



Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [IFRS]

May 8, 2025

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, 2025
 Scheduled starting date of dividend payment: June 26, 2025
 Scheduled date of filing securities report: June 25, 2025
 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, 2025 (From April 1, 2024 to March 31, 2025)

(1) Consolidated results of operations

(%: Change from the previous year)

	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, 2025	408,888	6.3	49,184	17.0	31,275	(24.1)	20,706	(30.0)	20,305	(30.4)	16,039	(65.7)
March 31, 2024	384,825	11.7	42,055	9.0	41,232	41.9	29,586	43.1	29,189	45.0	46,787	69.4

	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, 2025	180.66		—		6.1		5.8		7.6	
March 31, 2024	259.70		—		9.3		7.9		10.7	

(Reference) Profit before taxes Fiscal year ended March 31, 2025: 31,821 million yen, (23.7%)

Fiscal year ended March 31, 2024: 41,686 million yen, 38.3%

Share of profit (loss) of investments accounted for using equity method Fiscal year ended March 31, 2025: 108 million yen

Fiscal year ended March 31, 2024: 141 million yen

(Note) Business profit is the Kurita 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) Consolidated financial condition

	Total assets		Total equity		Total equity attributable to owners of parent		Ratio of equity attributable to owners of parent		Equity per share attribute to owners of parent	
	Million yen		Million yen		Million yen		%		Yen	
As of March 31, 2025	548,949		338,504		336,027		61.2		2,995.84	
March 31, 2024	557,407		333,411		331,261		59.4		2,947.73	

(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, 2025	87,760		(52,074)		(25,448)		62,951	
March 31, 2024	50,874		(35,801)		(15,337)		54,009	

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, 2024	—	42.00	—	42.00	84.00	9,462	32.3	3.0
Fiscal year ended March 31, 2025	—	46.00	—	46.00	92.00	10,365	50.9	3.1
Fiscal year ending March 31 2026 (forecast)	—	56.00	—	56.00	112.00		33.8	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(The percentages are year-on-year changes.)

	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	202,000	3.3	24,000	13.1	23,800	10.7	15,800	5.8	143.39	
Full year	425,000	3.9	54,000	9.8	53,500	71.1	36,300	78.8	331.73	

(Reference) Profit before taxes First half 23,300 million yen (8.9%) Full year 52,500 million yen (65.0%)

(Note) Kurita Water Industries Ltd. has decided to purchase treasury shares at the Board of Directors meeting held on May 8, 2025. The basic earnings per share in the consolidated financial results forecast for the fiscal year ending March 31, 2026 factors in the impact of the decision to purchase treasury shares. 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 25 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: No
- (ii) Changes in accounting policies other than (i) above: No
- (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, 2025	116,200,694 shares
As of March 31, 2024	116,200,694 shares
As of March 31, 2025	4,035,900 shares
As of March 31, 2024	3,822,295 shares
Fiscal year ended March 31, 2025	112,395,208 shares
Fiscal year ended March 31, 2024	112,396,307 shares

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

(iii) Average number of shares during the period:

(Note) The total number of treasury shares at the end of the period includes shares of the Company (499,000 shares in the fiscal year ended March 31, 2025, 274,000 shares in the fiscal year ended March 31, 2024) 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. (265,000 shares in the fiscal year ended March 31, 2025, 254,000 shares in the fiscal year ended March 31, 2024)

(Reference) Summary of non-consolidated financial results

Non-consolidated operating results (From April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(%: Change from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2025	140,150	(5.0)	8,915	31.3	21,726	10.8	(6,149)	—
March 31, 2024	147,463	10.0	6,788	(23.6)	19,600	(0.8)	17,227	(21.5)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended March 31, 2025	(54.71)		—	
March 31, 2024	153.27		—	

(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, 2025	379,248	239,112	63.0	2,131.80
March 31, 2024	409,931	257,832	62.9	2,294.32

(Reference) Shareholders' equity As of March 31, 2025: 239,112 million yen As of March 31, 2024: 257,832 million yen

<Reasons for differences between the non-consolidated financial results for the fiscal year ended March 31, 2025 and the actual results for the previous fiscal year>

During the fiscal year ended March 31, 2025, operating profit increased from the previous fiscal year due to an improvement in the cost of sales ratio, which was attributed to growth in net sales from recurring contract-based services, particularly in the ultrapure water supply business, as well as a decline in net sales from water treatment facility projects, which have a comparatively high cost ratio. However, the Company recorded a loss on valuation of shares of subsidiaries and associates of 25,388 million yen as an extraordinary loss and posted a loss of 6,149 million yen.

The loss on valuation of shares of subsidiaries and associates was recognized due to the worsening of the financial position of Kurita America Holdings Inc., which is a consolidated subsidiary of the Company and the holding company of Pentagon Technologies Group, Inc., resulting in a significant decline in the actual value of its stock. This decline is related to the Company's recording of impairment losses on fixed assets including goodwill associated with Pentagon Technologies Group, Inc., a consolidated subsidiary of the Company.

* 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, 2025 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, 2025 (April 1, 2024 - March 31, 2025)

During the fiscal year ended March 31, 2025, the global economic recovery continued, although with lackluster strength in certain countries and regions given uncertainty due to the prolonged worsening strife in Ukraine and the Middle East as well as changes in U.S. trade policies. Production activities in Japan's manufacturing industry showed signs of a recovery due to the resumption of production at certain auto manufacturers and progress in adjusting inventories of electronic components, including semiconductors. However, the recovery slowed in the second half of the fiscal year. Capital investment held firm, bolstered by strong corporate earnings. Overseas, the U.S. economy remained firm. In Europe and China, domestic demand was weak, resulting in a slow economic recovery. In other Asian economies, recovery trends continued, although there were some signs of weakness.

In this environment, Kurita Water Industries Ltd. (the "Company") and its consolidated subsidiaries entered the second year of PSV-27 (Pioneering Shared Value 2027), a five-year medium-term management plan. The basic policy of the plan is to refine 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 Kurita Group (the "Group") utilized its water knowledge—the expertise and data related to safe operations, environmental impact reduction and cost cutting that it had accumulated and visualized by leveraging digital technology—to expand its services lineup and tackle a variety of challenges faced by customers. The Group thereby took steps to increase points of customer contact. The Group aims to establish global partnerships in the electronics industry and took steps to build new business foundations in Europe and the United States. As a result, the Group won orders for water treatment facilities projects from semiconductor plants in these regions. In South Korea, Hansu Technical Services Ltd., which primarily engaged in the manufacture and sales of water treatment facilities and maintenance services, and Hansu Co., Ltd., which primarily engaged in the manufacture and sales of water treatment chemicals, merged to form KURITA HANSU Water Industries Ltd. The primary purpose of the merger is to enhance the Group's ability to offer services in the electronics industry in South Korea and to accelerate the development of CSV business, which aims to create shared value with society.

In the general industry, the Group identified the trends and needs of customers involved in a diverse range of business across different countries and regions in a centralized manner, using a group-wide data platform. Leveraging this data organization-wide, the Group took steps to expand the CSV business. To strengthen its business foundation, the Group consolidated 11 domestic sales companies into two companies: Kurita East Japan Co., Ltd. and Kurita West Japan Co., Ltd. This restructuring aims to create a one-stop sales structure that offers water treatment chemicals and maintenance services, thereby enhancing customer contact points. Overseas, the Group established Kurita AquaChemie India Private Limited in India, one of the world's largest economies, where demand for water treatment is increasing. The Group worked to develop a system to quickly provide solutions to customers' water and environmental challenges in India.

These initiatives resulted in total consolidated orders of 432,953 million yen, up 11.0% year on year. Net sales increased 6.3%, to 408,888 million yen. Business profit* increased 17.0%, to 49,184 million yen, operating profit was 31,275 million yen, down 24.1% versus the previous fiscal year, profit before tax was 31,821 million yen, down 23.7%, and profit attributable to owners of parent amounted to 20,305 million yen, down 30.4%.

During the fiscal year, other income of 3,140 million yen and other expenses of 21,050 million yen were posted. Other income increased 1,172 million yen from the previous fiscal year, chiefly due to a gain on reversal of advances received of 1,653 million yen, resulting from cancellations of ultrapure water supply contracts (Electronics Industry) with a certain customer. Other expenses increased 18,259 million yen from the previous fiscal year. 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. (Electronics Industry), a U.S.-based subsidiary, which primarily operates a tool cleaning business in the United States and Europe, as well as impairment losses 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.

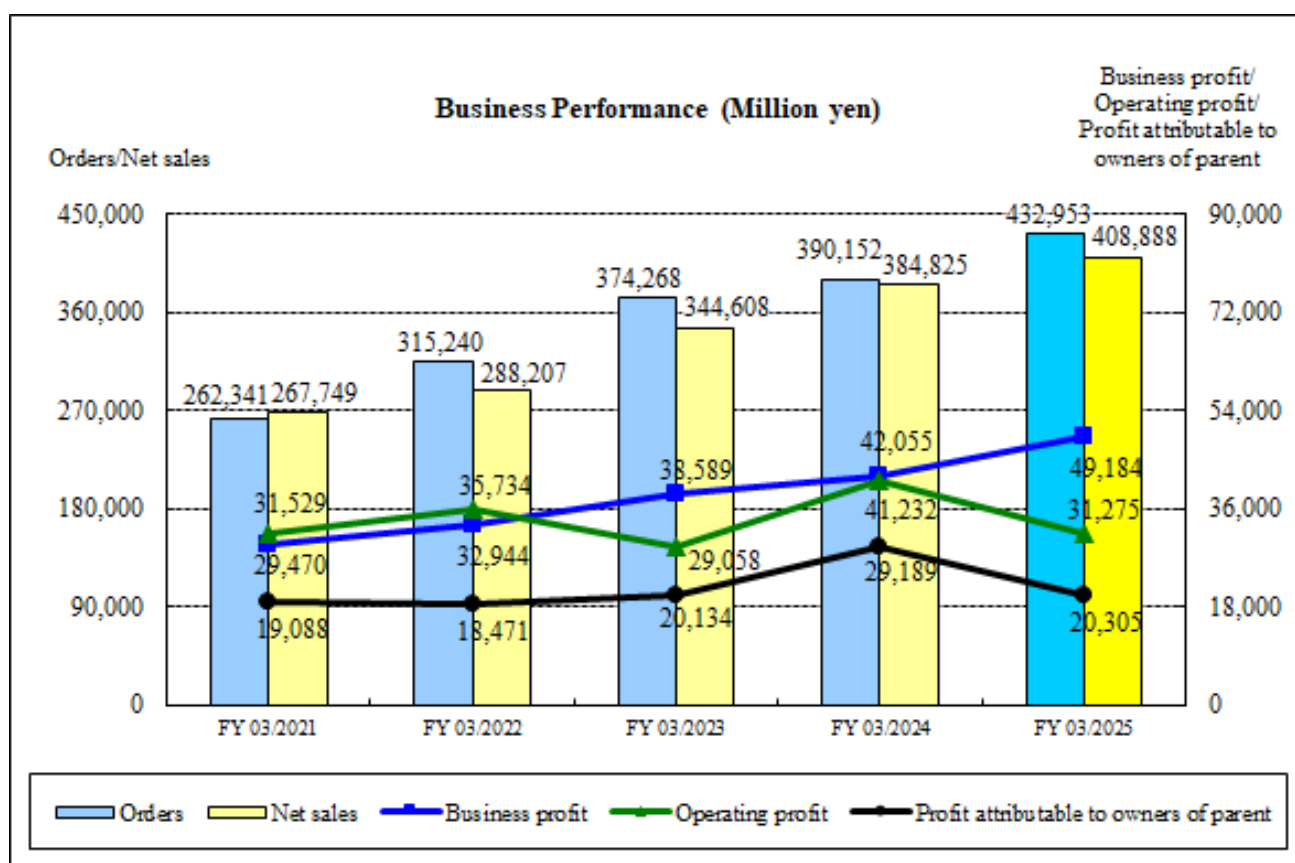
The other income and expenses decreased operating profit, profit before tax, and profit attributable to owners of parent. The Group conducts an impairment test whenever it detects any signs of impairment on fixed assets, including goodwill. Additionally, it performs an impairment test on goodwill regularly 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 accounting book value.

The Group recognized impairment losses on property, plant and equipment, including building right-of-use assets, for Pentagon Technologies Group, Inc. (Electronics Industry) due to significant declines in the value in use of precision tool cleaning plants under construction in Ireland and Arizona, USA, resulting from low capacity utilization at certain semiconductor plants of major customers, as well as 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 the expected 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 of the goodwill of both companies in use was less than the accounting book value, and impairment losses are recognized.

* 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) 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.

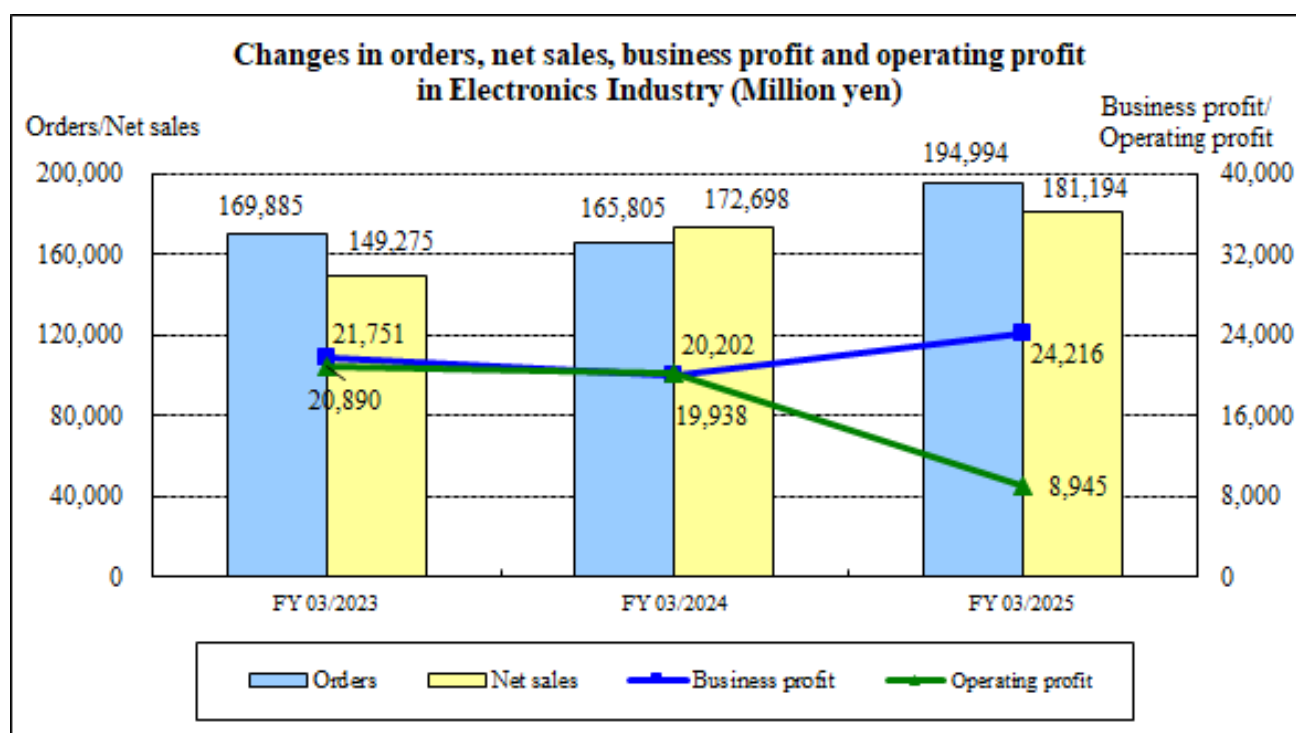
(i) Electronics Industry

Total Group orders for the Electronics Industry segment increased 17.6% from the previous fiscal year, to 194,994 million yen. Orders for water treatment facilities increased mainly due to orders for a large-scale project in Europe. Orders for recurring contract-based services rose, driven by the commencement of new ultrapure water supply projects and the recording of one-time sales. Orders for maintenance also increased, primarily due to demand from customers in China and Taiwan. Additionally, orders for precision tool cleaning climbed, reflecting a recovery in the semiconductor market. However, the demand for tool cleaning from overseas customers did not fully recovered, and the increase was moderate.

Total Group net sales for the Electronics Industry segment amounted to 181,194 million yen, an increase of 4.9% year on year.

Net sales of water treatment facilities declined due to the absence of sales from large-scale projects in Japan, which were recorded in the same period of the previous fiscal year. However, net sales of recurring contract-based services, maintenance and precision tool cleaning increased.

In terms of profits, business profit amounted to 24,216 million yen, an increase of 21.5% year on year due to growth in recurring contract-based services and an improvement in the cost of sales ratio due to a decrease in facility projects with a comparatively high cost ratio. Operating profit stood at 8,945 million yen, a decline of 55.7% year on year, reflecting impairment losses on fixed assets, including goodwill, of 16,490 million yen for Pentagon Technologies Group, Inc.

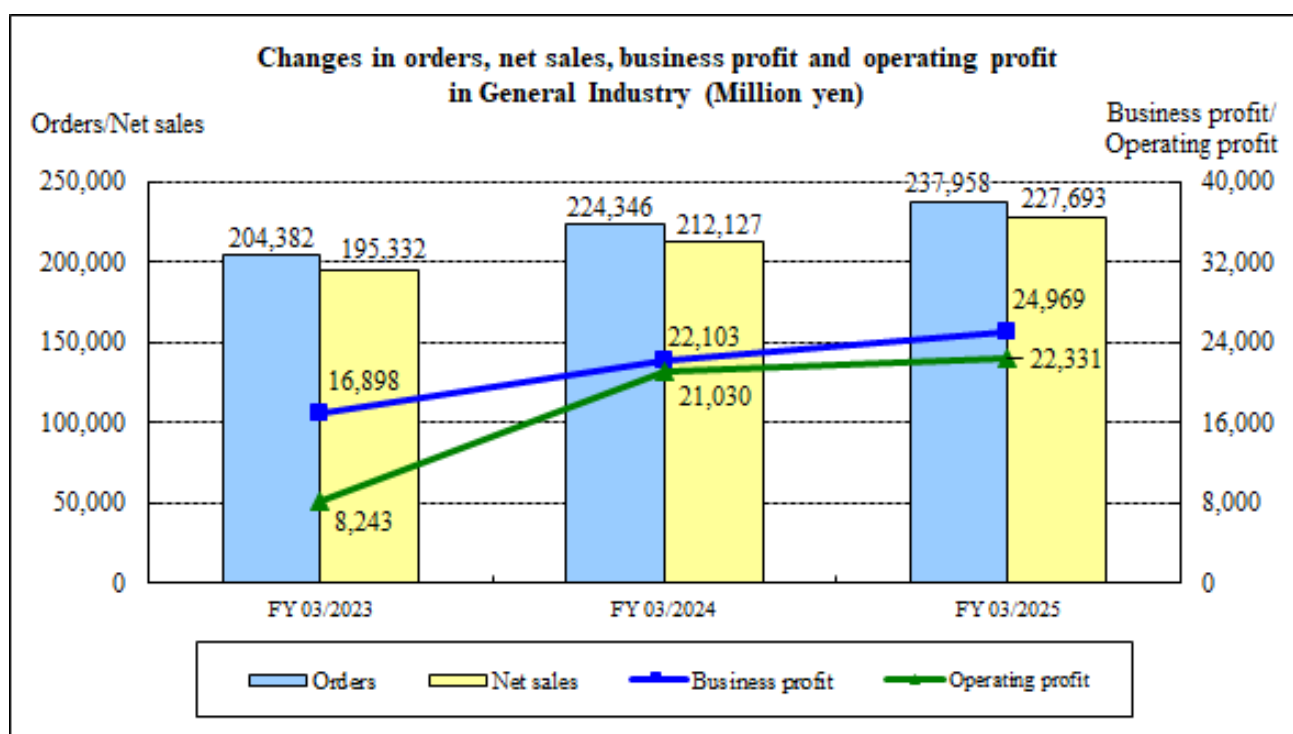


(ii) General Industry

Total Group orders for the General Industry segment increased 6.1% from the previous fiscal year, to 237,958 million yen. Orders for water treatment facilities rose mainly due to large-scale projects in Japan and the United States. Orders for maintenance and recurring contract-based services also increased. Orders for water treatment chemicals decreased when the effect of the increase in yen-equivalent value associated with the depreciation of the yen is excluded. This reflects the weak recovery in manufacturing production activity in Europe, China and parts of Southeast Asia.

Total Group net sales for the General Industry segment amounted to 227,693 million yen, an increase of 7.3% year on year. Net sales of water treatment facilities increased due to progress with the construction of large-scale projects in the United States. Net sales of maintenance and recurring contract-based services also rose. As with orders, water treatment chemicals registered a decrease in sales when the effect of foreign exchange rates is excluded.

In terms of profits, business profit reached 24,969 million yen, an increase of 13.0% year on year, due to the increased net sales and an improvement in the cost ratio, largely attributable to the expansion of the high-value-added CSV business. Operating profit stood at 22,331 million yen, up 6.2% year on year, reflecting impairment losses on goodwill of 2,501 million yen for Kurita Fracta Holdings, Inc.



(2) Financial Condition

Condition of Assets, Liabilities and Equity

1) Total assets: 548,949 million yen, a decrease of 8,458 million yen from the end of the previous fiscal year

Current assets totaled 220,950 million yen at the end of the period, a decrease of 7,068 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 13,051 million yen in trade and other receivables and a decline of 1,769 million yen in other financial assets, which outweighed an increase of 8,942 million in cash and cash equivalents.

Non-current assets totaled 327,998 million yen at the end of the period, a decrease of 1,390 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 4,654 million yen in goodwill, a decline of 3,070 million yen in right-of-use assets, and a fall of 1,453 million yen in other financial assets, which were partially offset by an increase of 4,458 million yen in property, plant and equipment and a rise of 3,837 million yen in deferred tax assets. The increase in property, plant and equipment is attributable to capital expenditures of 45,953 million yen, including the purchase of facilities in the ultrapure water supply business (Electronics Industry). This increase was partially offset by a depreciation expense of 26,070 million yen and the abovementioned impairment losses on property, plant and equipment related to Pentagon Technologies Group, Inc. (Electronics Industry). The reduction in goodwill is attributed to impairment losses on goodwill of 2,501 million yen for Kurita Fracta Holdings, Inc. (General Industry) and impairment losses on goodwill of 967 million yen for Pentagon Technologies Group, Inc. Both losses were recorded in the fourth quarter.

2) Liabilities: 210,444 million yen, a decrease of 13,551 million yen from the end of the previous fiscal year

Current liabilities totaled 132,567 million yen at the end of the period, an increase of 13,947 million yen from the end of the previous fiscal year. This is chiefly attributable to an increase of 14,796 million yen in bonds and borrowings. The increase in bonds and borrowings is due to the transfer of bonds of 30,000 million yen due for redemption in December 2025 from non-current liabilities to current liabilities, which more than offset a decrease caused by the redemption of commercial paper.

Non-current liabilities totaled 77,877 million yen at the end of the period, a decrease of 27,498 million yen from the end of the previous fiscal year. This is chiefly attributable to decreases of 22,388 million yen in bonds and borrowings and 2,821 million yen in other non-current liabilities. The decrease in bonds and borrowings was due to the transfer of the abovementioned bonds payable to current liabilities, which outweighed a 10,000 million yen increase in funds from long-term borrowings.

3) Equity: 338,504 million yen, an increase of 5,093 million yen from the end of the previous fiscal year

The increase in equity was primarily attributable to a rise of 11,320 million yen in retained earnings due to the posting of profit attributable to the owners of parent. This increase was partially offset by a decrease of 5,594 million yen in other components of equity mainly due to the posting of exchange differences on translation of foreign operations, which reflected the appreciation of the yen against other currencies.

(3) Cash Flows

Consolidated net cash and cash equivalents at the end of the fiscal year ended March 31, 2025 totaled 62,951 million yen, an increase of 8,942 million yen from the end of the previous fiscal year ended March 31, 2024.

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, 2025 totaled 87,760 million yen, an increase of 36,886 million yen from the previous fiscal year. This was chiefly due to inflows, including profit before tax of 31,821 million yen, depreciation, amortization and impairment losses of 54,689 million yen, and a decrease in trade and other receivables of 9,803 million yen, which were partially offset by outflows, including income taxes paid of 11,170 million yen.

2) Cash Flows from Investing Activities

Net cash used in investing activities totaled 52,074 million yen, an increase of 16,273 million yen from the previous fiscal year. Cash was used mainly for purchase of property, plant and equipment of 49,859 million yen and purchase of intangible assets of 3,827 million yen.

3) Cash Flows from Financing Activities

Net cash used in financing activities totaled 25,448 million yen, an increase of 10,111 million yen from the previous fiscal year. Cash was used mainly for a net decrease in short-term borrowings and commercial paper of 15,143 million yen, dividends paid of 9,956 million yen, and repayments of lease liabilities of 6,290 million yen, which were partially offset by proceeds from long-term borrowings of 9,962 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 fiscal year 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

	FY 03/2021	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025
Ratio of equity attributable to owners of parent (%)	59.6	57.9	58.6	59.4	61.2
Ratio of equity attributable to owners of parent based on market value (%)	125.4	108.7	135.4	127.0	93.8
Ratio of interest-bearing debt to cash flows (%)	130.3	207.0	207.4	200.7	107.6
Interest coverage ratio (times)	187.8	123.9	124.1	132.8	193.3

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

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 experiencing a moderate recovery. However, some economies are experiencing slow growth. The Chinese economy is likely to continue experiencing slow growth due to a decline in the real estate sector and the negative effects of increased tariffs imposed by the U.S. on exports. Growth in the U.S. economy is projected to slow due to high interest rates, a fiscal deficit, and the negative impact 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 predicted to follow a moderate recovery trend, underpinned 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. Companies will pass on cost increases to their customers, and corporate performance will be firm. Capital investment will continue to increase. Exports are expected to continue to increase following an upturn in the semiconductor cycle, although the growth rate will likely slow because of a possible downturn in overseas economies.

There is, however, concern over a slowdown in the global economy, including trends in U.S. policies, primarily reciprocal tariffs, increasing energy inventories due to growing geopolitical risks, and reviews of supply chains due to the strengthening of economic security. In that case, capacity utilization at plants of customers may fall and capital expenditures may be postponed. It is also possible that business activities at the Group will be delayed. 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, 2026 are as shown below.

(The percentages are year-on-year changes.)

	First half (April 1, 2025 - September 30, 2025)		Full year (April 1, 2025 - March 31, 2026)	
	Million yen	%	Million yen	%
Net sales	202,000	3.3	425,000	3.9
Business profit	24,000	13.1	54,000	9.8
Operating profit	23,800	10.7	53,500	71.1
Profit before taxes	23,300	8.9	52,500	65.0
Profit attributable to owners of parent	15,800	5.8	36,300	78.8

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 from the previous fiscal year, driven by anticipated large facilities project orders in the domestic semiconductor industry, despite a lack of large facilities project orders in East Asia and the absence of one-time orders in the water supply business recorded in the previous fiscal year. Net sales and business profit are anticipated to increase due to progress in large-scale facilities projects won in Europe and the United States in the previous fiscal year, despite the absence of one-time revenue recorded in the water supply business in the previous fiscal year. Operating profit is projected to rise, due to the absence of impairment losses on fixed assets, including goodwill, for Pentagon Technologies Group, Inc. recorded in the previous fiscal year.

(ii) General Industry

Orders are expected to decline compared to the previous fiscal year due to a lack of large facilities project orders posted in Japan and the United States in the previous fiscal year. Net sales are anticipated to fall due to transfers of the facilities business for the semiconductor industry in Europe and the United States to the electronics industry segment. Despite the expected decrease in net sales, business profit is projected to rise, primarily due to increased sales in the CSV business, which will improve the cost ratio. Operating profit is likely to increase due to a lack of impairment losses on goodwill for Kurita Fracta Holdings, Inc. recorded in the previous fiscal year.

(5) Dividend Policy and Dividends for the Fiscal Year ended March 31, 2025 and the Fiscal Year ending March 31, 2026

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 46 yen per share for the fiscal year ended March 31, 2025, 4 yen more than the previous year-end dividend. Combined with the interim dividend of 46 yen per share (4 yen more than the previous interim dividend), the annual dividend comes to 92 yen per share, 8 yen higher than the previous fiscal year's annual dividend. For the fiscal year ending March 31, 2026, the Company plans to pay an interim dividend of 56 yen per share and a year-end dividend of 56 yen per share, for an annual dividend to be 112 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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	54,009	62,951
Trade and other receivables	139,464	126,413
Other financial assets	6,367	4,598
Inventories	21,069	20,718
Other current assets	7,107	6,267
Total current assets	228,018	220,950
Non-current assets		
Property, plant and equipment	190,973	195,431
Right-of-use assets	22,898	19,828
Goodwill	71,001	66,347
Intangible assets	17,485	16,942
Investments accounted for using equity method	1,422	1,515
Other financial assets	16,994	15,541
Deferred tax assets	8,340	12,177
Other non-current assets	272	213
Total non-current assets	329,388	327,998
Total assets	557,407	548,949

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	68,403	64,443
Bonds and borrowings	19,097	33,893
Lease liabilities	4,603	4,436
Income taxes payable	5,423	8,540
Provisions	2,399	1,689
Other current liabilities	18,692	19,563
Total current liabilities	118,620	132,567
Non-current liabilities		
Bonds and borrowings	58,714	36,326
Lease liabilities	18,774	18,815
Other financial liabilities	2,338	1,455
Retirement benefit liability	17,527	16,785
Provisions	2,865	2,934
Deferred tax liabilities	1,628	854
Other non-current liabilities	3,526	705
Total non-current liabilities	105,375	77,877
Total liabilities	223,995	210,444
Equity		
Share capital	13,450	13,450
Capital surplus	(361)	8
Treasury shares	(10,869)	(12,200)
Other components of equity	30,383	24,789
Retained earnings	298,658	309,978
Equity attributable to owners of parent	331,261	336,027
Non-controlling interests	2,150	2,477
Total equity	333,411	338,504
Total liabilities and equity	557,407	548,949

(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, 2024	Year ended March 31, 2025
Net sales	384,825	408,888
Cost of sales	252,983	260,801
Gross profit	131,841	148,086
Selling, general and administrative expenses	89,786	98,902
Other income	1,968	3,140
Other expenses	2,791	21,050
Operating profit	41,232	31,275
Finance income	1,439	1,678
Finance costs	1,127	1,240
Share of profit (loss) of investments accounted for using equity method	141	108
Profit before taxes	41,686	31,821
Income tax expense	12,099	11,115
Profit	29,586	20,706
Profit attributable to		
Owners of parent	29,189	20,305
Non-controlling interests	396	401
Profit	29,586	20,706
Earnings per share		
Basic earnings per share (yen)	259.70	180.66
Diluted earnings per share (yen)	—	—

Consolidated statement of comprehensive income

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Profit	29,586	20,706
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	1,614	(1,257)
Remeasurements of defined benefit plans	192	769
Total of items that will not be reclassified to profit or loss	1,807	(487)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	15,413	(4,064)
Cash flow hedges	(88)	(100)
Share of other comprehensive income of investments accounted for using equity method	67	(15)
Total of items that may be reclassified to profit or loss	15,393	(4,179)
Other comprehensive income, net of tax	17,200	(4,667)
Comprehensive income for the period	46,787	16,039
Comprehensive income attributable to		
Owners of parent	46,306	15,639
Non-controlling interests	481	399
Comprehensive income for the period	46,787	16,039

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(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, 2023	13,450	(608)	(10,638)	9,678	222	4,231
Profit	–	–	–	–	–	–
Other comprehensive income	–	–	–	15,397	(88)	1,614
Total comprehensive income for the period	–	–	–	15,397	(88)	1,614
Purchase of treasury shares	–	–	(356)	–	–	–
Dividends	–	–	–	–	–	–
Share-based payment transactions	–	247	125	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	(741)
Other	–	–	–	68	–	–
Total transactions with owners	–	247	(231)	68	–	(741)
Balance as of March 31, 2024	13,450	(361)	(10,869)	25,144	134	5,104

(Million yen)

	Total equity attributable to owners of parent				Non-controlling interests	Annual
	Other components of equity		Retained earnings	Annual		
	Remeasurements of defined benefit plans	Annual				
Balance as of April 1, 2023	–	14,132	277,639	293,975	1,784	295,759
Profit	–	–	29,189	29,189	396	29,586
Other comprehensive income	192	17,116	–	17,116	84	17,200
Total comprehensive income for the period	192	17,116	29,189	46,306	481	46,787
Purchase of treasury shares	–	–	–	(356)	–	(356)
Dividends	–	–	(9,105)	(9,105)	(112)	(9,218)
Share-based payment transactions	–	–	–	373	(2)	370
Transfer from other components of equity to retained earnings	(192)	(934)	934	–	–	–
Other	–	68	–	68	–	68
Total transactions with owners	(192)	(865)	(8,171)	(9,020)	(115)	(9,135)
Balance as of March 31, 2024	–	30,383	298,658	331,261	2,150	333,411

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)
Total comprehensive income for the period	–	–	–	(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	Annual
	Other components of equity		Retained earnings	Annual		
	Remeasurements of defined benefit plans	Annual				
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)
Total comprehensive income for the period	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

(4) Consolidated Statement of Cash Flows

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash flows from operating activities		
Profit before taxes	41,686	31,821
Depreciation, amortization and impairment losses	32,637	54,689
Share of loss (profit) of investments accounted for using equity method	(141)	(108)
Loss (gain) on sale of fixed assets	(30)	386
Decrease (increase) in inventories	(2,741)	108
Decrease (increase) in trade and other receivables	(15,177)	9,803
Increase (decrease) in trade and other payables	7,290	1,276
Other	(144)	517
Subtotal	63,378	98,496
Interest received	508	685
Dividends received	336	202
Interest paid	(383)	(454)
Income taxes paid	(12,965)	(11,170)
Net cash provided by (used in) operating activities	50,874	87,760

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(10,467)	(7,085)
Proceeds from withdrawal of time deposits	7,695	8,922
Purchase of property, plant and equipment	(28,958)	(49,859)
Proceeds from sale of property, plant and equipment	66	293
Purchase of intangible assets	(3,096)	(3,827)
Proceeds from sale of investment securities	1,903	330
Payments for acquisition of subsidiaries (after deduction of cash and cash equivalents included in acquired assets)	(3,080)	—
Other	136	(850)
Net cash provided by (used in) investing activities	(35,801)	(52,074)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings and commercial paper	(10,196)	(15,143)
Proceeds from long-term borrowings	12,013	9,962
Repayments of long-term borrowings	(2,375)	(2,420)
Repayments of lease liabilities	(5,310)	(6,290)
Payments for purchase of treasury stock, net	(356)	(1,631)
Dividends paid	(9,236)	(9,956)
Other	125	31
Net cash provided by (used in) financing activities	(15,337)	(25,448)
Effect of exchange rate changes on cash and cash equivalents	3,805	(1,295)
Net increase (decrease) in cash and cash equivalents	3,541	8,942
Cash and cash equivalents at beginning of period	50,468	54,009
Cash and cash equivalents at end of period	54,009	62,951

(5) Notes to Consolidated Financial Statements

(Notes on the Going-concern Assumption)

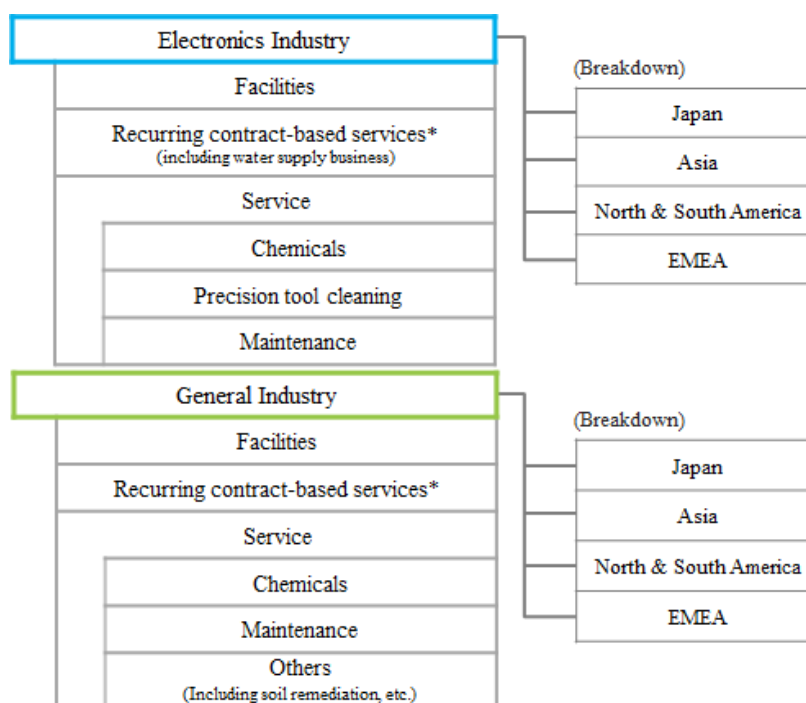
Not applicable

(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.



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

(2) Information of Reportable Segments

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Million yen)

	Reportable Segments		Annual	Adjustments (Note)	Amounts reported on the consolidated financial statements
	Electronics Industry	General Industry			
Net sales					
Sales to external customers	172,698	212,127	384,825	–	384,825
Intersegment sales and transfers	–	–	–	–	–
Total	172,698	212,127	384,825	–	384,825
Segment profit	20,202	21,030	41,233	(0)	41,232
Finance income					1,439
Finance costs					1,127
Share of profit (loss) of investments accounted for using equity method					141
Profit before taxes					41,686

(Million yen)

	Reportable Segments		Annual	Adjustments (Note)	Amounts reported on the consolidated financial statements
	Electronics Industry	General Industry			
Segment assets	261,694	234,018	495,713	61,693	557,407
Other amounts					
Depreciation and amortization	21,697	10,939	32,637	–	32,637
Impairment losses	–	–	–	–	–
Investments accounted for using equity method	–	1,368	1,368	53	1,422
Capital expenditures	33,107	8,916	42,023	–	42,023

- (Notes) 1. Segment income: Amount resulting from eliminations of intersegment transactions.
2. Segment profit presents the amount of operating profit.
3. Segment assets: Amount resulting from eliminations of intersegment transactions.
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. Capital expenditures do not include assets acquired through corporate acquisitions.

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

(Million yen)

	Reportable Segments		Annual	Adjustments (Note)	Amounts reported on the consolidated financial statements
	Electronics Industry	General Industry			
Net sales					
Sales to external customers	181,194	227,693	408,888	–	408,888
Intersegment sales and transfers	–	–	–	–	–
Total	181,194	227,693	408,888	–	408,888
Segment profit	8,945	22,331	31,276	(1)	31,275
Finance income					1,678
Finance costs					1,240
Share of profit (loss) of investments accounted for using equity method					108
Profit before taxes					31,821

(Million yen)

	Reportable Segments		Annual	Adjustments (Note)	Amounts reported on the consolidated financial statements
	Electronics Industry	General Industry			
Segment assets	261,586	218,126	479,713	69,235	548,949
Other amounts					
Depreciation and amortization	25,204	10,493	35,698	–	35,698
Impairment losses	16,490	2,501	18,991	–	18,991
Investments accounted for using equity method	–	1,469	1,469	46	1,515
Capital expenditures	45,538	10,612	56,150	–	56,150

(Notes) 1. Segment income: Amount resulting from eliminations of intersegment transactions.

2. Segment profit presents the amount of operating profit.

3. Segment assets: Amount resulting from eliminations of intersegment transactions.

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 Electronics Industry segment, 16,490 million yen, are impairment losses on fixed assets, including goodwill, for Pentagon Technologies Group, Inc., a U.S.-based subsidiary. 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. For details, refer to (Consolidated Statement of Profit or Loss: Other expenses).

(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, 2024	Year ended March 31, 2025
Electronics Industry		
Facilities (facilities and plants)	70,315	65,436
Recurring contract-based services	46,564	54,763
Chemicals	10,440	11,559
Precision tool cleaning	25,027	28,610
Maintenance	20,349	20,823
Subtotal	172,698	181,194
General Industry		
Facilities (facilities and plants)	29,842	40,544
Recurring contract-based services	10,217	11,162
Chemicals	116,607	118,118
Maintenance	45,776	48,890
Other	9,682	8,974
Subtotal	212,127	227,693
Annual	384,825	408,888

(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, 2024	As of March 31, 2025
Japan	183,684	188,848
Asia	20,806	19,522
North & South America	69,364	62,280
EMEA	28,724	28,092
Annual	302,580	298,744

(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

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Million yen)

	Reportable Segments		Amounts reported on the consolidated financial statements
	Electronics Industry	General Industry	
Japan	91,555	106,811	198,367
Asia	63,396	22,530	85,927
North & South America	16,735	45,830	62,566
EMEA	1,011	36,954	37,965
Annual	172,698	212,127	384,825

- (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 38,175 million yen. Within this total, net sales in the Electronics Industry and the General Industry are 31,285 million yen and 6,890 million yen, respectively.
3. Net sales in the United States, which are included in North & South America, are 55,224 million yen. Within this total, net sales in the Electronics Industry and the General Industry are 16,735 million yen and 38,489 million yen, respectively.

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

(Million yen)

	Reportable Segments		Amounts reported on the consolidated financial statements
	Electronics Industry	General Industry	
Japan	84,802	111,824	196,627
Asia	76,318	23,319	99,637
North & South America	19,106	55,023	74,129
EMEA	968	37,526	38,494
Annual	181,194	227,693	408,888

- (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 66,106 million yen. Within this total, net sales in the Electronics Industry and the General Industry are 19,106 million yen and 47,000 million yen, respectively.

(5) Information Related to Major Customers

Because there is no single external customer that accounts for 10% or more of the net sales in the consolidated statement of income, no information is stated here.

(Bonds and Borrowings)

(1) Bonds

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

No bonds were issued or redeemed.

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

No bonds were issued or redeemed.

(2) Borrowings

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

The Group borrowed a total of 12,000 million yen (the final repayment dates are December 8, 2028 and December 22, 2028, lump-sum repayments) in the third quarter of the fiscal year.

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, lump-sum repayments) in the third quarter of the fiscal year.

(Per Share Information)

The basis for calculation of basic earnings per share is as shown below.

	(Million yen)	
	Year ended March 31, 2024	Year ended March 31, 2025
Profit attributable to owners of parent	29,189	20,305
Amount not attributed to common stockholders	–	–
Profit that is used for calculating basic earnings per share	29,189	20,305
Average number of common shares outstanding	112,396,307	112,395,208

(Notes) 1. Because there are no dilutive shares, diluted earnings per share are 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. (254,000 shares in the fiscal year ended March 31, 2024, 265,000 shares in the fiscal year ended March 31, 2025)

(Consolidated Statement of Profit or Loss)

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

Information is omitted because there were no important events.

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 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. (Electronics Industry), a U.S.-based subsidiary, which primarily operates a tool cleaning business in the United States and Europe, as well as impairment losses 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.

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 accounting book value.

The Group recognized impairment losses on property, plant and equipment, including building right-of-use assets, 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 the expected 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 of the goodwill of both companies in use was less than the accounting book value, and impairment losses are recognized.

(Significant Subsequent Events)

(Transaction under common control)

(Kurita America Inc.)

On April 1, 2025, Kurita America Inc., a company primarily involved in the manufacture and sales of water treatment chemicals and facilities in the United States, absorbed Avista Technologies Inc., which specialized in the manufacturing and sale of chemicals for reverse osmosis (RO) membranes.

(1) Outline of the transaction

(i) Name of the company involved in the business combination and its business

i) Surviving company

Name: Kurita America, Inc.

Business description: Manufacturing and sales of water treatment chemicals and Facilities, operation and maintenance of water treatment facilities

ii) Merged company

Name: Avista Technologies, Inc.

Business description: Manufacture and sales of chemicals for RO membranes

(ii) Date of business combination

April 1, 2025

(iii) Legal form of business combination

An absorption-type merger in which Kurita America, Inc. is the surviving country. Avista Technologies Inc. has been dissolved.

(iv) Name of the company after business combination

Kurita America Inc.

(v) Main reason of business combination

The merger is aimed at strengthening the Kurita Group's presence in the North America water treatment market by deepening cooperation and information sharing between Kurita America, Inc. and Avista Technologies, Inc., thereby creating new business opportunities, accelerating the expansion of the CSV business, including reverse osmosis (RO) chemicals, and broadening the customer base through new market development.

By combining the extensive portfolio of Kurita America, which specializes in the manufacture and sales of water treatment chemicals and facilities in the United States, with the expertise in membrane treatments of Avista Technologies, which was primarily focused on producing and selling chemicals for RO membranes in the United States, the Kurita Group aims to create and deliver high-quality, more wide-ranging, innovative technologies, products, and services that contribute to addressing water and environmental challenges.

(2) Outline of accounting

The business combination under common control is a business combination in which all companies or businesses involved are ultimately controlled by the same company before and after the business combination. The control is not temporary. The Group continues to perform accounting treatment for all business combination transactions under common control based on book value.

(Purchase of treasury shares)

At a Board of Directors meeting held on May 8, 2025, 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 3,500,000 shares (3.12% of the total number of outstanding shares (excluding treasury shares))
(iii) Total share purchased cost	Up to 15,000,000,000 yen
(iv) Period of purchase	From May 9 2025 to August 31, 2025
(v) Method	Purchase on the market of the Tokyo Stock Exchange