneration of only some of the individual directors is disclosed.
Status of Disclosure of Individual Executive Officers' Remuneration	Remuneration of only some of the individual executive officers is disclosed.

Supplementary Explanation for Applicable Items

The Company transitioned to a company with a nominating committee, etc. on June 29, 2023, and the remuneration for the 88th fiscal year (April 1, 2023 to March 31, 2024) is as follow.

Amount of executive remuneration for the directors and the members of the Audit & Supervisory Board [Remuneration before transition to the company with a nominating committee, etc., for the 88th fiscal year (April 1, 2023 to March 31, 2024)]
Directors (10 directors including four external directors): 78 million yen
Members of the Audit & Supervisory Board (Three members including two external members): 20 million yen
External officers (Six officers): 25 million yen

Note: In addition to the above-stated remuneration paid to Directors, 31 million yen of short-term incentive remuneration for the previous fiscal year has been paid to Directors (excluding External Directors), and 17,848 shares of long-term incentive remuneration and 32 million yen, equivalent to a certain proportion of shares sold and converted to cash, have been granted to one Director (excluding External Directors) who retired from office at the conclusion of the 87th Ordinary General Meeting of Shareholders held on June 29, 2023.

Amount of executive remuneration for the directors and the executive officers [Remuneration after transition to the company with a nominating committee, etc., for the 88th fiscal year (April 1, 2023 to March 31, 2024)]
Directors (6 directors including four external directors): 166 million yen
Executive officers (Six officers): 363 million yen
External officers (Four officers): 58 million yen

Notes 1: The above-stated paid amounts and number of payees include one Executive Officer who resigned in the fiscal year under review. In addition to the above-stated remuneration paid to Executive Officers, 11,910 shares of long-term incentive remuneration and 21 million yen, equivalent to a certain proportion of shares sold and converted to cash, have been granted to one Executive Officer who resigned from office in the fiscal year under review.
Notes 2: Directors who concurrently serve as Executive Officers are not paid remuneration as Directors. Accordingly, remuneration of two persons who concurrently serve as Directors and Executive Officers is included in the Executive Officers' section.
Notes 3: The Company recorded the estimate of money to be paid for short-term incentive remuneration and the amount related to the granting of share delivery points for long-term incentive remuneration as provisions, etc. as of March 31, 2024, and these amounts are provided above. Additionally, the above-stated fixed remuneration, etc. amount of Directors (excluding External Directors) includes the amount related to the granting of share delivery points for one Director as non-performance linked stock compensation as a part of

fixed remuneration, which was recorded as provisions, etc. as of March 31, 2024.

Total amount of consolidated remuneration paid to respective officers (in accordance with the disclosure method of securities report)
Hirohiko Ejiri, Director, President and Representative Executive Officer: 104 million yen
Jordi Verdés Prieto, Executive Officer: 106 million yen

Note: Only officers whose total consolidated remuneration is 100 million yen or more are listed. Details are described in the securities report.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Company determines remuneration, etc. for Officers ("Officers" is a generic term for directors and executive officers in this section.) based on the following basic policy regarding the determination of remuneration for Officers.

Basic Policy on Determining Remuneration for Officers
1. The remuneration paid to Officers is designed to attract and retain talented people with diverse skills, experience, etc., to help realize the corporate philosophy.
2. The Company intends that remuneration be linked to business performance and medium- to long-term corporate value in order to function as a sound incentive for sustainable growth.
3. The decision-making process of remuneration shall be highly transparent so that the objectivity of remuneration decisions will be ensured.

[Objectives of the basic policy]
・The basic policy is to establish a structure and level of remuneration that enables us to secure excellent personnel capable of supervising and executing the management of the Company in order to realize its corporate philosophy.
・The remuneration system shall function as a sound incentive for sustainable growth, taking into account the enhancement of corporate value from a long-term perspective and the accommodation of expectations and requests from shareholders and other stakeholders.
・In addition to establishing a periodic remuneration level check process that refers to external remuneration data, the remuneration determination process shall be highly objective and transparent in compliance with the Companies Act and other laws and regulations pertaining to remuneration for Officers.

<Matters regarding policy for the determination of or the method for calculating Officers' remuneration, etc.>
The Company resolves on matters related to policies for determining the contents of individual remuneration of Directors and Executive Officers at the Compensation Committee meeting.
The remuneration system for the Company's Directors consists only of fixed remuneration, as Directors focus on supervising. In addition, in order for Directors to share the risks of share price fluctuations with the shareholders, part of fixed remuneration of Directors (excluding External Directors and Directors who are Audit Committee members) is paid by non-performance-linked stock compensation. Along with this, a portion of fixed remuneration of External Directors, and Directors who are Audit Committee members is appropriated for the Directors' Shareholding Scheme for the purchase of the Company's shares. The remuneration system for the Company's Executive Officers consists of fixed remuneration and incentive remuneration that reflects performance. The fixed remuneration is a fixed amount by position, etc. for the Directors and Executive Officers. Non-performance-linked compensation that is applied to Directors (excluding External Directors and Directors who are Audit Committee members) gives a system, whereby points are granted to Directors in accordance with position, and a number of shares of the Company's stock with restriction on transfer equivalent to the number of points are annually delivered to the Director. The incentive remuneration is intended to

motivate Executive Officers to continuously improve the Kurita Group's business results, and to enhance corporate value through the realization of social 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, the evaluation of each individual's performance of his or her duties, and the level of attainment of environmental indicators and targets tied to the Kurita Group's materiality, and long-term incentive remuneration, whereby points are granted to Executive Officers in accordance with business performance and position during their time in office, and a number of shares of the Company's stock with restriction on transfer equivalent to the number of points granted are annually delivered to the Executive Officer (However, for Executive Officers who are non-resident in Japan, if special handlings are required according to laws, regulations, and taxation, or due to other special circumstances, the Company may deliver the stock without transfer restrictions, subject to resolution of the Compensation Committee). Additionally, in the event of a rational judgment that the application of the Company's internal regulations on officers' remuneration is difficult due to laws and regulations in countries of residence, and other reasons, the Company may handle the remuneration in a different way from the internal regulations, subject to determination of the Compensation Committee.

Short-term incentive remuneration consists of remuneration linked to consolidated performance, remuneration linked to the results of operations overseen by each Executive Officer, remuneration related to other contributions, and an environmental impact coefficient. The performance indicator used for remuneration linked to consolidated performance is year-on-year change in return on invested capital (ROIC). For remuneration linked to the results of operations overseen by each Executive Officer, the applied performance indicators are the differences between the actual results and plan targets for consolidated operating profit margin and consolidated business profit margin, etc. For remuneration related to other contributions, we apply creation of new recurring contract-based services businesses and CSV businesses, results of orders received, and the implementation of large investment projects, e.g. strengthening the corporate structure, M&A, etc., which are not reflected in performance for the relevant fiscal year, as the evaluation perspective. We set an environmental impact coefficient that assesses average value of degree of achievement in each indicator of water saving, avoided GHG emissions, and increase in resource recovery or reduction of resource input, through CSV business, with the aim of accelerating business operations with social value as the starting point and enhancing corporate value through the realization of social value. The amount of short-term incentive remuneration is calculated by calculating a payment rate that fluctuates depending on the level of achievement of performance indicators for remuneration linked to consolidated performance, remuneration linked to the results of operations overseen by each Executive Officer, remuneration related to other contributions, and by multiplying the obtained payment rate by a coefficient that corresponds to the level of achievement of the environmental impact coefficient, and multiplying a base amount by position relating to short-term incentive remuneration by the obtained amount.

For long-term incentive remuneration, the Company has a performance-linked stock compensation plan, whereby points are granted to Executive Officers in accordance with business performance and position during their time in office, and a number of shares of the Company's stock with restriction on transfer equivalent to the number of points granted are annually delivered to the Executive Officer (However, for Executive Officers who are non-resident in Japan, the stock without transfer restrictions are delivered, subject to resolution of the Compensation Committee, in consideration for laws, regulations, and taxation in countries of residence). Long-term incentive remuneration uses consolidated return on equity attributable to owners of parent (ROE), and total shareholder return (TSR) as the performance indicators. The amount of long-term incentive remuneration is calculated by multiplying a payment rate that fluctuates depending on the level of achievement of consolidated return on equity attributable to owners of parent (ROE), by a coefficient that corresponds to the level of achievement of total shareholder return (TSR), and multiplying a base amount by position relating to long-term incentive remuneration by the obtained amount.

Support System for External Directors

The Board of Directors Secretariat will provide External Directors with information about meetings of the Board of Directors, distribution of materials, and advance explanations of agenda items.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Toshiyuki Nakai	Advisor	Engaging in social contribution activities	Full time, Paid	March 31, 2016	1 Year (Until the end of June, 2025)

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc.	One (1) person

Other Related Matters

The Board of Directors discuss and determine the delegation of the duties of Advisors.
The Advisor is not involved in any management decision-making.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

The Company has become a company with a nominating committee, etc. for the purpose of establishing a more effective and transparent corporate governance system by strengthening management supervision and business execution functions in order to further enhance the Group's sustainable growth and corporate value. Through a system that clearly separates management supervision and execution, the Company focuses on supervision based on the perspectives of various stakeholders in management supervision, while in management execution, the Company utilizes the knowledge and appropriate monitoring functions of the supervisory side to make decisions on business execution.

<Board of Directors, Committees, etc.>

・Board of Directors

As of June 27, 2024, the Board of Directors consists of eight Directors (including four External Directors), including Michiya Kadota (Director and Chairman) who chairs the Board, has clarified its role as a monitoring board, and performs an objective supervisory function by nominating management members (Executive Officers including the President), in addition to determining the major direction of the Company with a focus on determination of basic policy on the Group management.

During the fiscal year under review, the Company changed its institutional design from a company with an Audit & Supervisory Board to a company with a nominating committee, etc. Accordingly, the Board of Directors discussed and deliberated on the system for supervising the management and the business execution structure after the change in institutional design. In addition, because it was the first year of the Medium-Term Management Plan PSV-27 (Pioneering Shared Value 2027), the Board of Directors also discussed and deliberated on the progress of priority measures under PSV-27, among other issues.

In FY2023, the Board of Directors held 15 meetings. All Directors attended all meetings (Director Ms. Yoshiko Takayama, who assumed office in June 2023, attended 12 meetings).

・Nominating Committee

As of June 27, 2024, the Nominating Committee consists of five members, including Keiko Tanaka (External Director) who chairs the Committee, and is responsible for deciding on the content of proposals to be submitted to the General Meeting of Shareholders regarding the election and dismissal of Directors, deciding on candidates for successors to the President and Executive Officer and measures to develop them and deciding on candidates for successors to Executive Officers and measures to develop them. The Nominating Committee also deliberates and reports on candidates for the President and Executive Officer and candidates for Executive Officers.
Its activities in FY2023 are as follows.
Matters that were resolved: Policies on and procedures for nominating Directors, selection of candidates for successors to the President and Executive Officers, and measures to develop them
Matters that were reported: Candidates for successors to Corporate Officers, measures to develop them, candidates for Executive Officers and Corporate Officers, etc.
In FY2023, the Nominating Committee held eight meetings, and all members attended all the eight meetings except Mr. Hirohiko Ejiri, who was absent from one of them due to a special interest and attended seven of the meetings.

・Audit Committee

As of June 27, 2024, the Audit Committee consists of three members, including Kenjiro Kobayashi (External Director) who chairs the Committee, and is responsible for auditing the execution of duties by Directors and Executive Officers, preparing audit reports, and deciding on the content of proposals to be submitted to the General Meeting of Shareholders regarding the election and dismissal of Accounting Auditor.
In FY2023, the Audit Committee discussed specific matters such as the formulation of audit policies and plans, preparation of audit reports, the reappointment of Accounting Auditor, remuneration for the Accounting Auditor, and agenda items to be submitted to the Ordinary General Meeting of Shareholders, and conducted activities by setting the status of establishment and operation of internal control systems (including internal control over financial reporting) and Group governance systems and the status of priority measures in the business plan as priority audit items in the audit plans. In FY2023, the Audit Committee held 12 meetings, and all members attended all 12 meetings.

・Compensation Committee

As of June 27, 2024, the Compensation Committee consists of five members, including Masahiro Miyazaki (External Director) who chairs the Committee, and is responsible for determining the content of individual remuneration for Directors and Executive Officers, determining policies regarding the determination of the content of individual remuneration for Directors and Executive Officers, and determining individual performance evaluations for Executive Officers.
Its activities in FY2023 are as follows.
Matters that were resolved: Establishment and revision of internal regulations related to remuneration for Officers ("Officers" is a generic term for directors and executive officers), decisions on the amounts of compensation for individual Directors and Executive Officers, etc.
Matters on which advice was sought and provided: Establishment and revision of internal regulations related to remuneration for Corporate Officers, decisions on the amounts of compensation for individual Corporate Officers, etc.
In FY2023, the Compensation Committee held five meetings, and all members attended all the five meetings.

・Executive Committee

The Company has established and operates an authorization system based on the Executive Committee and the Internal Decision Approval and Review Rules for business execution decisions, including matters transferred from the Board of Directors. The Executive Committee consists of Hirohiko Ejiri (President and Representative Executive Officer) who chairs the Committee, and Executive Officers and Corporate Officers appointed by the President and Representative Executive Officer and makes decisions. Amendment and abolition of the Internal Decision Approval and Review Rules is resolved by the Board of Directors.

・Sustainability Advisory Council

The Company has established the Sustainability Advisory Council to discuss matters related to domestic and international situations surrounding sustainability, and to provide advice and reports to the Board of Directors.

The Sustainability Advisory Council examines the Company's approach to sustainability management from the perspective of multi-stakeholders and a medium- to long-term perspective.

・Limited liability agreements

The Company has established provisions regarding limited liability agreements for External Directors by amending the Articles of Incorporation at the Ordinary General Meeting of Shareholders held on June 27, 2013. Pursuant to the said provisions, the Company has entered into an agreement with External Directors Mr. Kenjiro Kobayashi, Ms. Keiko Tanaka, Mr. Masahiro Miyazaki and Ms. Yoshiko Takayama to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the said Act. The maximum amount of liability based on the agreement is the amount stipulated in Article 425, Paragraph 1 of the same Act.

・Directors and officers liability insurance agreements

The Company has concluded a directors and officers liability insurance agreements in which all the Directors are the insured persons, and damages and litigation expenses arising from assuming responsibility for the execution of duties by the Directors who are the insured persons and their receiving claims for the pursuit of the responsibility will be compensated. However, there are grounds for exemption such as not paying compensation for damage caused by willful or malicious intention. The insurance premiums, including riders, are paid in full by the Company, and the insured persons do not actually pay the insurance premiums.

For the Company's corporate governance system chart, please refer to the attachments at the end of this report.

3. Reasons for Adoption of Current Corporate Governance System

The Company considers that the thorough supervision of management and the execution of business operations can be attained through the framework described above. In addition, at present, the Company has appointed four (4) independent external directors, whose ratio is 50%.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	Since 1999, the Company has sent out a notice of convocation of a general shareholder meeting about three weeks prior to the meeting. In 2016, it began disclosing the notice of convocation of a general shareholder meeting on the Internet before sending it out by mail. The dates of sending the notice of convocation and disclosing the notice on the Internet in this year are as follows. -sending date: June 7, 2024 (20 days in advance) -disclosing date: May 31, 2024 (27 days in advance) (the date of General Meetings of Shareholders held: June 27, 2024)
Electronic Exercise of Voting Rights	The Company began to allow the electronic exercise of voting rights at the time of the general shareholder meeting in 2006.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	At the time of the general shareholder meeting in 2006, the Company began to participate in the Electronic Voting Platform operated by ICJ.

Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	At the time of the general shareholder meeting in 2013, the Company began to prepare the notice of convocation of a general shareholder meeting in English.
Other	A hybrid participatory virtual general meeting of shareholders was introduced for Ordinary General Meeting of Shareholders in June 2020 to provide shareholders with an opportunity to view the meeting using the Internet, etc. without needing to be physically present. In addition, where institutional investors who hold shares in the name of a trust bank or other custodial institution express an interest in attending the general shareholder meeting, the Company confirms the fact that such institutional investors hold shares and arranges for their observation of the meeting. After the General Meeting of Shareholders, the results of resolutions on proposals submitted by the Company are analyzed and then reported to the Board of Directors, irrespective of the number of opposition votes, to consider the way to engage in dialogue with shareholders.

2. Status of IR-related Activities Updated

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	Kurita Group Disclosure Policy is posted on the Company's website: https://www.kurita-water.com/policy/business.html	
Regular Investor Briefings held for Individual Investors	The briefings have been held irregularly since 2020, when the spread of COVID-19 was confirmed.	Not Held
Regular Investor Briefings held for Analysts and Institutional Investors	Earnings briefings are held twice a year (second quarter and the fiscal year-end), and telephone conferences are held twice a year (first and third quarter). The representative executive officer and the executive general manager of the Corporate Control and Administration Division explain business performance and strategies, furthermore he or she handles the question-and-answer sessions. In addition, an ESG Briefing is held once a year as an opportunity to explain initiatives related to corporate governance and sustainability and exchange opinions with analysts and institutional investors.	Held
Regular Investor Briefings held for Overseas Investors	Overseas roadshows are held at least twice a year, and the representative executive officer mainly provides explanations. Moreover, we periodically attend conferences held by securities firms.	Held
Online Disclosure of IR Information	Financial explanatory documents and summaries of questions and answers are posted on the Company's	

	website in both Japanese and English. In addition, an audio webcast of the financial results presentation (in Japanese only) is made available for about 3 months. In addition, other presentation materials, summaries of question-and-answer sessions, and integrated reports (annual reports) are also created in both Japanese and English and posted on the Company's website. https://www.kurita-water.com/ir/index.html
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company has established the Investor Relations Section Corporate Planning Department, Corporate Control and Administration Division.
Other	Investor meetings are held throughout the year, hosted by the Executive General Manager of the Corporate Control and Administration Division, who is the officer in charge of investor relations, and persons in charge of investor relations. In 2023, a Sustainability Briefing was held for institutional investors, and explanations were given by the Director, President and Representative Executive Officer, External Director, and Corporate Officers. A shareholder newsletter is issued and sent once a year as a means of providing information to individual shareholders.

3. Status of Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Kurita Group has established the basic behavior to be adhered to by all directors and employees in their relationships with shareholders, investors, customers, business partners, employees and the local communities in the "Kurita Group Code of Conduct," which explicitly values its relationships with stakeholders.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	Based on its corporate philosophy "Study the properties of water, master them, and we will create an environment in which nature and humanity are in harmony," the Kurita Group has identified the three themes of "Kurita Group's Materiality," namely "Solve issues related to water resources," "Contribute to the realization of a decarbonized society," and "Contribute to building a circular economy society," as "Shared value themes" that lead to the creation of common value with society, and has formulated the Kurita Group Environmental Policy to engage in environmental improvement activities to realize these themes. For more information, please refer to the Company website. https://www.kurita-water.com/sustainability/2024/index.html

Formulation of Policies, etc. on Provision of Information to Stakeholders	The Kurita Group will disclose information in accordance with the laws related to information disclosure, such as the Companies Act and the Financial Instruments and Exchange Act, and regulations established by a financial instruments 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.
Other	To realize its corporate philosophy "Study the properties of water, master them, and we will create an environment in which nature and humanity are in harmony," the Kurita Group defines activities that go beyond its business activities to contribute to water preservation and environmental protection and the realization of affluent lifestyles as corporate citizenship activity, and we aim to earn trust of society and acquire new knowledge by actively and continuously focusing on such activities. The Kurita Group has set five priority areas for its corporate citizenship activities: "Promotion of science and technology," "Improvement of issues related to water resources and public health," "Fostering the next generation," "Recovery and reconstruction of disaster-stricken areas," and "Revitalization of local communities." We promote corporate citizenship activities in accordance with the system, roles, and approach to corporate citizenship activities expenditures shown in the Group Guideline on Corporate Citizenship Activities. https://www.kurita-water.com/sustainability/2024/initiatives/society.html

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development Updated

Basic Policies for Constructing an Internal Control System are as follows.
(https://www.kurita-water.com/policy/basic.html)

[Systems]
1. System to ensure that the execution of the duties of Executive Officers and employees conforms with laws, regulations, and the articles of incorporation

(1) The Company and its consolidated subsidiaries (the "Group Companies"), will comply with laws and regulations in accordance with social ethics and have specified actions based on compliance with laws, regulations, and social ethics as a prerequisite for corporate activities to construct transparent and fair relationships with shareholders, customers, employees, local communities, and trade partners at all places in which business activities are conducted. We have also established the Kurita Group Code of Conduct and Code of Ethics (fairness, transparency, integrity, safety and compatibility), with which officers, etc. (collective term for Directors, Executive Officers, Corporate Officers, and other personnel equivalent to them and Directors, members of the Audit & Supervisory Board, and personnel equivalent to them of the Group Companies; the same applies hereinafter) and employees of the Company and the Group Companies should comply, irrespective of differences in 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 Sustainability Committee, which is chaired by the Executive General Manager of the Sustainability Division, who is a Corporate Officer. In this Committee, the members set out policies and important measures for integrity activities*, and convey them to all employees through the divisions, and a committee, etc. of each Group Company. The responsible Executive Officer or Corporate Officer will regularly report the status of activities and their results to the Board of Directors to continuously raise the compliance level. If the Chairperson of this Committee determines that there is a serious problem or a doubt related to compliance, the Chairperson will immediately report it to the President and Representative Executive Officer and the Chairperson of the Audit Committee, and then formulate and implement remedial actions and preventive measures. The President and Representative Executive Officer and the Chairperson of this Committees will report these events to the Board of Director or the Audit Committee whenever appropriate.

*The term "integrity activities" involve activities related to compliance.

(3) The Company establishes the Internal Auditing Department to conduct internal audits on matters such as those related to compliance activities. The Internal Auditing Department is placed under the direct control of the President and Representative Executive Officer in the organizational structure and conducts internal audits based on audit plans approved by the Audit Committee and the President and Representative Executive Officer. The General Manager of Internal Auditing Department shall report audit results to the Audit Committee and the President and Representative Executive Officer periodically or after each audit, depending on the type of audit. Moreover, the General Manager of Internal Auditing Department shall, where there is an emergency or special measures are deemed to be required during audits, immediately report to a member of the Audit Committee, and where necessary, to the President and Representative Executive Officer.

(4) The Company establishes the Operational Regulations for Whistle-Blower Protection Systems as a mechanism for the officers, etc. and 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 establishes 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, advices on 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 Corporate Accounting Department in the Corporate Control and Administration 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 the Tokyo Stock Exchange, 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.

2. System to store and manage information about the execution of the duties of Executive Officers

Information about the execution of the duties of Executive Officers is stored and managed in documents (including electromagnetic records) by appointing a responsible person in charging of managing it and setting the storage period, etc., in accordance with the Document Regulations and the Confidential Information Management Regulations. The Directors may inspect these documents, etc. when necessary.

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 by the Executive General Manager of the Corporate Control and Administration Division. The Executive General Manager of the Corporate Control and Administration 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 becomes apparent, the

Executive General Manager of the Corporate Control and Administration 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 Executive Officer. 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 Executive Officer, the Executive General Manager of the Corporate Control and Administration Division, and the Board of Directors or the Audit Committee.

(2) In regards to serious risks, the Chairperson of the Sustainability Committee will be the responsible official for risks related to compliance, and the Chairperson of the Headquarters Health and Safety Committee will be the responsible official for risks related to health, safety, and occupational accidents. 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 Control and Administration Division, the Chairpersons of the Committees, and the Executive General Managers of the divisions regularly report the status of activities to promote risk management and integrity to the Board of Directors.

(4) 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 Executive Officers

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

(1) The Board of Directors specifies the operations delegated to the Executive Officers and the responsible officials of organizations with the rank equivalent to or higher than Executive General Manager of a division.

(2) The Board of Directors determines policies for formulating a corporate vision, a medium-term management plan, and a business plan for a single fiscal year, and the Executive Officers formulate a business plan for a single fiscal year in accordance with the said policies and set out the targets, policies, and focused measures for each organization. The Board of Directors receives reports from the Executive Officers on monthly and quarterly business performance in relation to the consolidated and non-consolidated targets of the Company and the business departments and supervises the performance.

(3) The Board of Directors entrusts the Executive Officers to make decisions on operational execution excluding matters to be resolved by the Board of Directors. In addition, the final decision application system is set up, in line with the Executive Committee and the Final Decision and Examination Regulations, as a system to complement the decision-making.

(4) The Executive Committee consists of the President and Representative Executive Officer and Executive Officers and Corporate Officers appointed by the President and Representative Executive Officer. The committee meets twice a month in principle, and on a temporary basis when necessary. In the Executive Committee, the members make decisions related to the management of the Company and the Group Companies, conduct a monthly and quarterly check of whether targets have been achieved and the status of implementation of policies and measures, and give each Executive Officer and Corporate Officer instructions to correct deviations. The members of the Audit Committee 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 Executive Officers and Corporate Officers to conduct their duties more efficiently, internal regulations conforming to the Final Decision and Examination Regulations are established and implemented.

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

The Company and Group Companies perform operations appropriately by the following systems and the

frameworks that are in place.

(1) The Company and 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 Group Companies is controlled by the Corporate Control and Administration Division. In addition, an Executive Officer, Corporate Officer, and 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 Group Companies dispatch a (non-standing) director and (non-standing) member of the Audit & Supervisory Board to monitor the management of the Board of Directors, business performance, settlement of accounts, and risks. If a decision needs to be made as the Group Companies, the decision is made in accordance with "7. Matters related to subsidiaries and associates in Japan and overseas," an appendix 1 of the Final Decision and Examination Regulations of the Company, the Board of Directors, or the Executive Committee of the Company.

(4) In regards to the Group Companies' efforts related to integrity, the Sustainability Committee of the Company sets out policies and priority measures, and a committee, etc. of each Group Company formulates and implements specific measures. In addition, the system for ensuring the accuracy of the financial reporting by the Group is considered and established as part of the approaches stated in Article 1, Paragraph 5.

(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.

6. Matters related to an employee assigned to assist the Audit Committee in fulfilling its duties, matters related to the independence of the employee from the Executive Officers, and matters related to ensuring the effectiveness of instructions issued to the employee
(1) The Secretariat to the Audit Committee is set up as an organization that assists the Audit Committee in fulfilling its duties, and an employee, etc. is appointed as its full-time staff member. The Audit Committee may instruct a certain employee, etc. who belongs to the Internal Auditing Department to assist the Committee.

(2) The employee, etc. who assists the Audit Committee in fulfilling its duties provides assistance independent of the Executive Officers. In addition, the opinions of the members of the Audit Committee are respected regarding personnel changes and evaluations, etc. of the employee, etc.

(3) The employee, etc. who assists the Audit Committee in fulfilling its duties may regularly attend places where opinions are exchanged between the President and Representative Executive Officer and the accounting auditor within the company of a member of the Audit Committee.

7. System for reporting to the Audit Committee
(1) In order to regularly confirm that the Executive Officers, Corporate Officers, and employees of the Company perform operations appropriately, the members of the Audit Committee may attend the Executive Committee and the Sustainability Committee, etc.

(2) The members of the Audit Committee selected by the Audit Committee (hereinafter, the "selected members of the Audit Committee") 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 Executive Officers and Corporate Officers of the Company report important matters related to the execution of duties to the Audit Committee or the members of the Audit Committee whenever appropriate through the Board of Directors meetings and other important meetings.

(4) The officers, etc. and employees of the Company and the Group Companies immediately report matters which may cause significant damage to the operations or financial standing of the Group, matters which are important for internal audits and risk management, matters related to a grave breach of laws, regulations, or the articles of incorporation, and other matters which are important for complying with corporate ethics, laws, and regulations, to the respective departments in charge within the Company. The departments in charge report the details of the reported matter to the Audit Committee or a member of the Audit Committee.

(5) The selected members of the Audit Committee may request officers, etc. and employees of the Company and the Group Companies to report matters related to the execution of their duties and operations, and those who were requested to do so shall immediately submit the report. The selected members of the Audit Committee may also request the accounting auditor to report the status of accounting audits and other necessary matters, and the accounting auditor makes a report related to accounting as needed.

(6) The Company prohibits those who made a report to a department in charge, the Audit Committee or the members of the Audit Committee in accordance with the provisions of the above paragraph (4) from being treated unfavorably on the grounds of making a report, and makes this fact fully known to officers, etc. and employees of the Company and Group Companies.

8. Other systems to ensure the effective auditing of the Audit Committee
(1) The Audit Committee and the President and Representative Executive Officer exchange opinions regularly. Where the Audit Committee has requested an exchange of opinions, the Executive Officers and other requested personnel provide full cooperation.

(2) The Audit Committee 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 Audit Committee, 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 Audit Committee holds discussions and exchange opinions with the Internal Auditing Department and the accounting auditor when necessary.

(4) The Audit Committee allocates expenses that are deemed necessary for the execution of duties in advance. However, the Audit Committee may charge the Company postmortem for expenses it spent on urgent or provisional matters.

[Outline of operational status]
1. System to ensure that the execution of the duties of Executive Officers and employees conforms with laws, regulations, and the articles of incorporation
(a) The Kurita Group views sustainability as corporate activities within the natural environment and social systems, and the pursuit of sustainable growth taking into account the impact of corporate activities on the environment and social systems, and vice versa. It positions sustainability at the core of business management. Under the corporate vision of "Pioneering 'new value for water' to contribute to the realization of a sustainable society," we identified material issues toward the realization of a sustainable society as eight issues of materiality, taking account of global issues related to sustainability, and set metrics and targets. Initiatives on these issues have been led by the Sustainability Committee, which is an organization placed on the executive side, and the Board of Directors has been overseeing its activities.

(b) 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.

(c) The Sustainability Committee holds meetings regularly to check the state of progress of key measures and issues. Important provision of information and reports are conducted so that the Board of Directors is able to oversee the Company's measures to address climate change issues. In addition, the Sustainability Advisory Council is placed on the supervisory (Board of Directors) side. The Sustainability Advisory Council has been examining Kurita's approach to sustainability management in the best interests of varied stakeholders including

shareholders, based on a medium- to long-term perspective, while being consulted by, and submitting reports to the Board of Directors.

(d) The Company established the Kurita Group Code of Conduct, the Corporate Governance Policies, the Basic Policies for Constructing an Internal Control System, the Kurita Group BCM Policy (Business Continuity Management), the Kurita Group Human Rights Policy, the Kurita Group Anti-Bribery Policy and Kurita Group Antitrust Policy as its basic policies. The former CSR Policy was renewed as the Kurita Group's materiality, which was resolved by the Board of Directors, with eight issues of materiality included in the Medium-term Management Plan PSV-27. Under the frameworks of operation and supervision described in (a) above, the Company has been conducting activities related to sustainability. Additionally, the Internal Auditing Department conducted management control monitoring related to the establishment, awareness promotion, and operation of frameworks and systems for deploying the basic policies in the Group Companies and it checked for any important inadequacies.

(e) The Company and the Group Companies have been implementing surveys on integrity 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. During the fiscal year under review, internal discussions were held based on past cases to reassess actions in the workplace.

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

(g) 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 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.

(h) The Company reviews its corporate governance policies regularly (at least once a year) or as necessary. During the fiscal year under review, we reviewed the Corporate Governance Policies, with the transition to a Company with a Nominating Committee, etc.

2. System to store and manage information about the execution of the duties of Executive Officers

Original copies of the document of such information are being stored in vaults, and duplicates are being kept in locked document cabinets under stringent control. Access rights have been set for electromagnetic media. 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

(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, corporate 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, pandemics, or geopolitical risks. During the fiscal year under review, the Company conducted proper documentation both in Japan and abroad in line with the framework of ISO 22301, an international standard that defines the BCM, and provided safety report drills and e-learning courses to all employees for the purpose ensuring employee safety, while expanding business continuity plans for each group company. Furthermore, the Company established a dedicated organization to

address tightening of regulations against PFAS* in Japan and overseas, and has been analyzing risks and business opportunities and taking action based on this analysis.

*A generic term for organic fluorine compounds with roughly 10,000 types. Although they have been used in various products and uses, for their characteristics of higher resistance to water, oil, stains, etc., there have been worries about harmfulness to humans due to environmental persistence and bioaccumulation, and some PFAS have already been regulated by international treaties for manufacture, use, import and export.

(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 and the Executive Committee have been regularly receiving reports regarding the promotion status of risk management and integrity activities, and the Board of Directors and the Audit Committee 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 Executive Officers
(a) To enable the Board of Directors to better provide strategic direction that contributes to the Kurita Group's sustainable growth, 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 Executive Officer, and Executive Officers and Corporate Officers appointed by the President and Representative Executive Officer. The committee has been meeting twice a month in principle, and on a temporary basis when necessary. The members of the Audit Committee selected by the Audit Committee 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
(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 Executive Officer 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 Control and Administration Division.

(b) In regards to the Group Companies' efforts related to integrity, the Sustainability Committee of the Company has set out policies and priority measures, and a committee, etc. of each Group Company has formulated and been implementing specific measures.

(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.

(d) The members of the Audit Committee selected by the Audit Committee 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 Committee.

6. Matters related to an employee assigned to assist the Audit Committee in fulfilling its duties, matters related to the independence of the employee from the Executive Officers, and matters related to ensuring the effectiveness of instructions issued to the employee

The Secretariat to the Audit Committee was set up as an organization that assists the Audit Committee in fulfilling its duties, and an employee, etc. was appointed as its full-time staff member. In addition, the General Manager of Internal Auditing Department supports the Audit Committee in audit work as the Secretariat to the Audit Committee, and the Audit Committee gives instructions to specific employees in the Internal Auditing Department to assist audit work as necessary.

7. System for reporting to the Audit Committee
(a) The selected members of the Audit Committee have been attending the Board of Directors meetings and other important meetings such as those of Executive Committee and Sustainability Committee, and has been performing audits of Executive Officers, Corporate Officers, and employees with respect to their execution of duties.

(b) The Executive Officers and Corporate Officers of the Company have been reporting important matters related to the execution of duties to the members of the Audit Committee or the Audit Committee whenever appropriate, through the Board of Directors meetings and other important meetings.

(c) The Corporate 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 Corporate 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 Committee or the Audit Committee when necessary. In addition, the departments in charge also make the necessary reports at the request of selected members of the Audit Committee.

(d) In accordance with the Operational Regulations for Whistle-Blower Protection Systems, 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 Committee
(a) The Audit Committee has been regularly holding meetings for exchanging opinions with the President and Representative Executive Officer of the Company in order to facilitate mutual understanding and further develop relationships of trust.

(b) The Audit Committee establishes standards for appointing, dismissing, and refusing to reappoint the Accounting Auditor, and nominates a candidate for the Accounting Auditor.

(c) The Audit Committee has 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.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

Regarding the elimination of antisocial forces, the Company has established the relevant provisions in "1. System to ensure that the execution of the duties of directors and employees conforms with laws, regulations and the Articles of Incorporation" of the "Basic Views on Internal Control System and the Progress of System Development" above.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

2. Other Matters Concerning the Corporate Governance System

Please refer to the attachments at the end of this report.

END

Targets and Past Years' Results related to Diversity of Human Resources

1. Women				FY2018 Results	FY2020 Results	FY2022 Results	FY2023 Results	FY2027 Targets	FY2030 Targets
The Company	Ratio of women in management positions		As of December 1	1.1%	2.4%	4.1%	4.2%	Around 10% (April 2028)	
	Ratio of women hired for career track positions	(New graduates)	At the time of joining the company in April	21%	33%	31%	35%	–	
		(New graduates/mid-career)		Full year	Full year	Cumulative total at the end of December	Cumulative total at the end of December	Full year of FY2027	
				15%	33%	29%	26%	Around 30% to 40%	

<Reference>Data as of December 1, each fiscal year		FY2018	FY2020	FY2022	FY2023
○ Ratio of women in management positions	The Company (a)	1.1%	2.4%	4.1%	4.2%
	Domestic consolidated subsidiaries (b)	4.4%	5.5%	5.1%	5.6%
	Overseas consolidated subsidiaries (c)	17.2%	19.0%	21.9%	23.7%
	Total (a+b+c)	8.5%	11.5%	13.2%	14.7%
○ Ratio of women to all employees	Kurita Group	24.1%	24.5%	25.3%	25.4%

2. Mid-career recruits		December 2022	December 2023	April 2031
The Company	Ratio of mid-career recruits	10.6%	12.8%	Around 30%
	Ratio of mid-career recruits to management level-equivalent positions*1	12.5%	13.2%	–

*1 Senior employee, Management assistant and Specialist positions including management level employees

Skills Matrix of Directors

To realize our corporate philosophy, we have set the necessary knowledge, experience, and capabilities as skill items based on management strategies such as the Kurita Group's value creation story and medium-term management plan. The skill items are largely divided into two categories. One is corporate governance and management, under which three skill items of "corporate management and corporate planning," "finance and accounting," and "legal and HR management" are set as basic elements that are particularly essential. The other is about creating shared value with society by providing solutions that make full use of "water knowledge," which is obtained by leveraging diversity* of human resources and other elements. To drive this initiative, we have set six skill items of "human rights," "global," "understanding and solving issues on site," "R&D, technology, and engineering," "digital transformation (DX)," and "environment." We believe that our Board of Directors should possess these nine items of skills for oversight of management.

*The "diversity" means the variety of elements that form "diverse points of contact with sites" that are the source of the Kurita Group's competitiveness, such as contact points with customers, business fields, business development areas / countries, and technology fields, in addition to human resources.

＜Skills and Reason for Selection＞

High-level concepts	Skills	Reason for appointment
Corporate governance and management	Corporate management/ Corporate planning Finance and accounting Legal and HR management	These are regarded as the skills, knowledge, and experience that provide a foundation for conducting management oversight.
Leveraging diversity ▼ Making full use of water knowledge ▼ Creating social value	Human rights	In developing its business globally, the Kurita Group encounters diverse working environments, business customs, and trading practices, and there is a need to engage in business activities while respecting the human rights of stakeholders. To this end, the Group has defined a basic materiality theme as "Conduct business activities respecting human rights." The Group is promoting initiatives to ensure respect for the human rights of employees, suppliers and other stakeholders in the countries and regions where it conducts business. The Group also recognizes the importance of leveraging diversity in human resources as a foundation for innovation and as a source of value creation leading to sustainable growth. 'Human rights' has thus been selected as a skill category for Board oversight of management due to its importance as a management issue.
	Global	To accelerate global business development, the Kurita Group is working to speed up the development of products and services tailored to local and regional market characteristics. The category 'Global' represents a level of international experience and understanding of these regions and countries. We see it as one of the essential elements in cultivating the "diverse points of contact with sites" that constitute a source of the Group's competitive advantage. 'Global' has been selected as a skill category for Board oversight of management because we consider a deep knowledge of global markets as essential for developing business globally and increasing corporate value.
	Understanding and solving issues on site	The Kurita Group delivers solutions addressing water-related issues at the sites of various customers worldwide. At "diverse points of contact with sites," we engage seriously with customers' issues, utilizing our "water knowledge" in the form of accumulated information and data to create proprietary and innovative solutions. We see this as the source of shared value creation with customers and society. This area has been selected as a skill category for Board oversight of management because we value having a deep understanding of the points of contact with customer sites as a source of value creation, alongside extensive experience of addressing such issues.
	R&D, technology, and engineering	The Group combines technology and expertise acquired from various business domains to create new products, services, and technologies. Amid significant recent changes in the external environment, we consider ensuring customer business continuity to be one area where we can provide added value. Accordingly, we have reviewed our methods of product, service, and technology delivery and the procurement and production set-up to improve our cost competitiveness and production capacity. Because we see strengthening of development, technology, and production as a key platform for creating and providing solutions, this area has been selected as a skill category for Board oversight of management.
	DX	The Group aims to achieve DX by utilizing digital technology to change business processes and to transform business models. 'DX' has been selected as a skill category for Board oversight of management since we consider it a priority for the deployment of digital tools, AI, and IoT, and for the utilization of information and data collected from diverse customer sites as "water knowledge," resulting in creation of innovative shared value with customers and society.
	Environment	The three shared value themes that the Kurita Group has defined as Kurita Group's Materiality are 'Solve issues related to water resources,' 'Contribute to the realization of a decarbonized society,' and 'Contribute to building a circular economy society.' These are priority issues that we seek to address. We have defined as "CSV business" the Group products, technologies and business models that significantly contribute to water saving, the reduction of GHG emissions and resource input, and the recycling of resources compared with prior levels. We are working to create shared value with society via their development and provision to customers. 'Environment' has been selected as a skill category for Board oversight of management because we regard it as part of our mission to reduce environmental impact through our business activities.

＜Skills Matrix＞

	Name	Corporate governance and management			Leveraging diversity ▶ Making full use of water knowledge ▶ Creating social value					
		Corporate management Corporate planning	Finance and accounting	Legal and HR management	Human rights	Global	Understanding and solving issues on site	R&D, technology, and engineering	DX	Environment
Director	Michiya Kadota	●	●	○	○	○	●※			○
	Hirohiko Ejiri	●			●	○	●	●	●	○
	Shuji Shirode	○	●			●				●
	Yukihiko Mutou	○	●	●	○					
	Kenjiro Kobayashi (External)	●	●			●				
	Keiko Tanaka (External)	○		●	○	●				
	Masahiro Miyazaki (External)	●	●	●		●				
	Yoshiko Takayama (External)	●	○			●				

Among the knowledge and experience of each director those with ○ are fields where they have strength while ● indicates an area where they are especially promising.

* "Understanding and solving issues on site" is a skill item expected of Internal Directors. Those who have experience as president are marked with a ● because they have sufficient skills in "Understanding and solving issues on site" as supervisors based on their experience in supervising an entire company.

<Supplementary Information>

Ratio of independent external directors

50 % (4/8)

Ratio of female directors

25 % (2/8)

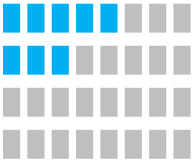
Ratio of non-Japanese directors

0 % (0/8)

Ratio of persons with management experience at other companies

50 % (4/All 8 directors)

Age distribution (All 8 directors)



65 or older (5)

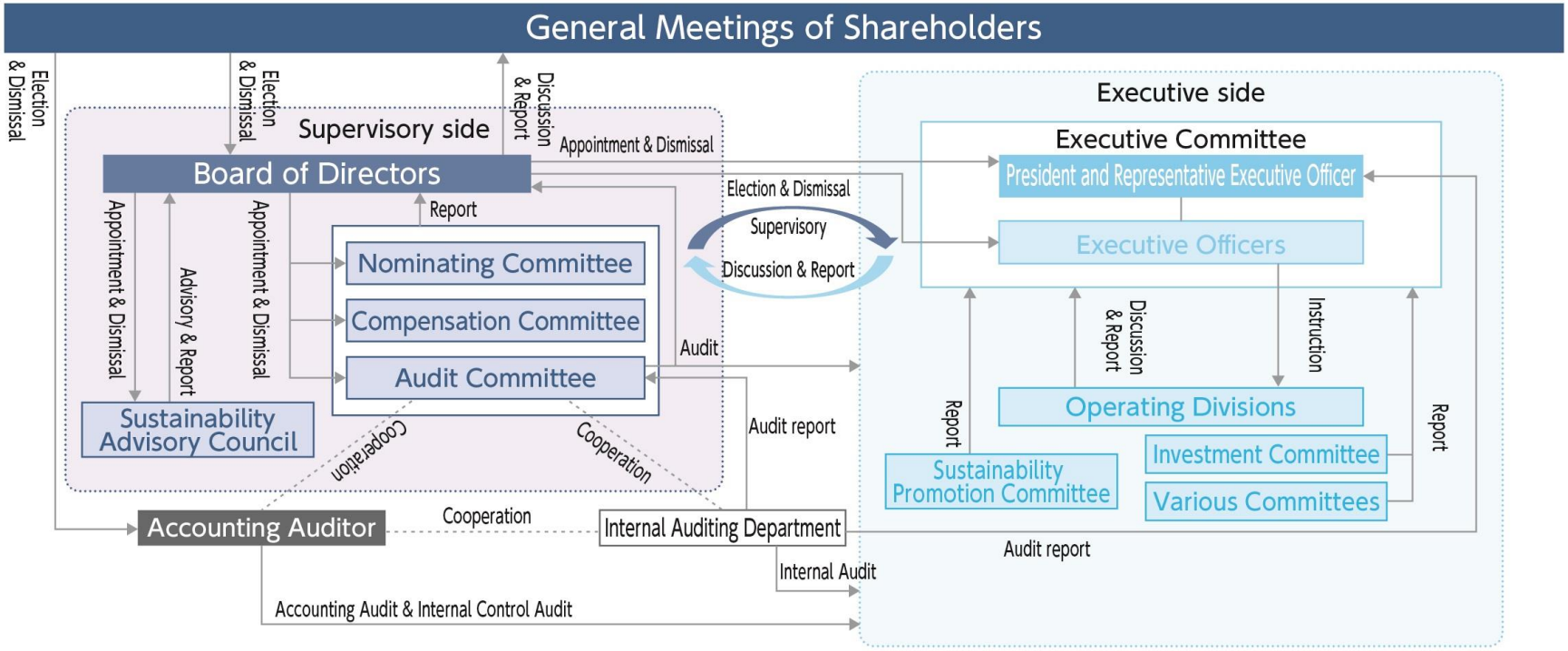
60-64 (3)

55-59 (0)

50-54 (0)

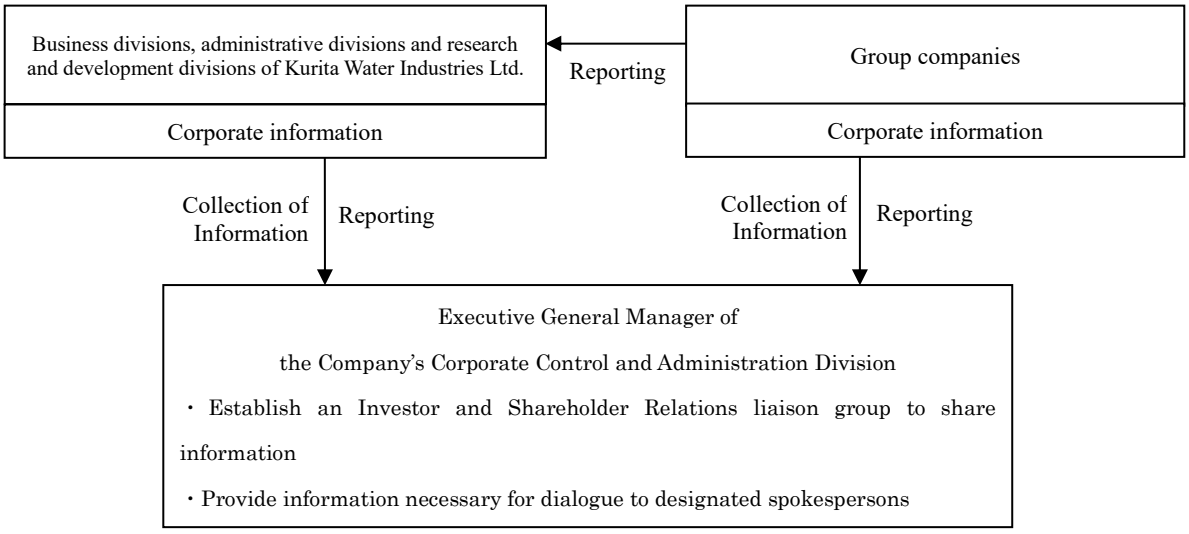
Corporate Governance Structure

Company with a Nominating Committee, etc.

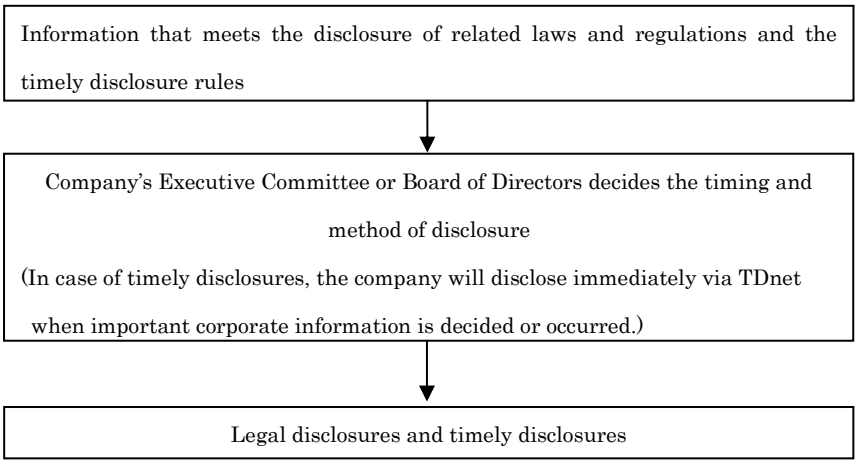
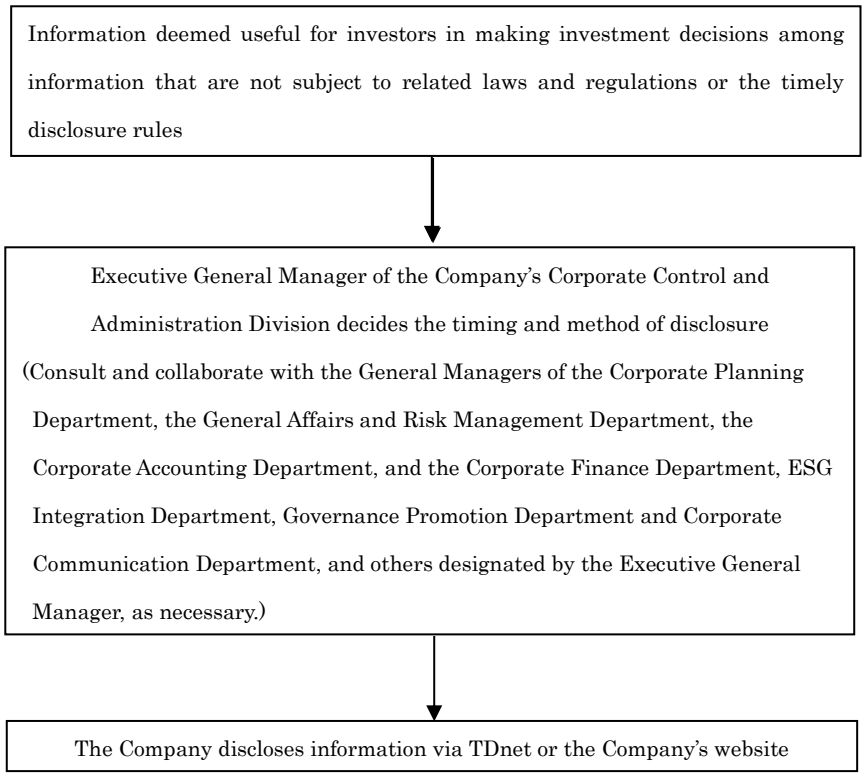


Information disclosure system

<Information management>



<Legal disclosures and timely disclosures>



<Voluntary disclosures>