



Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (IFRS)

May 14, 2026

Company name: Kurita Water Industries Ltd. Stock exchange listing: Tokyo
 Securities code: 6370 URL: <https://www.kurita-water.com/>
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 Scheduled date of annual shareholders' meeting: June 25, 2026
 Scheduled starting date of dividend payment: June 26, 2026
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 Supplementary documents for financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(Amounts are rounded to the nearest million)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated results of operations (%: Year-on-year change)

	Net sales		Business profit		Operating profit		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2026	402,889	3.6	57,343	12.7	58,290	16.8	16,295	(21.3)	15,957	(21.4)	31,790	98.2
March 31, 2025	388,814	—	50,898	—	49,918	—	20,706	(30.0)	20,305	(30.4)	16,039	(65.7)

	Basic earnings per share		Diluted earnings per share		Return on equity		Return on assets		Operating profit to net sales	
	Yen		Yen		%		%		%	
Fiscal year ended March 31, 2026	145.34		—		4.7		10.4		14.5	
March 31, 2025	180.66		—		6.1		9.2		12.8	

(Reference) Profit before tax

Fiscal year ended March 31, 2026: 58,160 million yen (14.7%)

Fiscal year ended March 31, 2025: 50,709 million yen (—%)

Share of profit (loss) of investments accounted for using equity method Fiscal year ended March 31, 2026: 119 million yen

Fiscal year ended March 31, 2025: 108 million yen

(Notes) 1. Business profit is the Group's own indicator that measures constant business performance. It is net sales less cost of sales and selling, general and administrative expenses. Although business profit is not defined by IFRS, the Group voluntarily discloses it, believing that it is beneficial for users of its financial statements.

2. In the fiscal year under review, the Company classified the business of Pentagon Technologies Group, Inc. as discontinued operations. Net sales, business profit, operating profit, and profit before tax are figures pertaining only to continuing operations and exclude figures from discontinued operations. Profit, profit attributable to owners of parent, and total comprehensive income encompass profits from both continuing and discontinued operations. These figures for the previous fiscal year have been restated, and year-on-year percentage changes for net sales, business profit, and operating profit are not provided.

(2) Consolidated financial condition

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of parent
As of	Million yen	Million yen	Million yen	%	Yen
March 31, 2026	564,422	343,977	341,151	60.4	3,117.58
March 31, 2025	548,949	338,504	336,027	61.2	2,995.84

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2026	55,592	(34,021)	(23,309)	65,251
March 31, 2025	87,760	(52,074)	(25,448)	62,951

2. Dividend

	Dividend per share					Total dividends	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	—	46.00	—	46.00	92.00	10,365	50.9	3.1
Fiscal year ended March 31, 2026	—	56.00	—	56.00	112.00	12,306	77.1	3.7
Fiscal year ending March 31, 2027 (forecast)	—	67.00	—	67.00	134.00		34.1	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(%: Year-on-year change)

	Net sales		Business profit		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	198,000	—	23,500	—	23,000	—	15,900	(7.4)	146.66
Full year	425,000	5.5	61,500	7.2	60,500	3.8	42,000	163.2	392.49

(Reference) Profit before tax

First half 22,800 million yen (—%)

Full year 60,000 million yen (3.2%)

(Notes) 1. In the fiscal year under review, the Company classified the business of Pentagon Technologies Group, Inc. as discontinued operations. Net sales, business profit, operating profit, and profit before tax are figures pertaining only to continuing operations and exclude figures from discontinued operations. Profit attributable to owners of parent encompasses profits from both continuing and discontinued operations. The year-on-year percentage changes for the full-year forecasts are based on the results for the fiscal year under review, after excluding figures from discontinued operations.

2. At the Board of Directors meeting held on May 14, 2026, the Company resolved to purchase treasury shares. The basic earnings per share in the forecast of consolidated financial results for the fiscal year ending March 31, 2027, takes into account the effect of the purchase of treasury shares by Board resolution. For more information on the decision to purchase treasury shares, please refer to (Purchase of treasury shares) under (Significant Subsequent Events) in section “3. Consolidated Financial Statements and Key Notes, (5) Notes to Consolidated Financial Statements” on page 26 of the accompanying materials.

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (common share)

(i) Number of issued shares at the end of the period (including treasury shares):

As of March 31, 2026	116,200,694 shares
As of March 31, 2025	116,200,694 shares
As of March 31, 2026	6,772,548 shares
As of March 31, 2025	4,035,900 shares
Fiscal year ended March 31, 2026	109,795,499 shares
Fiscal year ended March 31, 2025	112,395,208 shares

(ii) Number of treasury shares at the end of the period:

(iii) Average number of shares outstanding during the period:

(Note) The total number of treasury shares at the end of the period includes shares of the Company (447,000 shares in the fiscal year ended March 31, 2026, 499,000 shares in the fiscal year ended March 31, 2025). The Company's own shares posted as treasury shares remaining in trust are included in the treasury shares that are deducted in the calculation of the average number of shares outstanding for calculation for basic earnings per share. (464,000 shares in the fiscal year ended March 31, 2026, 265,000 shares in the fiscal year ended March 31, 2025).

(Reference) Summary of non-consolidated financial results

Non-consolidated operating results (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(%: Year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2026	157,422	12.3	12,419	39.3	30,502	40.4	25,147	—
March 31, 2025	140,150	(5.0)	8,915	31.3	21,726	10.8	(6,149)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2026	229.04	—
March 31, 2025	(54.71)	—

(2) Non-consolidated financial position

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	384,271	240,514	62.6	2,197.93
March 31, 2025	379,248	239,112	63.0	2,131.80

(Reference) Shareholders' equity

As of March 31, 2026: 240,514 million yen

As of March 31, 2025: 239,112 million yen

<Reasons for differences between the non-consolidated financial results for the fiscal year ended March 31, 2026 and the actual results for the previous fiscal year>

During the fiscal year ended March 31, 2026, net sales increased primarily due to progress with the construction of large-scale projects in both the Electronics Industry and General Industry segments. Operating profit also rose.

Ordinary profit climbed due to the increased operating profit and a rise in dividends from subsidiaries. Profit turned positive because there was no loss on valuation of shares of subsidiaries and associates as an extraordinary loss. In the previous fiscal year, a loss on valuation of shares of 25,388 million yen was recorded.

These factors gave rise to differences between the non-consolidated financial results for the fiscal year ended March 31, 2026, and the actual results for the previous fiscal year.

* These consolidated financial results are outside the scope of audit by certified public accountants or audit firms.

* Explanation about the appropriate use of the results forecasts and other special notes
(Note on forward-looking statements, etc.)

Forward-looking statements, including the results forecasts contained in this material, are based on information currently available for the Company and certain assumptions which the Company deems reasonable. The Company does not intend to provide any guarantee on the realization on these forecasts. Actual results may differ from these forecasts and forward-looking statements due to various factors. For the conditions on which financial results forecasts are based and the notes on the use of these forecasts, please refer to “(4) Future Outlook” on page 7 of the accompanying materials.

* This document is an English translation of the Earnings Report for the Fiscal Year Ended March 31, 2026 as reference information primarily for overseas investors. If there are any discrepancies between the Japanese version and the English version, the Japanese version shall take precedence in all cases.

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1. Results of Operations

(1) Results of Operations

1) Fiscal Year Ended March 31, 2026 (April 1, 2025 - March 31, 2026)

During the fiscal year ended March 31, 2026, the global economy experienced ongoing uncertainty due to disruptions in supply chains for essential goods and rising prices. These challenges were attributed to the deteriorating situations in Ukraine and the Middle East, as well as changes in trade policies across various countries. Despite these obstacles, a moderate recovery was observed overall. In Japan, production in the manufacturing industry remained roughly flat, though U.S. tariff hikes negatively affected certain sectors in the first half of the fiscal year. Capital expenditures remained solid due to high corporate earnings. Overseas, the U.S. economy slowed but remained firm. European economies continued to recover. In China, signs of a slowdown intensified, particularly in domestic demand. Asian economies outside China experienced a moderate overall recovery. The pace of recovery varied by country.

In this environment, the Company and its consolidated subsidiaries entered the third year of PSV-27 (Pioneering Shared Value 2027), a five-year medium-term management plan. The Group implemented its priority measures based on the basic policy: refining human resources, technologies and business processes to create value that exceeds expectations from stakeholders through overwhelming speed and problem-solving ability. In the electronics industry, the Group aimed to enhance customer engagement, particularly with its global account customers who are among the leading semiconductor manufacturers. To achieve this, the Group focused on launching projects won in Europe and the Americas during the same period of the previous year and establishing a foundation for managing large-scale projects. Additionally, the Group utilized its engineering and technical capabilities to secure orders for water treatment facility projects, which will serve as a launching pad for its global service business. Meanwhile, the Group conducted a thorough assessment of the future growth potential and profitability of Pentagon Technologies Group, Inc. (Electronics Industry), a U.S.-based subsidiary that primarily operates in the precision tool cleaning business in the United States and determined that the best option for Pentagon Technologies Group, Inc. is to pursue further growth under new ownership that will enhance its value. On May 13, 2026, the Group decided to transfer the shares of Pentagon Technologies to a special purpose company that indirectly receives investments from a fund serviced by AEQUITA GmbH & Co. KG and entered into an agreement for the transfer of the shares. In the fiscal year under review, the assets of Pentagon Technologies Group, Inc. met the criteria for classification as assets held for sale under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The Group has thus classified the business of Pentagon Technologies Group, Inc. as discontinued operations. The format of its consolidated financial statements has been updated for the fiscal year under review. Additionally, the consolidated financial statements and notes for the previous fiscal year have been restated to align with the new format.

In the general industry, the Group accelerated sales growth in its CSV business. This business significantly contributes to water savings, avoids GHG emissions, and reduces resource inputs compared to conventional technologies and those of its competitors. The Group provides optimal solutions to the various issues faced by customers across diverse businesses in different countries and regions. To expand sales, the Group focused on increasing the number of solution models it offers and horizontal business development utilizing a group-wide information platform. Kurita America Inc., primarily engaged in the manufacture and sale of water treatment chemicals and facilities, absorbed Avista Technologies Inc., which specializes in the manufacture and sale of chemicals for reverse osmosis (RO) membranes mainly in the United States. This acquisition aims to strengthen the Group's presence in the North America water treatment market.

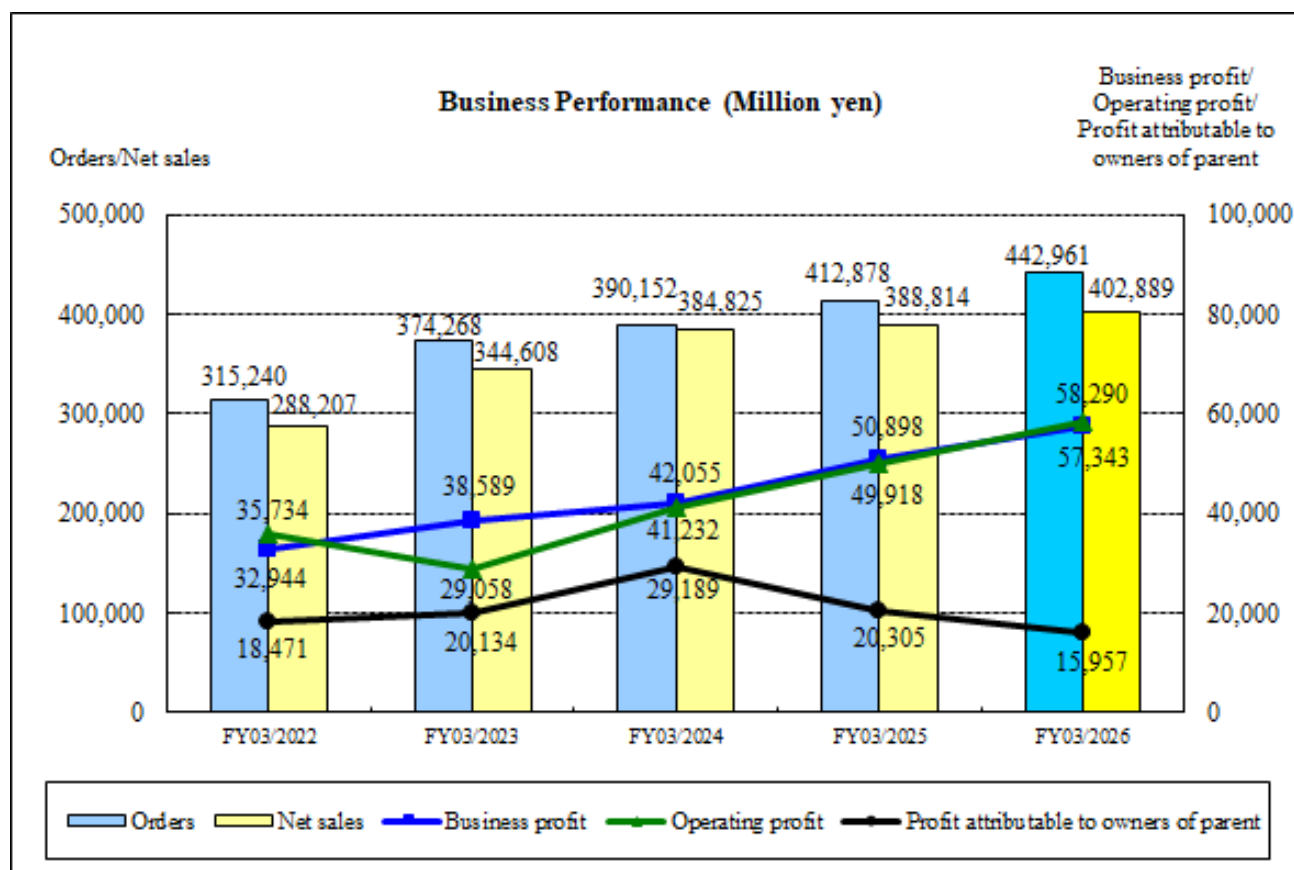
The Group focused on strengthening its PFAS (organic fluorine compounds) treatment and removal business to create and develop a new business with high social value. Regulations regarding PFAS are becoming stricter in the United States, Europe, and Japan due to concerns about their environmental persistence and potential effects on human health. The Company has begun efforts to create a comprehensive solution that encompasses PFAS analysis, removal, and detoxification.

These initiatives resulted in a total of 442,961 million yen in consolidated orders for continuing operations, a 7.3% increase year on year. Net sales increased 3.6%, to 402,889 million yen. Business profit* increased 12.7% compared to the previous fiscal year, to 57,343 million yen. Operating profit stood at 58,290 million yen, up 16.8% year on year. Profit before tax was 58,160 million yen, up 14.7%. Profit attributable to owners of parent, which encompasses profits from both continuing and discontinued operations, came to 15,957 million yen, down 21.4%. This decline resulted from an increase of 3,418 million yen in impairment losses on fixed assets, including goodwill, related to Pentagon Technologies Group, Inc., which has now been classified as discontinued operations.

During the fiscal year under review, other income of 2,414 million yen and other expenses of 1,468 million yen were posted in continuing operations. Other income decreased 704 million yen from the previous fiscal year. This decrease was chiefly due to the absence of a gain on reversal of advances received of 1,653 million yen recorded in the previous fiscal year, resulting from cancellations of ultrapure water supply contracts (Electronics Industry) with a certain customer. The decline was partially offset by a liquidation gain of 785 million yen resulting from the cancellations that was recorded in the fiscal year under review. Other expenses fell 2,630 million yen from the previous fiscal year. This decrease reflects the absence of impairment losses of 2,501

million yen on goodwill for Kurita Fracta Holdings, Inc. (General Industry), a U.S.-based subsidiary, that was recorded in the previous fiscal year.

* Business profit is the Group's own indicator that measures constant business performance. It is net sales less cost of sales and selling, general and administrative expenses. Although business profit is not defined by IFRS, the Group voluntarily discloses it, believing that it is beneficial for users of its financial statements.



(Note) In the fiscal year ended March 31, 2026, the Group classified the business of Pentagon Technologies Group, Inc. as discontinued operations. Orders, net sales, business profit, and operating profit for the fiscal year ended March 31, 2026 are figures pertaining only to continuing operations and exclude figures from discontinued operations. Profit attributable to owners of parent encompasses profits from both continuing and discontinued operations. The financial figures for the fiscal year ended March 31, 2025 have been restated accordingly.

2) Segment Information

The Group has Electronics Industry and General Industry as two reportable segments in its segment information in order to formulate strategies based on an in-depth examination of the characteristics of each market and to expand solutions by combining diverse products and services, from the viewpoint of providing value to society and customers.

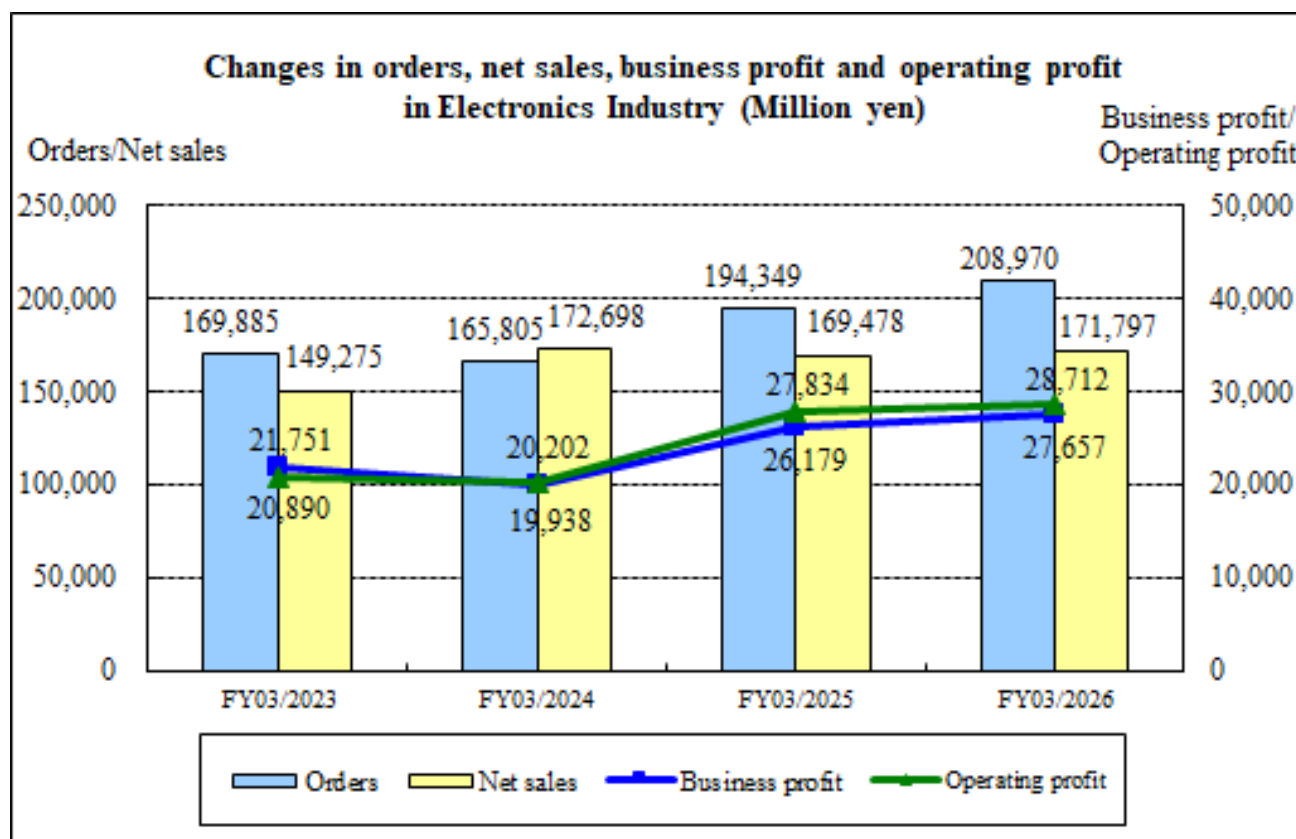
Due to a reorganization that occurred in the fiscal year under review, Arcade Engineering GmbH and certain divisions of Kurita America Inc. (water treatment facilities business), which were previously classified into the General Industry segment, have been moved to the Electronics Industry segment. The figures for the same period of the previous fiscal year have been adjusted to reflect the changes in the reportable segments.

(i) Electronics Industry

Total Group orders for the Electronics Industry segment in continuing operations (the same applies hereinafter) were 208,970 million yen, up 7.5% versus the year-ago period. Orders for water treatment facilities exceeded the year-ago level, which was high, due to the acquisition of multiple large-scale projects amid global investments to enhance semiconductor manufacturing plants. Orders for maintenance rose due to high capacity utilization at customer plants, particularly in Japan and South Korea. Orders for recurring contract-based services, including ultrapure water supply business, declined slightly due to certain customers terminating their ultrapure water supply contracts.

Total Group net sales for the Electronics Industry segment amounted to 171,797 million yen, an increase of 1.4% year on year.

Net sales of water treatment facilities declined due to the lack of sales from large-scale projects in China recorded in the same period of the previous fiscal year. Net sales from maintenance services increased. Net sales of recurring contract-based services fell for the same reason as the decline in orders. In terms of profits, business profit stood at 27,657 million yen, up 5.6% year on year due to growth in sales in maintenance services and improved profitability in water treatment facilities. Operating profit came to 28,712 million yen, an increase of 3.2% year on year.



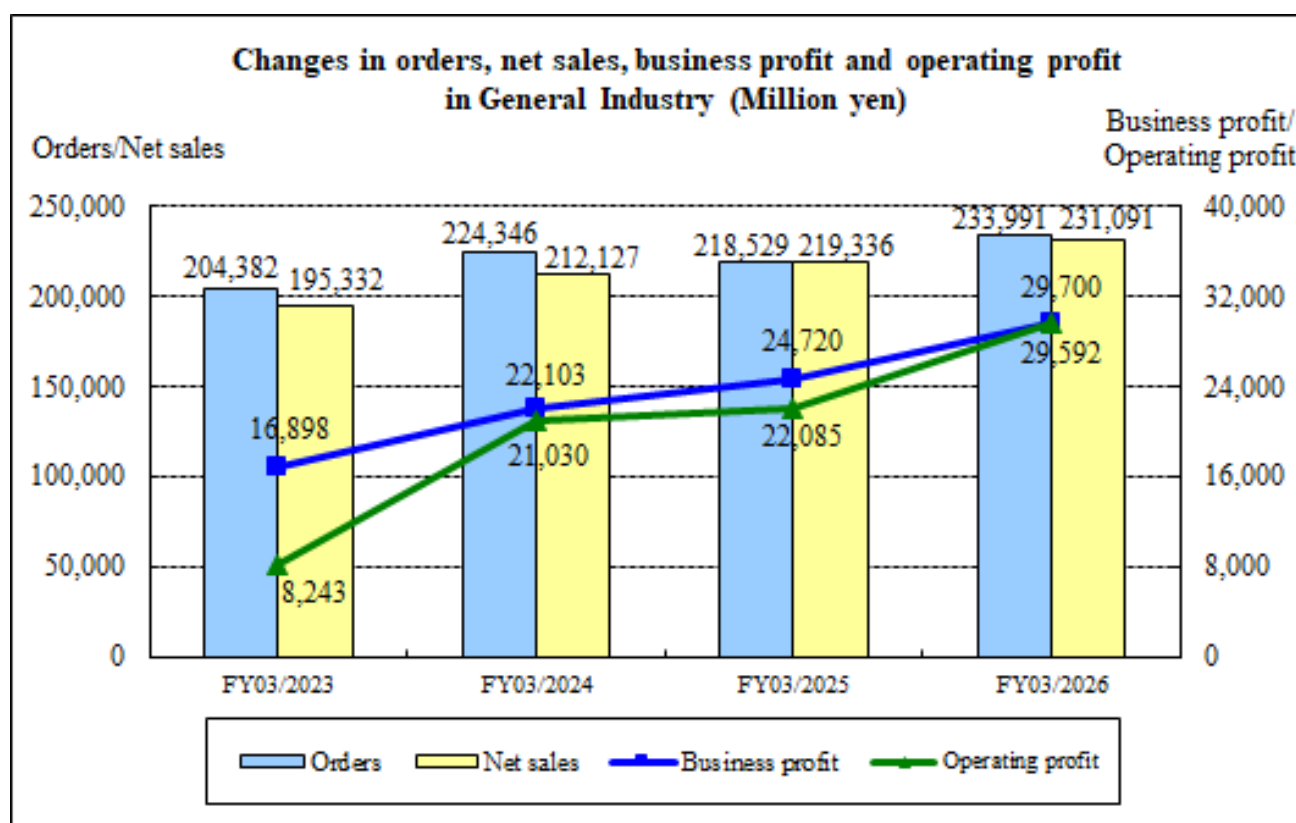
(Note) In the fiscal year ended March 31, 2026, the Group classified the business of Pentagon Technologies Group, Inc. as discontinued operations. Orders, net sales, business profit, and operating profit for the fiscal year ended March 31, 2026 are figures pertaining only to continuing operations and exclude figures from discontinued operations. The financial figures for the fiscal year ended March 31, 2025 have been restated accordingly.

(ii) General Industry

Total Group orders for the General Industry segment increased 7.1% from the same period of the previous fiscal year, to 233,991 million yen. Orders for water treatment facilities rose in the United States and Singapore. Orders for water treatment chemicals increased due to the growth of the CSV business, despite weak conditions in the Chinese and Southeast Asian markets. There was a significant increase in orders for soil remediation services due to a large project. Orders for maintenance and recurring contract-based services also increased.

Total Group net sales for the General Industry segment amounted to 231,091 million yen, an increase of 5.4% year on year. Net sales for water treatment facilities rose chiefly due to progress on large projects in Japan. Net sales for water treatment chemicals, maintenance, and recurring contract-based services also increased.

In terms of profits, business profit stood at 29,700 million yen, an increase of 20.1% year on year, reflecting higher sales and a lower cost of sales ratio, driven by higher net sales for the CSV business with high added value. Operating profit came to 29,592 million yen, up 34.0% year on year. This increase primarily reflects the absence of impairment losses of 2,501 million yen on goodwill for Kurita Fracta Holdings, Inc. that was recorded in the previous fiscal year.



(2) Financial Condition

Condition of Assets, Liabilities and Equity

1) Total assets: 564,422 million yen, an increase of 15,473 million yen from the end of the previous fiscal year

Current assets totaled 248,985 million yen at the end of the period, an increase of 28,035 million yen from the end of the previous fiscal year. This was mainly due to an increase of 19,220 million yen in trade and other receivables, and contract assets and an increase of 8,211 million yen in assets held for sale, which were transferred following the conclusion of an agreement to transfer the shares of Pentagon Technologies Group, Inc.

Non-current assets totaled 315,437 million yen at the end of the period, a decrease of 12,561 million yen from the end of the previous fiscal year. This was chiefly attributable to decreases of 8,669 million yen in property, plant and equipment, 1,965 million yen in right-of-use assets, 4,850 million yen in goodwill, and 3,886 million yen in deferred tax assets. These decreases outweighed a 7,943 million yen increase in other financial assets. Decreases in property, plant and equipment, right-of-use assets, and goodwill are primarily attributed to impairment losses recorded for Pentagon Technologies Group, Inc., which has been classified as discontinued operations.

2) Liabilities: 220,445 million yen, an increase of 10,001 million yen from the end of the previous fiscal year

Current liabilities totaled 119,066 million yen at the end of the period, a decrease of 13,501 million yen from the end of the previous fiscal year. This was chiefly attributable to decreases of 10,991 million yen in trade and other payables and 18,009 million yen in bonds and borrowings. This decrease was partially offset by increases of 2,838 million yen in income taxes payable, etc. and 10,349 million yen in liabilities directly associated with assets held for sale, which were transferred following the conclusion of an agreement to transfer the shares of Pentagon Technologies Group, Inc. Bonds and borrowings decreased due to the redemption of bonds totaling 30,000 million yen, despite an increase primarily due to short-term borrowings and the issuance of commercial paper.

Non-current liabilities totaled 101,379 million yen at the end of the period, an increase of 23,502 million yen from the end of the previous fiscal year. This was mainly due to an increase of 27,619 million yen in bonds and borrowings, primarily from the issuance of new bonds (totaling 10,000 million yen) and new long-term borrowings, which more than offset a decrease of 4,374 million yen in lease liabilities.

3) Equity: 343,977 million yen, an increase of 5,473 million yen from the end of the previous fiscal year

The increase in equity was primarily attributable to an increase of 15,301 million yen in other components of equity, mainly due to larger exchange differences on translation of foreign operations, reflecting the weakening of the yen against other currencies,

and a rise of 4,772 million yen in retained earnings. These increases outweighed a decrease in equity caused by an increase of 14,919 million yen in treasury shares that followed purchases made in the market. Retained earnings decreased by 11,287 million yen mainly due to dividends, and increased due to a profit attributable to owners of parent of 15,957 million yen.

(3) Cash Flows

Consolidated net cash and cash equivalents at the end of the fiscal year ended March 31, 2026 totaled 65,251 million yen, an increase of 2,299 million yen from the end of the previous fiscal year.

The various cash flows and related factors are outlined below.

1) Cash Flows from Operating Activities

Net cash provided by operating activities during the fiscal year ended March 31, 2026 totaled 55,592 million yen, a decrease of 32,168 million yen from the same period of the previous fiscal year. This was chiefly due to inflows, including profit before tax of 58,160 million yen, depreciation, amortization and impairment losses of 35,157 million yen, and a loss of 19,907 million yen recognized upon measurement of disposal groups held for sale at fair value after deducting the cost of sale, partially offset by outflows that included a loss before tax from discontinued operations of 21,800 million yen, an increase in trade and other receivables, and contract assets of 17,512 million yen, a decrease in trade and other payables of 6,700 million yen, and income taxes paid of 14,460 million yen.

2) Cash Flows from Investing Activities

Net cash used in investing activities totaled 34,021 million yen, a decrease of 18,053 million yen from the same period of the previous fiscal year. Cash was used mainly for the purchase of property, plant and equipment of 25,958 million yen, the purchase of intangible assets of 3,670 million yen, and the purchase of investment securities of 2,546 million yen.

3) Cash Flows from Financing Activities

Net cash used in financing activities totaled 23,309 million yen, a decrease of 2,139 million yen from the same period of the previous fiscal year. Cash was used mainly for the redemption of bonds amounting to 30,000 million yen, the purchase of treasury shares of 15,165 million yen, repayments of lease liabilities of 5,737 million yen, and dividends paid of 11,336 million yen, which were partially offset by a net increase in short-term borrowings and commercial paper of 11,344 million yen, proceeds from long-term borrowings of 19,936 million yen, and proceeds from issuance of bonds of 9,955 million yen.

The Group's basic policy is to constantly secure the liquidity necessary for business operations and establish a stable fundraising system. Short-term working capital, capital investment and other investments in growth fields depend chiefly on the Group's own funds, but the Group procures financing through bond markets and bank loans as needed. As of the end of the period under review, the Group has concluded commitment line contracts with two financial institutions (no borrowing executed and unexecuted borrowings within the commitment line was 20,000 million yen).

(Reference) Indicators related to cash flow

	FY03/2022	FY03/2023	FY03/2024	FY03/2025	FY03/2026
Ratio of equity attributable to owners of parent (%)	57.9	58.6	59.4	61.2	60.4
Ratio of equity attributable to owners of parent based on market value (%)	108.7	135.4	127.0	93.8	142.1
Ratio of interest-bearing debt to cash flows (%)	207.0	207.4	200.7	107.6	186.6
Interest coverage ratio (times)	123.9	124.1	132.8	193.3	32.4

Ratio of equity attributable to owners of parent: Equity attributable to owners of parent / Total assets

Ratio of equity attributable to owners of parent based on market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payments

(Notes) 1. Each indicator is calculated based on consolidated financial figures.

2. Market capitalization is calculated based on the number of shares outstanding excluding treasury stock.

3. Cash flow is net cash provided by operating activities.

4. Interest-bearing debt includes all liabilities requiring the payment of interest under the liabilities section of the consolidated statement of financial position.

(4) Future Outlook

1) Outlook for Overall Business, Including Production, Sales, and Profits and Losses

The global economy is maintaining a moderate recovery trend, but some regions are showing signs of stagnation due to geopolitical risks, fluctuations in energy prices, and the rise of protectionist policies. Concerns are increasing in various regions, particularly about the risks posed by energy shortages stemming from the worsening situation in Iran and disruptions to the supply chain for naphtha-derived raw materials. The Chinese economy is projected to continue to experience low growth due to a decline in the real estate sector, rising U.S. tariffs on China, and ongoing restructuring of supply chains. Growth in the U.S. economy is projected to slow due to high interest rates, a fiscal deficit, and the restraining effects of protectionist policies on corporate investments and trade. ASEAN and other emerging economies are expected to experience firm growth mainly due to rising direct investment as they are seen as production and demand areas replacing China, together with expanding demand in their domestic markets. The semiconductor market is set to see solid growth due to ongoing investments in data centers, driven by semiconductors for generative AI and increasing demand resulting mainly from a growing base of AI-equipped terminals. The Japanese economy is expected to maintain its moderate recovery, supported by domestic demand. As wages continue to rise due to the labor shortage, the pace of price increases will slow, leading to higher real wages. Consequently, consumer spending is expected to recover. Corporate earnings are expected to remain strong, mainly due to price pass-throughs. Capital investment is also anticipated to stay steady, although it is likely to be selective. Exports are expected to maintain an upward trend, driven by demand for AI and advanced semiconductors. However, this growth is expected to slow due to a potential global economic downturn.

There are concerns about a potential slowdown in the global economy due to U.S. policy trends toward reciprocal tariffs, rising energy and logistics costs stemming from the worsening situation in the Middle East, and the necessity to revise existing supply chains to enhance economic security. If the global economy slows, the Group expects its business activities to be delayed due to decreased capacity utilization at customer plants, postponement of capital investments, energy shortages, and worsening conditions for acquiring raw materials. If the actual situation becomes very different from our assumption, our business will be affected and the forecasts may have to be revised.

The consolidated results forecasts for the first half and the full year of the fiscal year ending March 31, 2027 are as shown below.

	First half		Full year	
	(April 1, 2026 - September 30, 2026)		(April 1, 2026 - March 31, 2027)	
	Million yen	%	Million yen	%
Net sales	198,000	–	425,000	5.5
Business profit	23,500	–	61,500	7.2
Operating profit	23,000	–	60,500	3.8
Profit before tax	22,800	–	60,000	3.2
Profit attributable to owners of parent	15,900	(7.4)	42,000	163.2

The business forecasts are made by the Company based on information available at the time of publication of this report and may differ from actual results due to changes in a range of factors.

2) Outlook by Segment

(i) Electronics Industry

Orders are expected to rise compared to the previous fiscal year. The Group anticipates acquiring large-scale water treatment facilities projects in Japan and North America, as capital investment in the semiconductor industry is likely to increase globally. Net sales are projected to increase from the previous fiscal year, driven by advancements on large-scale facilities projects that have already been commissioned in East Asia and North America. Business profit is also expected to rise due to increased sales.

(ii) General Industry

Orders are expected to decline following an order for a large-scale project recorded in soil remediation services during the previous fiscal year. However, net sales are projected to remain steady compared to the previous fiscal year, as the Group aims to boost sales from the CSV business to offset an expected decrease in sales in the first half due to the situation in the Middle East. The Group anticipates an increase in business profit compared to the previous fiscal year. In the first half, raw materials

costs are expected to rise due to the situation in the Middle East. However, the Group aims to enhance its cost ratio by boosting sales in the CSV business.

(5) Dividend Policy and Dividends for the Fiscal Year ended March 31, 2026 and the Fiscal Year ending March 31, 2027

The Company's basic policy is to provide shareholders with stable dividends.

Setting a payout ratio of 30 to 50% as our target, we will work to continue to increase dividends, making decisions based on the payout ratios for the most recent five years to respond flexibly to fluctuations in business performance each year. In using retained earnings, we will maintain capital discipline and will prioritize promising business fields that are expected to grow. If we have decided that there are excess funds, we will take steps to improve capital efficiency and return profits to shareholders, including the acquisition of treasury stock, taking the share price into consideration.

We intend to pay a year-end dividend of 56 yen per share for the fiscal year ended March 31, 2026, 10 yen more than the previous year-end dividend. Combined with the interim dividend of 56 yen per share (10 yen more than the previous interim dividend), the annual dividend comes to 112 yen per share, 20 yen higher than the previous fiscal year's annual dividend. For the fiscal year ending March 31, 2027, the Company plans to pay an interim dividend of 67 yen per share and a year-end dividend of 67 yen per share, for an annual dividend to be 134 yen per share.

The dividend forecasts above are made by the Company based on information available at the time of publication of this report. Actual results may differ from them due to a range of factors.

2. Basic Concept for the Selection of Accounting Standards

The Group voluntarily applied IFRS from the first quarter of the fiscal year ended March 31, 2020 for its consolidated financial statements for the purpose of increasing the international comparability of financial information and unifying accounting treatment within the Group.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	62,951	62,170
Trade and other receivables, and contract assets	126,413	145,633
Other financial assets	4,598	5,018
Inventories	20,718	20,352
Other current assets	6,267	7,598
Subtotal	220,950	240,773
Assets held for sale	–	8,211
Total current assets	220,950	248,985
Non-current assets		
Property, plant and equipment	195,431	186,762
Right-of-use assets	19,828	17,863
Goodwill	66,347	61,497
Intangible assets	16,942	15,395
Investments accounted for using equity method	1,515	1,684
Other financial assets	15,541	23,484
Deferred tax assets	12,177	8,291
Other non-current assets	213	458
Total non-current assets	327,998	315,437
Total assets	548,949	564,422

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	64,443	53,452
Bonds and borrowings	33,893	15,884
Lease liabilities	4,436	4,781
Income taxes payable	8,540	11,378
Provisions	1,689	2,414
Other current liabilities	19,563	20,805
Subtotal	132,567	108,717
Liabilities directly associated with assets held for sale	–	10,349
Total current liabilities	132,567	119,066
Non-current liabilities		
Bonds and borrowings	36,326	63,945
Lease liabilities	18,815	14,441
Other financial liabilities	1,455	1,021
Retirement benefit liability	16,785	17,537
Provisions	2,934	2,937
Deferred tax liabilities	854	614
Other non-current liabilities	705	881
Total non-current liabilities	77,877	101,379
Total liabilities	210,444	220,445
Equity		
Share capital	13,450	13,450
Capital surplus	8	(21)
Treasury shares	(12,200)	(27,119)
Other components of equity	24,789	40,090
Retained earnings	309,978	314,750
Equity attributable to owners of parent	336,027	341,151
Non-controlling interests	2,477	2,826
Total equity	338,504	343,977
Total liabilities and equity	548,949	564,422

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

Consolidated statement of profit or loss

(Million yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Continuing operations		
Net sales	388,814	402,889
Cost of sales	245,120	249,734
Gross profit	143,694	153,154
Selling, general and administrative expenses	92,795	95,811
Other income	3,118	2,414
Other expenses	4,098	1,468
Operating profit	49,918	58,290
Finance income	1,678	1,606
Finance costs	995	1,854
Share of profit of investments accounted for using equity method	108	119
Profit before tax	50,709	58,160
Income tax expense	13,989	17,926
Profit from continuing operations	36,719	40,234
Discontinued operations		
Profit (loss) from discontinued operations	(16,012)	(23,938)
Profit	20,706	16,295
Profit attributable to		
Owners of parent	20,305	15,957
Non-controlling interests	401	337
Profit	20,706	16,295
Earnings (loss) per share		
Continuing operations	322.85	361.82
Discontinued operations	(142.19)	(216.48)
Basic earnings per share (yen)	180.66	145.34
Diluted earnings per share		
Continuing operations	—	—
Discontinued operations	—	—
Diluted earnings per share (yen)	—	—

Consolidated statement of comprehensive income

(Million yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Profit	20,706	16,295
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income	(1,257)	2,005
Remeasurements of defined benefit plans	769	(81)
Total of items that will not be reclassified to profit or loss	(487)	1,923
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(4,064)	13,443
Cash flow hedges	(100)	(16)
Share of other comprehensive income of investments accounted for using equity method	(15)	144
Total of items that may be reclassified to profit or loss	(4,179)	13,571
Other comprehensive income, net of tax	(4,667)	15,495
Comprehensive income for the period	16,039	31,790
Comprehensive income attributable to		
Owners of parent	15,639	31,383
Non-controlling interests	399	407
Comprehensive income for the period	16,039	31,790

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(Million yen)

	Total equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2024	13,450	(361)	(10,869)	25,144	134	5,104
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	(4,077)	(100)	(1,257)
Comprehensive income	—	—	—	(4,077)	(100)	(1,257)
Purchase of treasury shares	—	—	(1,631)	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	369	300	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	(158)
Other	—	—	—	—	—	—
Total transactions with owners	—	369	(1,330)	—	—	(158)
Balance as of March 31, 2025	13,450	8	(12,200)	21,067	33	3,688

(Million yen)

	Total equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity		Retained earnings	Total		
	Remeasurements of defined benefit plans	Total				
Balance as of April 1, 2024	–	30,383	298,658	331,261	2,150	333,411
Profit	–	–	20,305	20,305	401	20,706
Other comprehensive income	769	(4,665)	–	(4,665)	(1)	(4,667)
Comprehensive income	769	(4,665)	20,305	15,639	399	16,039
Purchase of treasury shares	–	–	–	(1,631)	–	(1,631)
Dividends	–	–	(9,893)	(9,893)	(70)	(9,964)
Share-based payment transactions	–	–	–	670	–	670
Transfer from other components of equity to retained earnings	(769)	(928)	928	–	–	–
Other	–	–	(18)	(18)	(2)	(20)
Total transactions with owners	(769)	(928)	(8,984)	(10,873)	(72)	(10,946)
Balance as of March 31, 2025	–	24,789	309,978	336,027	2,477	338,504

Fiscal year ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(Million yen)

	Total equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2025	13,450	8	(12,200)	21,067	33	3,688
Profit	–	–	–	–	–	–
Other comprehensive income	–	–	–	13,518	(16)	2,005
Comprehensive income	–	–	–	13,518	(16)	2,005
Purchase of treasury shares	–	–	(15,165)	–	–	–
Dividends	–	–	–	–	–	–
Share-based payment transactions	–	(26)	245	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	(179)
Other	–	(3)	–	(26)	–	–
Total transactions with owners	–	(29)	(14,919)	(26)	–	(179)
Balance as of March 31, 2026	13,450	(21)	(27,119)	34,558	17	5,514

(Million yen)

	Total equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity		Retained earnings	Total		
	Remeasurements of defined benefit plans	Total				
Balance as of April 1, 2025	–	24,789	309,978	336,027	2,477	338,504
Profit	–	–	15,957	15,957	337	16,295
Other comprehensive income	(81)	15,425	–	15,425	69	15,495
Comprehensive income	(81)	15,425	15,957	31,383	407	31,790
Purchase of treasury shares	–	–	–	(15,165)	–	(15,165)
Dividends	–	–	(11,287)	(11,287)	(58)	(11,345)
Share-based payment transactions	–	–	–	219	–	219
Transfer from other components of equity to retained earnings	81	(97)	97	–	–	–
Other	–	(26)	3	(26)	–	(26)
Total transactions with owners	81	(124)	(11,186)	(26,260)	(58)	(26,318)
Balance as of March 31, 2026	–	40,090	314,750	341,151	2,826	343,977

(4) Consolidated Statement of Cash Flows

(Million yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Cash flows from operating activities		
Profit before tax	50,709	58,160
Profit before tax from discontinued operations	(18,887)	(21,800)
Depreciation, amortization and impairment losses	54,689	35,157
Loss recognized upon measurement of disposal groups held for sale at fair value after deducting the cost of sale	—	19,907
Share of loss (profit) of investments accounted for using equity method	(108)	(119)
Loss (gain) on sale of fixed assets	386	(59)
Decrease (increase) in inventories	108	666
Decrease (increase) in trade and other receivables, and contract assets	9,803	(17,512)
Increase (decrease) in trade and other payables	1,276	(6,700)
Other	517	3,203
Subtotal	98,496	70,904
Interest received	685	643
Dividends received	202	223
Interest paid	(454)	(1,718)
Income taxes paid	(11,170)	(14,460)
Net cash provided by (used in) operating activities	87,760	55,592

(Million yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(7,085)	(7,622)
Proceeds from withdrawal of time deposits	8,922	6,842
Purchase of property, plant and equipment	(49,859)	(25,958)
Proceeds from sale of property, plant and equipment	293	801
Purchase of intangible assets	(3,827)	(3,670)
Purchase of investment securities	(1)	(2,546)
Proceeds from sale of investment securities	330	517
Other	(848)	(2,383)
Net cash provided by (used in) investing activities	(52,074)	(34,021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings and commercial paper	(15,143)	11,344
Proceeds from long-term borrowings	9,962	19,936
Repayments of long-term borrowings	(2,420)	(2,327)
Proceeds from issuance of bonds	—	9,955
Redemption of bonds	—	(30,000)
Purchase of treasury shares	(1,631)	(15,165)
Repayments of lease liabilities	(6,290)	(5,737)
Dividends paid	(9,956)	(11,336)
Other	31	20
Net cash provided by (used in) financing activities	(25,448)	(23,309)
Effect of exchange rate changes on cash and cash equivalents	(1,295)	4,038
Net increase in cash and cash equivalents	8,942	2,299
Cash and cash equivalents at beginning of period	54,009	62,951
Cash and cash equivalents at end of period	62,951	65,251

(5) Notes to Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable

(Changes in the Method of Presentation)

In the consolidated fiscal year under review, the Company classified the business of Pentagon Technologies Group, Inc. as discontinued operations. Accordingly, the Company has updated the presentation format for its consolidated financial statements. The consolidated statement of profit or loss, consolidated statement of cash flows, and related notes to the consolidated financial statements for the previous fiscal year have been updated in accordance with the new format.

(Consolidated Statement of Cash Flows)

“Purchase of investment securities,” which was included in “Other” in cash flows from investing activities for the previous fiscal year, is presented separately for the fiscal year under review due to an increase in its materiality. To reflect this change in presentation, the Company has reclassified its consolidated statement of cash flows for the previous fiscal year.

Consequently, the -850 million yen recorded in the “Other” item of cash flows from investing activities in the consolidated statement of cash flows for the previous fiscal year is now presented as -1 million yen in “purchase of investment securities” and -848 million yen in “Other.”

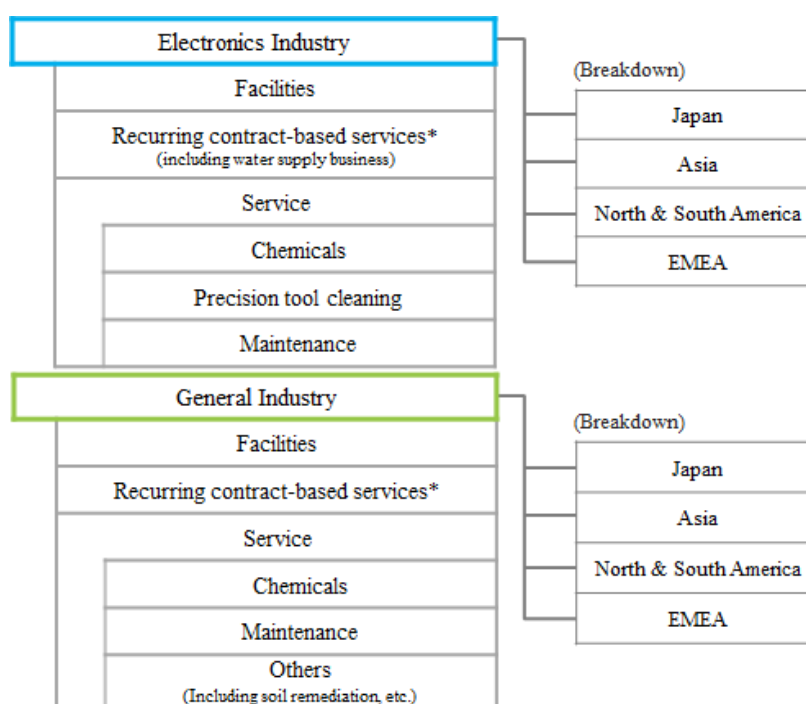
(Segment Information)

(1) Overview of Reportable Segments

The Company’s reportable segments are components of the Group about which separate financial information is available. These segments are subject to periodic review to enable the Company’s board of directors to decide how to allocate resources and assess performance.

The Group has Electronics Industry and General Industry as two reportable segments in order to formulate strategies based on an in-depth examination of the characteristics of each market and to expand solutions by combining diverse products and services, from the viewpoint of providing value to society and customers.

In the consolidated fiscal year under review, the Group classified the business of Pentagon Technologies Group, Inc. as discontinued operations. The segment information is prepared based on continuing operations. The financial figures for Pentagon Technologies Group, Inc. for the previous fiscal year, which were part of the Electronics Industry segment, are not included in the information below. The data presented here pertains only to continuing operations. For more information about the discontinued operations, please refer to the section titled (Discontinued Operations) below.



* With this business structure, a certain amount of revenue according to the value of services provided is consistently secured.

(Changes in Reportable Segments)

Following a reorganization that occurred in the fiscal year under review, Arcade Engineering GmbH and certain divisions of Kurita America Inc. (water treatment facilities business), which were previously classified into the General Industry segment, have been moved to the Electronics Industry segment. The figures for the same period of the previous fiscal year have been adjusted to reflect the changes in the reportable segments.

(2) Information of Reportable Segments

Fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(Million yen)

	Reportable Segments		Total	Adjustments (Note)	Amounts reported on the consolidated financial statements
	Electronics Industry	General Industry			
Net sales					
Sales to external customers	169,478	219,336	388,814	—	388,814
Intersegment sales and transfers	—	—	—	—	—
Total	169,478	219,336	388,814	—	388,814
Segment profit	27,834	22,085	49,919	(1)	49,918
Finance income					1,678
Finance costs					995
Share of profit of investments accounted for using equity method					108
Profit before tax					50,709

(Million yen)

	Reportable Segments		Total	Adjustments (Note)	Amounts reported on the consolidated financial statements
	Electronics Industry	General Industry			
Segment assets	267,386	212,327	479,713	69,235	548,949
Other amounts					
Depreciation and amortization	22,814	10,273	33,088	—	33,088
Impairment losses	—	2,501	2,501	—	2,501
Investments accounted for using equity method	—	1,469	1,469	46	1,515
Capital expenditures	30,721	10,341	41,063	—	41,063

(Notes) 1. Adjustments to segment profit include the elimination of intersegment transactions, etc.

2. Segment profit shows the amount of operating profit.

3. Adjustments to segment assets include the elimination of intersegment transactions, etc.

The main factor of adjustments for segment assets is company-wide assets that are not allocated to the reportable segments.

4. Capital expenditures include an increase in right-of-use assets.

5. The impairment losses in General Industry segment, 2,501 million yen, are impairment losses on goodwill for Kurita Fracta Holdings, Inc. a U.S.-based subsidiary. Impairment losses of 16,490 million yen on fixed assets including goodwill for Pentagon Technologies Group, Inc. (Electronics Industry), a U.S.-based subsidiary, are recorded in the loss from discontinued operations in the consolidated statement of profit or loss. For details, refer to (Consolidated Statement of Profit or Loss: Other expenses).

Fiscal year ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(Million yen)

	Reportable Segments		Total	Adjustments (Note)	Amounts reported on the consolidated financial statements
	Electronics Industry	General Industry			
Net sales					
Sales to external customers	171,797	231,091	402,889	–	402,889
Intersegment sales and transfers	–	–	–	–	–
Total	171,797	231,091	402,889	–	402,889
Segment profit	28,712	29,592	58,305	(14)	58,290
Finance income					1,606
Finance costs					1,854
Share of profit of investments accounted for using equity method					119
Profit before tax					58,160

(Million yen)

	Reportable Segments		Total	Adjustments (Note)	Amounts reported on the consolidated financial statements
	Electronics Industry	General Industry			
Segment assets	254,756	230,500	485,257	79,165	564,422
Other amounts					
Depreciation and amortization	23,213	10,023	33,236	–	33,236
Impairment losses	15	–	15	–	15
Investments accounted for using equity method	–	1,632	1,632	51	1,684
Capital expenditures	15,395	10,143	25,539	–	25,539

(Notes) 1. Adjustments to segment profit include the elimination of intersegment transactions, etc.

2. Segment profit shows the amount of operating profit.

3. Adjustments to segment assets include the elimination of intersegment transactions, etc.

The main factor of adjustments for segment assets is company-wide assets that are not allocated to the reportable segments.

4. Capital expenditures include an increase in right-of-use assets.

(3) Information Related to Products and Services

Net sales to external customers for the primary product and service lines are as follows.

(Million yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Electronics Industry		
Facilities	73,793	71,836
Recurring contract-based services	54,764	54,544
Chemicals	11,559	11,794
Precision tool cleaning	8,536	8,509
Maintenance	20,823	25,112
Subtotal	169,478	171,797
General Industry		
Facilities	32,187	37,284
Recurring contract-based services	11,162	12,457
Chemicals	118,118	121,165
Maintenance	48,892	50,744
Other	8,975	9,438
Subtotal	219,336	231,091
Total	388,814	402,889

(4) Information Related to Geographic Regions

Non-current assets and sales to external customers by geographic region in each fiscal year are as follows.

(i) Non-current assets

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Japan	188,848	183,530
Asia	19,522	22,715
North & South America	62,280	43,473
EMEA	28,092	32,034
Total	298,744	281,755

(Note) Non-current assets are allocated based on the location of assets. Financial instruments or deferred tax assets are not included.

EMEA stands for Europe, the Middle East and Africa.

(ii) Net sales

The table below presents a breakdown of net sales for each reportable segment based on contracts with customers.

Due to a reorganization that occurred in the fiscal year under review, Arcade Engineering GmbH and certain divisions of Kurita America Inc. (water treatment facilities business), which were previously classified into the General Industry segment, have been moved to the Electronics Industry segment. The distribution of net sales in each region to segments has also changed. Net sales for the reportable segments for the previous fiscal year are recalculated based on the reorganized segments.

Fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(Million yen)

	Reportable Segments		Amounts reported on the condensed consolidated statement of profit or loss
	Electronics Industry	General Industry	
Japan	84,802	111,824	196,627
Asia	76,318	24,213	100,531
North & South America	5,263	49,760	55,023
EMEA	3,094	33,538	36,632
Total	169,478	219,336	388,814

- (Notes)
1. Net sales are broken down by countries or regions based on the locations of the Company or its consolidated subsidiaries. EMEA stands for Europe, the Middle East and Africa.
 2. Net sales in China, which are included in Asia, are 49,903 million yen. Within this total, net sales in the Electronics Industry and the General Industry are 42,887 million yen and 7,016 million yen, respectively.
 3. Net sales in the United States, which are included in North & South America, are 47,000 million yen. Within this total, net sales in the Electronics Industry and the General Industry are 5,263 million yen and 41,737 million yen, respectively.

Fiscal year ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(Million yen)

	Reportable Segments		Amounts reported on the condensed consolidated statement of profit or loss
	Electronics Industry	General Industry	
Japan	91,038	120,848	211,887
Asia	65,786	24,118	89,904
North & South America	6,945	50,177	57,122
EMEA	8,027	35,947	43,975
Total	171,797	231,091	402,889

- (Notes)
1. Net sales are broken down by countries or regions based on the locations of the Company or its consolidated subsidiaries. EMEA stands for Europe, the Middle East and Africa.
 2. Net sales recorded at the Company's business locations in the United States during the period ended March 31, 2026, are included in net sales for North & South America.
 3. Net sales recorded at the Company's business locations in Europe during the period ended March 31, 2026, are included in net sales for EMEA.
 4. Net sales in China, which are included in Asia, are 36,395 million yen. Within this total, net sales in the Electronics Industry and the General Industry are 29,334 million yen and 7,061 million yen, respectively.
 5. Net sales in the United States, which are included in North & South America, are 48,260 million yen. Within this total, net sales in the Electronics Industry and the General Industry are 6,945 million yen and 41,315 million yen, respectively.

(Cash and Cash Equivalents)

The cash and cash equivalents at year-end in the consolidated statement of cash flows are categorized as follows.

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Cash and cash equivalents reported in the consolidated statement of financial position	62,951	62,170
Cash and cash equivalents included in assets held for sale	—	3,081
Cash and cash equivalents reported in the consolidated statement of cash flows	62,951	65,251

(Assets Held for Sale and the Liabilities Directly Associated with Them)

The table below shows a breakdown of the assets held for sale and the liabilities directly associated with them.

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets held for sale		
Cash and cash equivalents	—	3,081
Trade and other receivables, and contract assets	—	3,994
Inventories	—	738
Other current assets	—	333
Other financial assets	—	64
Total	—	8,211
Liabilities directly associated with assets held for sale		
Trade and other payables	—	1,437
Lease liabilities	—	3,684
Income taxes payable	—	9
Provisions	—	674
Other current liabilities	—	2,843
Other non-current liabilities	—	1,699
Total	—	10,349

On May 13, 2026, the Company decided to transfer all outstanding shares of Pentagon Technologies Group, Inc. held by Kurita America Holdings Inc., a consolidated subsidiary of the Company. The shares will be transferred to AEQH20 GmbH, a subsidiary of AEQUITA GmbH & Co. KG. The Company entered into a share transfer agreement on the same date.

In the fiscal year under review, the assets of Pentagon Technologies Group, Inc. met the criteria for classification as assets held for sale under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The assets and liabilities of Pentagon Technologies Group, Inc. are thus classified as a disposal group held for sale. The fair value of the assets held for sale after deducting the cost of sale was below the carrying amount, and these assets were measured at fair value after deducting the cost of sale. A recognized loss of 19,907 million yen is included in loss from discontinued operations in the consolidated statement of profit or loss.

(Bonds and Borrowings)

(1) Bonds

Fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

No bonds were issued or redeemed.

Fiscal year ended March 31, 2026 (April 1, 2025 - March 31, 2026)

The bonds issued are described below.

Name	Issue	Issue date	Total amount issued (million yen)	Interest rate (%)	Redemption period
Kurita Water Industries	Third series of unsecured bonds (blue bonds)	September 4, 2025	10,000	1.466	September 4, 2030

The bonds redeemed are described below.

Name	Issue	Issue date	Total amount issued (million yen)	Interest rate (%)	Redemption period
Kurita Water Industries	First series of unsecured bonds	December 10, 2020	30,000	0.150	December 10, 2025

(2) Borrowings

Fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

The Group borrowed a total of 10,000 million yen (the final repayment dates are December 6, 2029 and December 13, 2029, in a lump sum payment) in the third quarter of the fiscal year.

Fiscal year ended March 31, 2026 (April 1, 2025 - March 31, 2026)

The Group borrowed a total of 20,000 million yen (the final repayment dates are December 9, 2030 and December 26, 2030, in a lump sum payment) in the third quarter of the fiscal year.

(Notes in the Event of Significant Changes in Shareholders' Equity)

The Company purchased 2,792,500 shares of treasury shares by resolution of the Board of Directors on May 8, 2025. Consequently, treasury shares increased by 15,158 million yen.

(Per Share Information)

Basic earnings (loss) per share and the basis for its calculation are shown below.

(Million yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Profit (loss) attributable to owners of parent	20,305	15,957
Continuing operations	36,286	39,726
Discontinued operations	(15,981)	(23,768)
Amount not attributed to common stockholders	—	—
Profit (loss) that is used for calculating basic earnings per share	20,305	15,957
Continuing operations	36,286	39,726
Discontinued operations	(15,981)	(23,768)
Average number of common shares outstanding	112,395,208	109,795,499
Basic earnings (loss) per share (yen)	180.66	145.34
Continuing operations	322.85	361.82
Discontinued operations	(142.19)	(216.48)

(Notes) 1. Because there are no dilutive shares, diluted earnings per share is not stated.

2. The Company's own shares posted as treasury shares remaining in trust are included in the treasury shares that are deducted in the calculation of the average number of shares outstanding for calculation for basic earnings per share. (464,000 shares in the fiscal year ended March 31, 2026, 265,000 shares in the fiscal year ended March 31, 2025)

(Discontinued Operations)

(1) Outline of discontinued operations

On May 13, 2026, the Company decided to transfer all outstanding shares of Pentagon Technologies Group, Inc. held by Kurita America Holdings Inc., a consolidated subsidiary of the Company. The shares will be transferred to AEQH20 GmbH, a special purpose company that indirectly receives investments from a fund serviced by AEQUITA GmbH & Co. KG. The Company entered into a share transfer agreement on the same date.

In the fiscal year under review, the assets of Pentagon Technologies Group, Inc. met the criteria for classification as assets held for sale under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Profit or loss from Pentagon Technologies Group, Inc. is thus classified as discontinued operations. This reclassification is also applied to the previous fiscal year.

(2) Profit (loss) from discontinued operations

(Million yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Discontinued operations		
Revenue	20,096	19,084
Expenses (Notes 1 and 2)	38,983	40,884
Profit before tax from discontinued operations	(18,887)	(21,800)
Income tax expense	(2,874)	2,137
Profit (loss) from discontinued operations	(16,012)	(23,938)

(Notes) 1. These expenses include impairment losses of 15,522 million yen on property, plant and equipment, including building right-of-use assets, and impairment losses of 967 million yen on goodwill for Pentagon Technologies Group, Inc. that were recognized in the previous fiscal year.

2. These expenses include a loss of 19,907 million yen recognized in the fiscal year under review, which resulted from measuring Pentagon Technologies Group, Inc. at fair value less costs to sell.

(2) Profit (loss) from discontinued operations

(Million yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Net cash provided by (used in) operating activities	2,842	937
Net cash provided by (used in) investing activities	(11,010)	(4,754)
Net cash provided by (used in) financing activities	(1,559)	(489)
Total	(9,728)	(4,306)

(Consolidated Statement of Profit or Loss)

Fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(Other income)

During the fourth quarter, a gain on reversal of advances received of 1,653 million yen was posted in other income, resulting from cancellations of ultrapure water supply contracts with certain customers.

(Other expenses)

In the fourth quarter, the Group recorded an impairment loss of 15,522 million yen on property, plant and equipment, including right-of-use assets for buildings, and an impairment loss of 967 million yen on goodwill for Pentagon Technologies Group, Inc. (Electronics Industry), a U.S.-based subsidiary, which primarily operates a tool cleaning business in the United States and Europe, as well as an impairment loss of 2,501 million yen on goodwill for Kurita Fracta Holdings, Inc. (General Industry), a U.S.-based subsidiary, which mainly provides software services for predicting water main degradation.

In the fiscal year under review, Pentagon Technologies Group, Inc. (Electronics Industry), a U.S.-based subsidiary, is classified as discontinued operations. Accordingly, the impairment losses mentioned above are reclassified into loss from discontinued operations for the previous fiscal year. For more information about the discontinued operations, please refer to the section titled (Discontinued Operations) below.

The Group conducts an impairment test whenever it detects any signs of impairment on fixed assets, including goodwill. Additionally, it performs an impairment test on goodwill regularly every year, regardless of the presence or absence of any signs of impairment. To determine impairment losses, the Group compares the assets' value in use with their carrying amount.

The Group recognized impairment losses on property, plant and equipment, including right-of-use assets for buildings, for Pentagon Technologies Group, Inc. (Electronics Industry) due to low capacity utilization at certain semiconductor plants of major customers, as well as significant declines in the value in use of precision tool cleaning plants under construction in Ireland and Arizona, USA, resulting from changes to the construction plans and delays in the construction. The Group has decided to halt the construction of the precision tool cleaning plant in Ireland and cancel the construction plan.

The Group calculates the value in use of assets for assessing impairment losses on goodwill by discounting future cash flows with an appropriate discount rate. The Group conducted a thorough review of the results for Pentagon Technologies Group, Inc. (Electronics Industry) over previous years, including the consolidated fiscal year under review, for which the results were negatively affected by a slower-than-expected recovery in capacity utilization at certain semiconductor plants of major customers. Consequently, the Group revised downward the business plan for Pentagon Technologies Group, Inc., which served as the basis for the estimate of future cash flows as of the end of the previous fiscal year. The Group also revised downward the business plan for Kurita Fracta Holdings, Inc. (General Industry) as of the end of the previous fiscal year, based on the low likelihood of the company achieving the expected revenue in the near future due to delays in establishing its business structure, as well as its results over previous years, including the consolidated fiscal year under review. As a result, the value in use of the goodwill of both companies was less than the carrying amount, and an impairment loss was recognized.

Fiscal year ended March 31, 2026 (April 1, 2025 - March 31, 2026)

Information is omitted because there were no important events.

(Significant Subsequent Events)

(Transfer of shares)

On May 13, 2026, the Company entered into a master agreement for the transfer of all outstanding shares of Pentagon Technologies Group, Inc. held by Kurita America Holdings Inc., a consolidated subsidiary of the Company. The shares will be transferred to AEQH20 GmbH, a subsidiary of AEQUITA GmbH & Co. KG. The transfer is scheduled to be completed on June 30, 2026.

(1) Reason for the transfer

Under the Medium-Term Management Plan “PSV-2027,” the Company aims to achieve consistent, sustainable growth while enhancing corporate value by improving capital efficiency. To reach these objectives, the Company is optimizing its business portfolio. As a priority measure to optimize its portfolio in the Electronics Industry segment, the Company has been restructuring its overseas precision tool cleaning business. In its restructuring efforts, the Company thoroughly assessed the future growth potential and profitability of Pentagon Technologies Group, Inc., the consolidated subsidiary responsible for the overseas precision tool cleaning business. After considering various options, the Company concluded that the best path forward for Pentagon Technologies Group, Inc. is to pursue further growth under new ownership that will help enhance its value.

(2) Name of the entity receiving the shares

AEQH20 GmbH

(3) Timing of share transfer

June 30, 2026 (planned)

(4) Consolidated subsidiary subject to change, its business and its transactions with the Company

- | | |
|---|---|
| (i) Consolidated subsidiary transferred | Pentagon Technologies Group, Inc. |
| (ii) Business | Precision Tool Cleaning Business, development of instruments for measuring surface microparticles on semiconductor manufacturing equipment, consulting services related to cleanrooms |
| (iii) Transactions with the Company | No important transactions |

(5) Number of shares to be transferred, transfer price and the number of shares held before and after transfer

- | | |
|--|---|
| (i) Number of shares held before the transfer | 3,023,104.67 (percentage of voting rights owned: 100%) |
| (ii) Number of shares to be transferred | 3,023,104.67 |
| (iii) Number of shares held after the transfer | 0 (percentage of voting rights owned: 0%) |
| (iv) Transfer price | 21 million U.S. dollars (maximum)
This price includes an extra payment that will be made if specific conditions are fulfilled. |

(Purchase of treasury shares)

At a Board of Directors meeting held on May 14, 2026, the Company resolved to purchase treasury shares in accordance with Article 156 of the Companies Act, applied mutatis mutandis pursuant to Article 165, Paragraph 3 of the same act.

(1) Reason for the purchase of treasury shares

The Company aims to improve capital efficiency by adopting flexible capital policies in response to the business environment.

(2) Details of the purchase

- | | |
|---|---|
| (i) Type of shares to be purchased | Ordinary stock of the Company |
| (ii) Total number of shares to be purchased | Up to 5,000,000 shares
(4.57% of the total number of outstanding shares (excluding treasury shares)) |
| (iii) Total share purchased cost | Up to 35,000,000,000 yen |
| (iv) Period of purchase | From May 15, 2026 to March 31, 2027 |
| (v) Method | Purchase on the market of the Tokyo Stock Exchange |

(3) Other

The Company will consider canceling treasury shares that are unlikely to be used, including the aforementioned shares that will be purchased.