Outline of Financial Results for the Second Quarter of the Fiscal Year Ending March 2026

October 27, 2025

METAWATER Co., Ltd.

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Financial Highlights for H1 FYE 3/’26 (consolidated)

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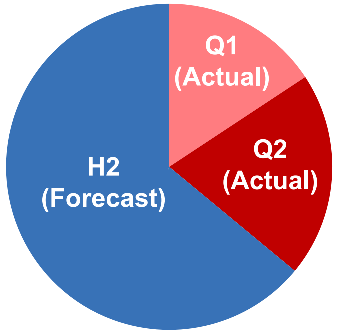
■ Orders received

Despite a decline in the EE business and Operation business due to the reactionary drop following large projects and multi-year lump-sum bookings in the previous fiscal year, large-scale project orders in SS business and robust International business kept results on par with the previous year.

(Reference) Order backlog: 324,375M yen end Q2 FYE 3/’25 ⇒ 355,716M yen (+31,340M yen)

Sales breakdown by quarter for FYE 3/’26



■ Net Sales and Operating Income

Strong performance by our North American and European subsidiaries in the International business led to significant increases in both Sales and Profit, resulting in all income categories achieving their first-ever H1 profitability.

Reflecting the strong performance of overseas subsidiaries and improved profitability in Japan through thorough project progress management and cost reduction measures, we have revised the full-year earnings and dividend forecasts for FYE 3/’26. (For details, see pages 12 to 16.)

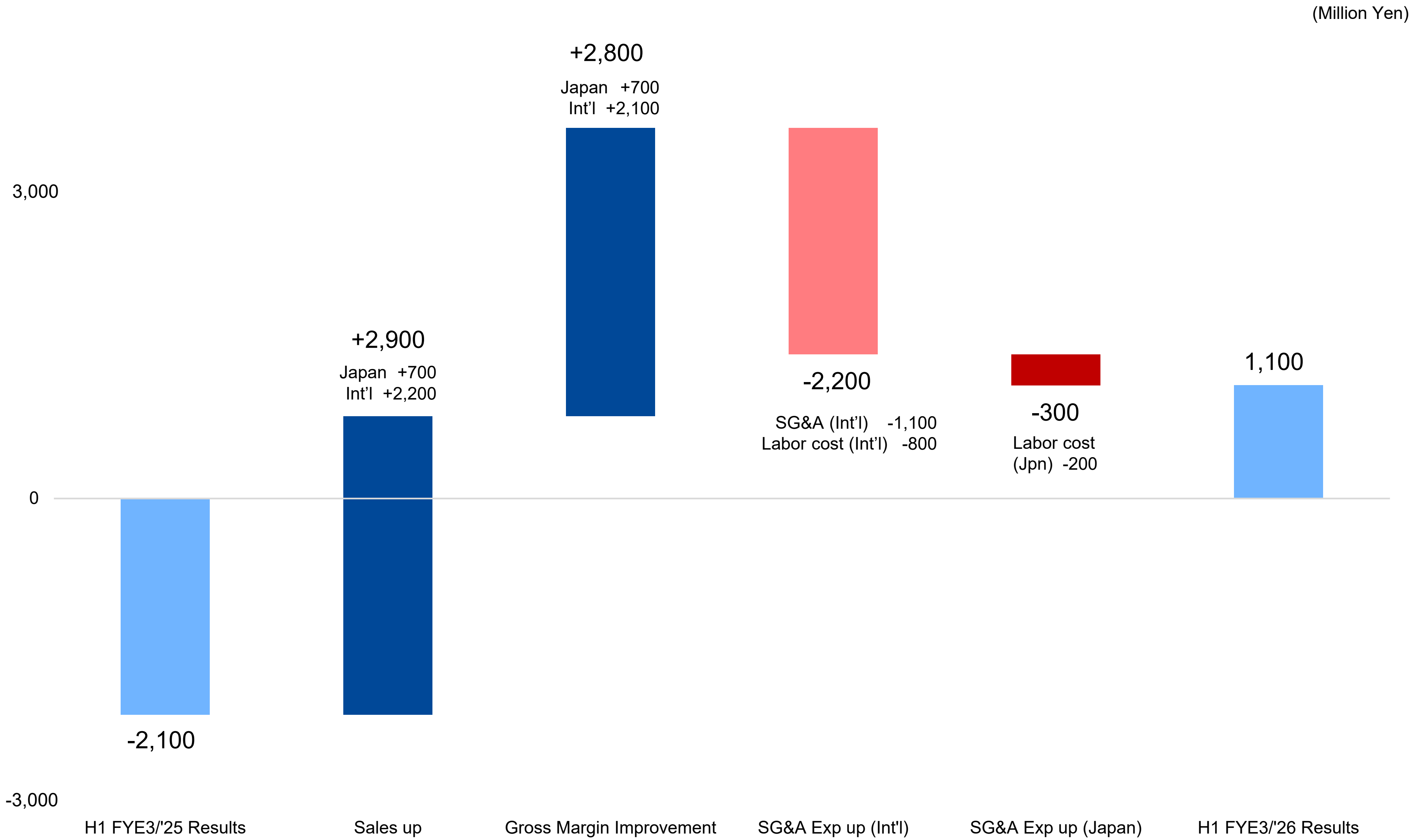
(Million Yen)

	Orders Received	Net Sales	Operating Income	Ordinary Income	Net Income	DPS (Yen)
H1 FYE 3/’26 Results	108,836	75,657	1,145	1,202 *1	604	Initial forecast 28
	YoY: +335 +0.3%	YoY: +16,462 +27.8%	YoY: +3,215 -	YoY: +3,734 -	YoY: +3,097 -	
H1 FYE 3/’25 Results	108,500	59,195	-2,069	-2,531 *2	-2,492	24

* Figures are rounded down to the nearest million yen (the same applies to subsequent Q1-2 figures). *1 FX gain 25M yen *2 FX loss 307M yen

YoY Change in Operating Income (H1 FYE 3/'26)

Improved profitability through increased sales of differentiated products, thorough project progress management, and cost reduction initiatives.



H1 FYE 3/'26 Consolidated Statement of Income

(Million Yen)

	H1 FYE3/'25	H1 FYE3/'26	Change
Net sales	**59,195**	**75,657**	**+16,462**
Gross profit	10,731	16,483	+5,751
Operating income	**-2,069**	**1,145**	**+3,215**
(Operating margin)	-3.4%	1.5%	+4.9%
Non-Operating income/expenses	-462	56	+519
Ordinary income	**-2,531**	**1,202**	**+3,734**
Extraordinary gains / losses	—	-13	-13
Income before taxes and other adjustment	**-2,531**	**1,189**	**+3,721**
Income taxes	-280	407	+687
Profit attributable to non-controlling interests	241	177	-63
Profit attributable to owners of parent	**-2,492**	**604**	**+3,097**

Net Sales YoY Δ

Mainly strong performance in Int'l Business	+10,400

Operating Income YoY Δ

Sales increase	+2,984
Gross Margin improvement (18.1%→21.8%)	+2,767
SG&A increase	-2,536

Non-Operating Income YoY Δ

FX impact (-307 ⇒ 25)	+333

Valuation loss on foreign currency denominated assets

End of H1 FYE 3/'26 Consolidated Balance Sheets

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Assets: Cash and deposits increased due to collection of accounts receivable and contract assets at the end of H1 FYE 3/'26.

Liabilities: Accounts payable decreased due to payment of procurement costs.

(Million Yen)

	End of FYE 3/'25	End of H1 FYE 3/'26	Change
Cash and deposits	36,278	55,460	+19,181
Trade receivable and contract assets	109,214	60,875	-48,338
Work in process and supplies	10,999	17,196	+6,197
Others	3,685	8,907	+5,221
Total current assets	**160,178**	**142,439**	**-17,738**
Tangible fixed assets	6,674	10,997	+4,322
Intangible fixed assets	17,706	20,655	+2,949
Deferred tax assets	2,622	4,230	+1,608
Others *3	9,601	10,012	+411
Total fixed assets	**36,605**	**45,896**	**+9,291**
Total assets	**196,783**	**188,336**	**-8,447**

	End of FYE 3/'25	End of H1 FYE 3/'26	Change
Accounts payable-trade	30,806	18,630	-12,176
Short-term loans payable *1	(805) 805	(786) 786	-18
Contract liabilities	12,944	23,545	+10,600
Others	21,328	15,140	-6,187
Total current liabilities	**65,885**	**58,103**	**-7,782**
Bonds payable/ Long-term loans *2	(14,620) 39,620	(14,239) 39,239	-381
Others	5,927	7,927	+1,999
Total fixed liabilities	**45,547**	**47,166**	**+1,618**
Total liabilities	111,433	105,269	-6,163
Total net assets	85,350	83,066	-2,283
Total liabilities & net assets	**196,783**	**188,336**	**-8,447**

*1 *2: Figures in parentheses indicate the value of PFI and other project finance loans. *3: Including deferred assets

H1 FYE 3/'26 Consolidated Cash Flows

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Significant increase in operating cash flow due to incoming payments for large projects

(Million Yen)

	H1 FYE 3/'25	H1 FYE 3/'26	Change	
Cash and Cash equivalents at the end of previous FY	14,219	35,683	+21,463	
Operating cash flow	19,599	31,799	+12,199	Accounts receivable collection
Investing cash flow	-1,669	-6,615	-4,945	Acquisition of SBI, etc.
Free cash flow	17,930	25,183	+7,253	
Financing cash flow	-4,134	-5,045	-911	
Cash and cash equivalents at end of period	28,535	54,930	+26,395	

H1 FYE 3/'26 Segment Information (Consolidated)

Orders Received: Although orders in the EE and Operation businesses declined due to the absence of large projects and the reactionary decrease from the lump-sum bookings of multi-year contract recorded in the previous year, strong performance in large-scale SS business and the International business led to results maintaining the previous year's level.

Net Sales: Both domestic operations and the North American subsidiary in the International business performed well, resulting in higher revenue across all segments.

Operating Income: Despite the impact of depreciation expenses at K.K.Mizumusubi Management Miyagi in the Operation business, operating income increased YoY, driven by higher sales and improved profitability, particularly in the International business.

(Million Yen)

	Orders Received			Net Sales			Operating Income (Operating margin)		
	H1 FYE 3/'25	H1 FYE 3/'26	Change	H1 FYE 3/'25	H1 FYE 3/'26	Change	H1 FYE 3/'25	H1 FYE 3/'26	Change
Environmental Engineering Business	32,242	22,512	-9,729	16,123	19,280	+3,157	-978 —	17 (0.1%)	+996
System Solution Business	32,615	40,910	+8,295	14,498	17,277	+2,778	-2,599 —	-2,210 —	+388
Operation Business	22,435	18,154	-4,280	12,369	12,495	+125	794 (6.4%)	502 (4.0%)	-291
International Business *1	21,207	27,258	+6,050	16,203	26,603 *2	+10,400	713 (4.4%)	2,836 *2 (10.7%)	+2,122
Total	108,500	108,836	+335	59,195	75,657	+16,462	-2,069 —	1,145 (1.5%)	+3,215

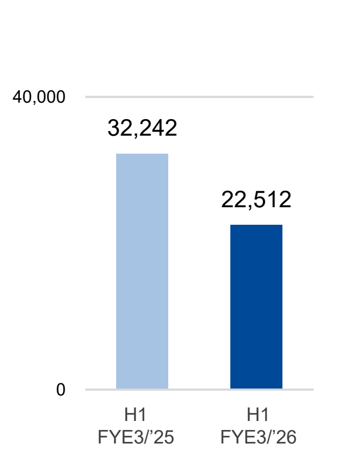
*1 FX: H1 FYE3/'25 1$=152.4JPY; H1 FYE3/'26 1$=148.4JPY *2 FX impact on sales was -631M yen, and OP was -76M yen

Segment Overview (1)

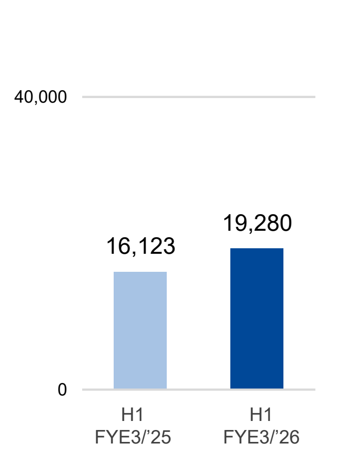
(Million Yen)

Environmental Engineering Business

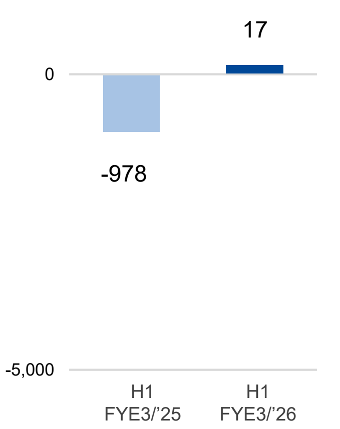
Orders Received



Net Sales

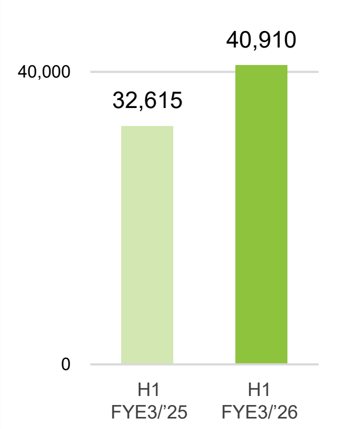


Operating Income

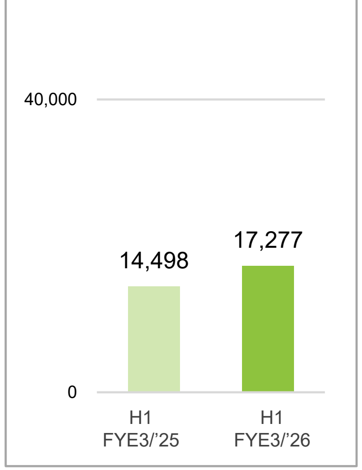


System Solution Business

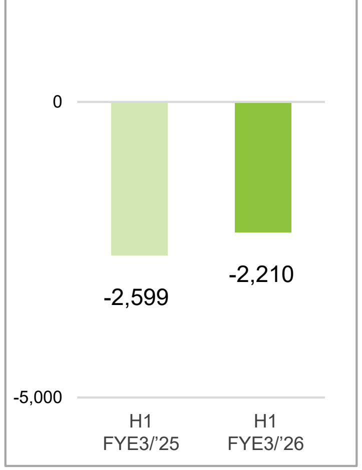
Orders Received



Net Sales



Operating Income



【Orders Received / Order Backlog】

Orders received decreased YoY in both the Water Environment Business and the Resource Environment Business due to a reactionary decline from large-scale projects in the previous year.

Order backlog: 113,648M yen → 104,746M yen

【Net Sales / Operating Income】

Both sales and operating income increased YoY, as large-scale construction projects in the Water Environment Business, as well as large-scale construction and repair projects in the Resource Environment Business, progressed smoothly

【Orders Received / Order Backlog】

Orders received increased YoY in both the System Engineering and Customer Engineering businesses.

Order backlog: 80,597M yen → 94,959M yen

【Net Sales / Operating Income】

Both sales and operating income were up YoY, as large-scale projects in the System Engineering business and repair work in the Customer Engineering business progressed smoothly.

Segment Overview (2)

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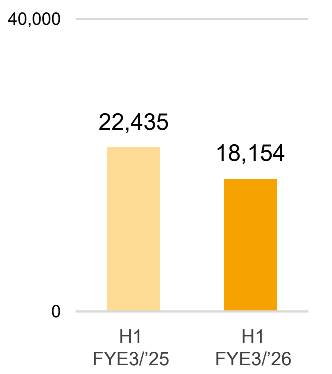
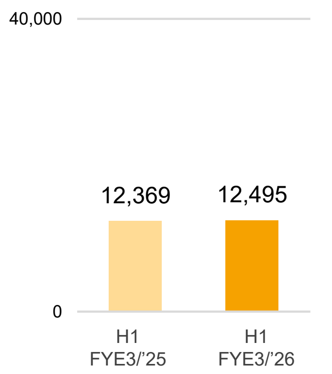
(Million Yen)

Operation Business

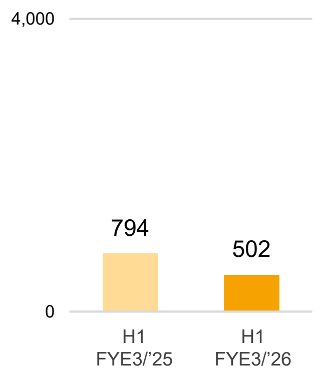
Orders Received



Net Sales

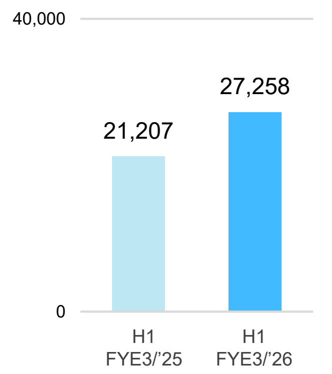


Operating Income

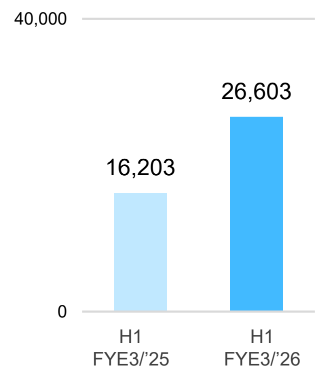


International Business

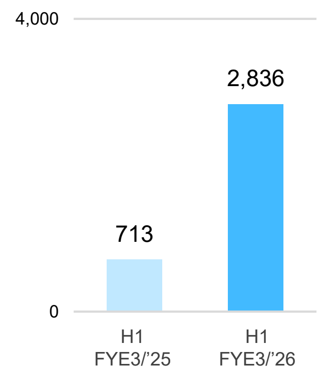
Orders Received



Net Sales



Operating Income



【Orders Received / Order Backlog】

Orders received declined YoY due to the recoil from multi-year contracts booked by the service subsidiary in the previous year.

Order backlog: 90,657M yen → 108,678M yen

【Net Sales / Operating Income】

Although sales increased steadily and exceeded the previous year, operating income fell YoY due to the impact of some low-margin projects.

【Orders Received / Order Backlog】

Orders increased YoY, driven primarily by strong demand for core products at our North American and European subsidiaries.

Order backlog: 39,472M yen → 47,332M yen

【Net Sales / Operating Income】

Both sales and operating income were up YoY, as sales of core products at subsidiaries in North America and Europe remained strong.

* Of which, FX impact: Net sales -631M yen, and operating income -76M yen.
* After amortization of goodwill and other intangible fixed assets related to the acquisition of overseas subsidiaries (190M yen).
* FX rates: 1$ = 152.4yen for H1 FYE 3/'25, 1$ = 148.4yen for H1 FYE 3/'26.

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Revision to FYE 3/’26 Earnings and Dividend Outlook

Orders Received

Revised up to reflect continuing strong orders in domestic EPC and service businesses

Sales and Income

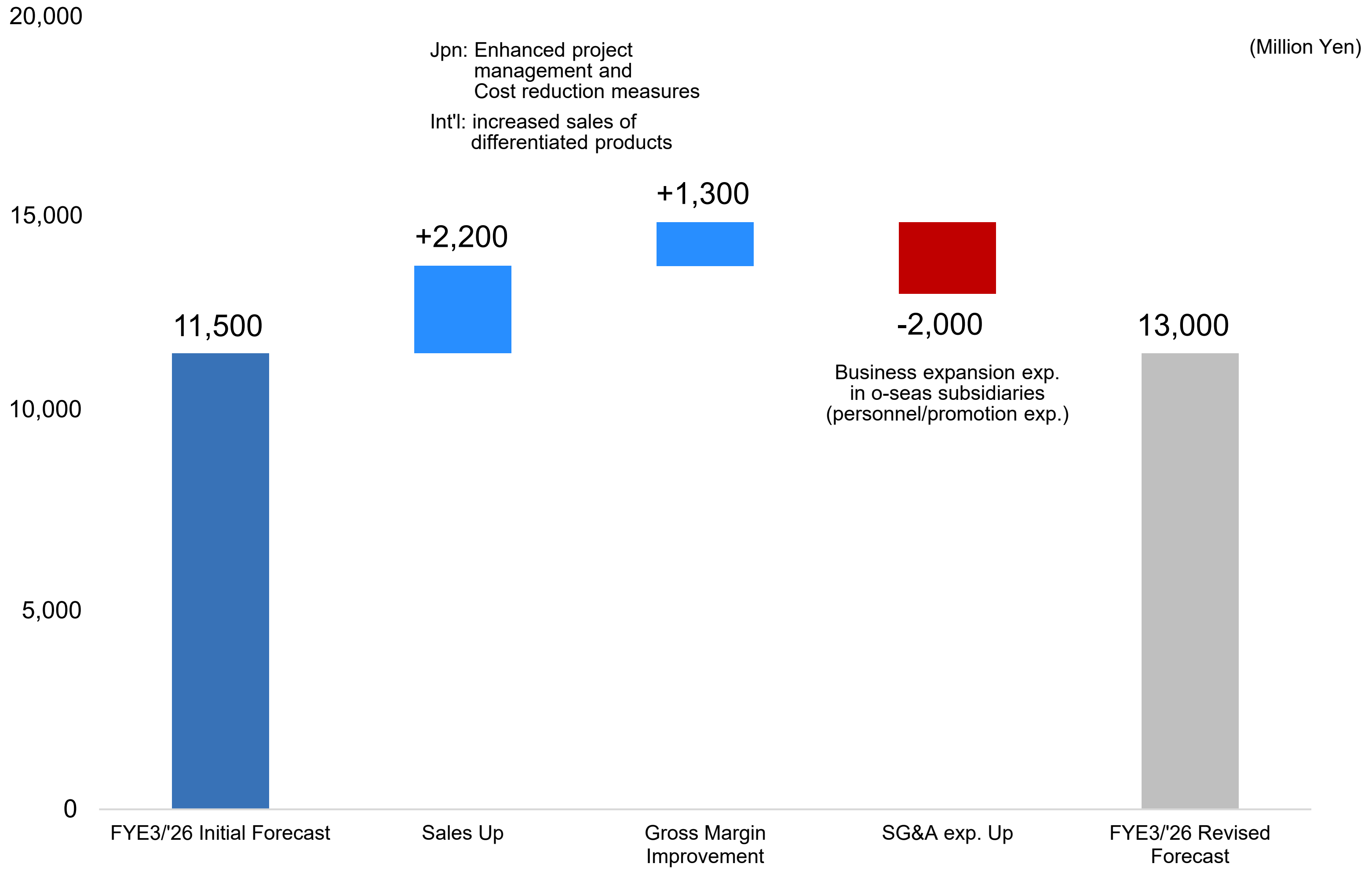
Expecting higher-than-previously-forecast sales and profits, reaching record levels due to strong sales of existing products and new technologies at the North American subsidiary, together with improved profitability in Japan driven by price revisions at METAWATER Service Co., Ltd., thorough project progress management, and cost reduction initiatives

(Million Yen) (Yen)

	Orders Received	Net Sales	Operating Income	Ordinary income	Profit attributable to owners of Parent	EPS	Full-Year DPS
Previous Forecast (as of 24 April 2025)	230,000	200,000	11,500	10,900	7,500	171.87	56
Revised Forecast	242,000	210,000	13,000	12,800	8,900	203.85	70
Increase/ Decrease	+12,000	+10,000	+1,500	+1,900	+1,400	-	+14
Change %	+5.2%	+5.0%	+13.0%	+17.4%	+18.7%	-	-
FYE 3/’25 Result	222,724	179,094	10,626	9,951	6,852	157.06	50

Factors for Change in FYE 3/'26 Operating Income Forecast

Expect an increase of 1.5B yen compared to the initial forecast, as improved profitability driven by increased differentiated products in International business, rigorous progress management of domestic projects, and cost reduction measures will offset increased expenses (personnel and promotional costs) associated with business expansion.



Earnings Forecast by Segment for FYE 3/’26

- Orders Received: Domestic EPC and service businesses continue to perform strongly.
- Net Sales: The revision of contract unit prices at METAWATER Service Co., Ltd. and sales of existing products and new technologies at the North American subsidiary are progressing favorably.
- Operating Income: Improved profitability driven by rigorous progress management and cost reduction measures in domestic projects, as well as sales growth from the North American subsidiary.

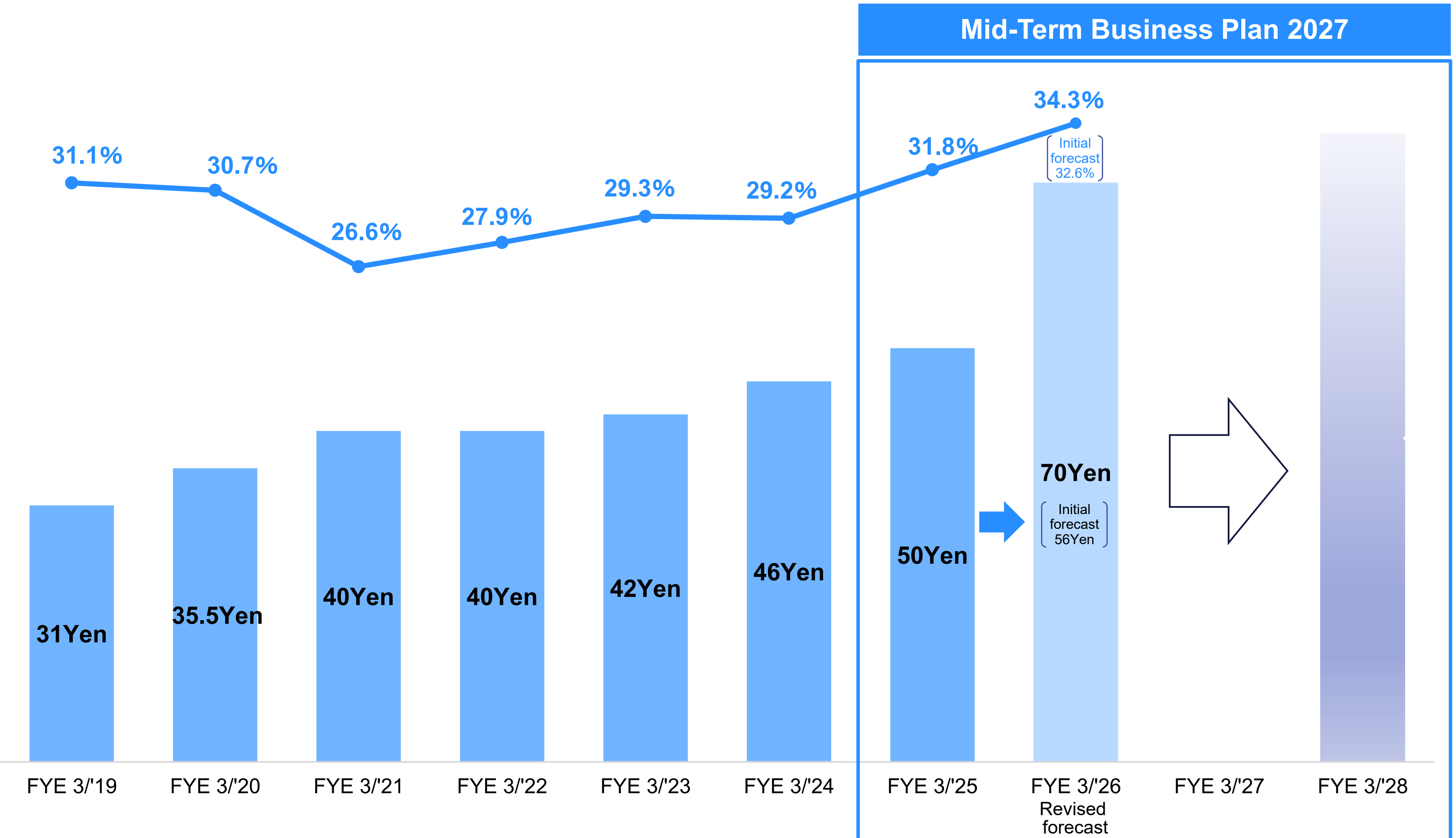
(Million Yen)

	Orders Received			Net Sales			Operating Income (Operating margin)		
	Initial forecast	Revised forecast	Change	Initial forecast	Revised forecast	Change	Initial forecast	Revised forecast	Change
Environmental Engineering Business	59,000	62,000	+3,000	58,000	58,000	0	3,600 (6.2%)	3,800 (6.6%)	+200
System Solution Business	67,000	75,000	+8,000	58,000	58,000	0	2,800 (4.8%)	2,800 (4.8%)	0
Operation Business	44,000	45,000	+1,000	32,000	33,000	+1,000	1,500 (4.7%)	1,900 (5.8%)	+400
International Business ＊1	60,000	60,000	0	52,000	61,000	+9,000	3,600 (6.9%)	4,500 (7.4%)	+900
Total	230,000	242,000	+12,000	200,000	210,000	+10,000	11,500 (5.8%)	13,000 (6.2%)	+1,500

*1 Assumed Exchange Rate : 150yen/$

Revision of Dividend Forecast

Owing to the early achievement of the Mid-Term Business Plan 2027 and in accordance with the dividend policy (progressive dividends, 30-40% payout ratio), the DPS for FYE 3'/26 has been raised from 50 yen to 70 yen, up 20 yen YoY, marking the fourth consecutive annual increase.



EPS (Yen)	99.7	115.8	150.5	143.4	143.5	157.7	**157.1**	**203.9**

*After adjusting for the stock split (1→2 shares) of FYE 3/'21 *Payout ratio = DPS / EPS

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National Resilience Plan / Water PPP

Ministry of Land, Infrastructure, Transport and Tourism: "FY2026 Budget Request for Water and Sewerage" is 1.2x higher YoY

- In June 2025, the Cabinet approved a plan to invest 20T yen over the next 5 years upgrading water supply and sewage systems, transportation networks, and other infrastructure to accelerate disaster prevention, mitigation, and countermeasures against aging infrastructure in response to climate change and population decline. Of this, 10.6T yen will be allocated to strengthening lifelines, including water and sewerage systems.
- For the fiscal year 2026, the MLIT has submitted a budget request for water and sewage that is 1.2x higher YoY.

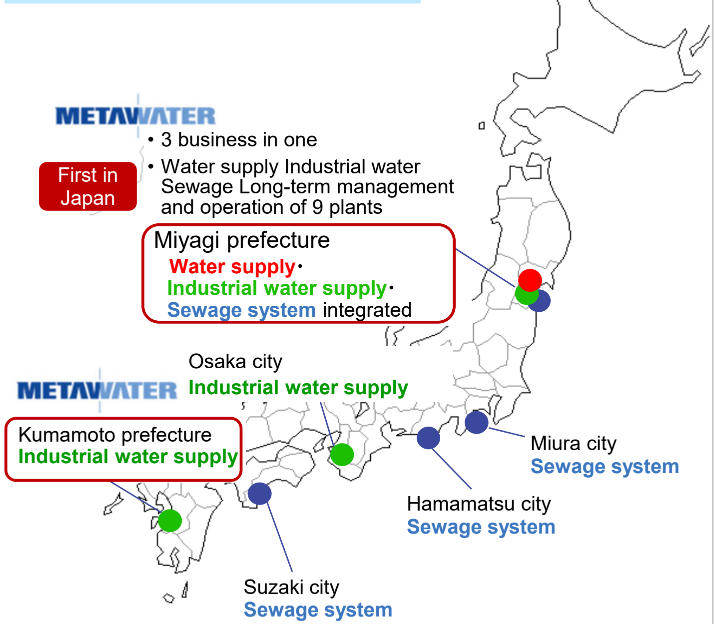
Our Action While monitoring market trends, we strengthen our design personnel and other resources, as well as enhance our project handling and proposal capabilities.

Introduction of Water PPP (Announced by the government in June 2023)

"Integrated Management and Renewal Approach", a new public-private partnership model, has been established to facilitate the phased transition to concession projects for water supply, sewage, and industrial water services. A target of 225 projects by 2031 has been set.

Our Action Although large-scale projects tend to be delayed, we continue to focus on promising opportunities as they arise.

6 Concession Projects, as of June 2023



Level 4.0 Public facility management business (concession)
- ・Contract:10-20 years
- ・Performance order Maintenance repair
- ・renewal work
- ・Operating rights
- ・Direct receipt of usage fees

New

Level 3.5 Management and renewal integrated management system
- ・Contract : 10 years
- ・Performance order
- ・Maintenance repair
- ・Renewal work or renewal planning

Level 3.0	Level 2.5 ＋ develop and implement repair plans
Level 2.5	Level 2 ＋ repairs below a certain amount
Level 2	Level 1 ＋ utility procurement and management
Level 1	water quality control, facility operation and maintenance

target number of projects (～2031)

Water supply 100

Sewage system 100

Industrial water supply 25

Joint PoC with 3-NTT Group Companies for Automating Water and Sewage Facility Maintenance and Inspection

Background Aging infrastructure, Financial constraints in water and sewage services, Decline in local government technical staff ⇒ Further expansion of the private sector's role through the introduction of W-PPP

It is essential to establish a sustainable operational support system that achieves efficiency and labor savings through business consolidation and wider-area integration.

Initiative Overview

(1) Optimization of information and communication networks in water and sewerage facilities

Current Situation

- Extensive grounds, elevation differences, and robust building structures
- Numerous aspects to be considered in constructing the information and communications network

- **Optimal network design and cost efficiency**

NTT Group expertise and local engineering capabilities
×
METAWATER's information and communications platform

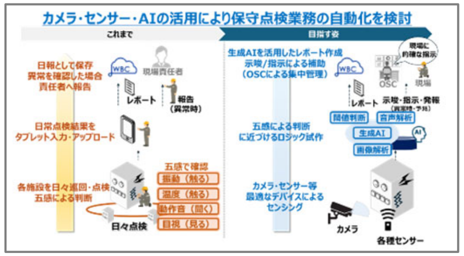
(2) Automation of maintenance and inspection work in water and sewage facilities

Current Situation

- Hundreds to thousands of devices and facilities
- Labor shortages and maintenance relying heavily on experienced technicians

- **Automation through sensing, image analysis, and generative AI**

- Anomaly detection and alerts ⇒ Coordination between WBC and the Operations Support Center (OSC) enables timely advice from expert staff



Each company's role

NTT, Inc.	Overall management and investigation of the demonstration
NTT EAST, Inc.	Planning of the demonstration experiment and examining solutions
NTT-ME CORPORATION	Development, construction, and verification of the demonstration environment
METAWATER Co., Ltd.	Evaluation of the effectiveness of the demonstration content

Implementation Location and Period

Utsunomiya City Waterworks and Sewerage Bureau Kiyohara Water Reclamation Center

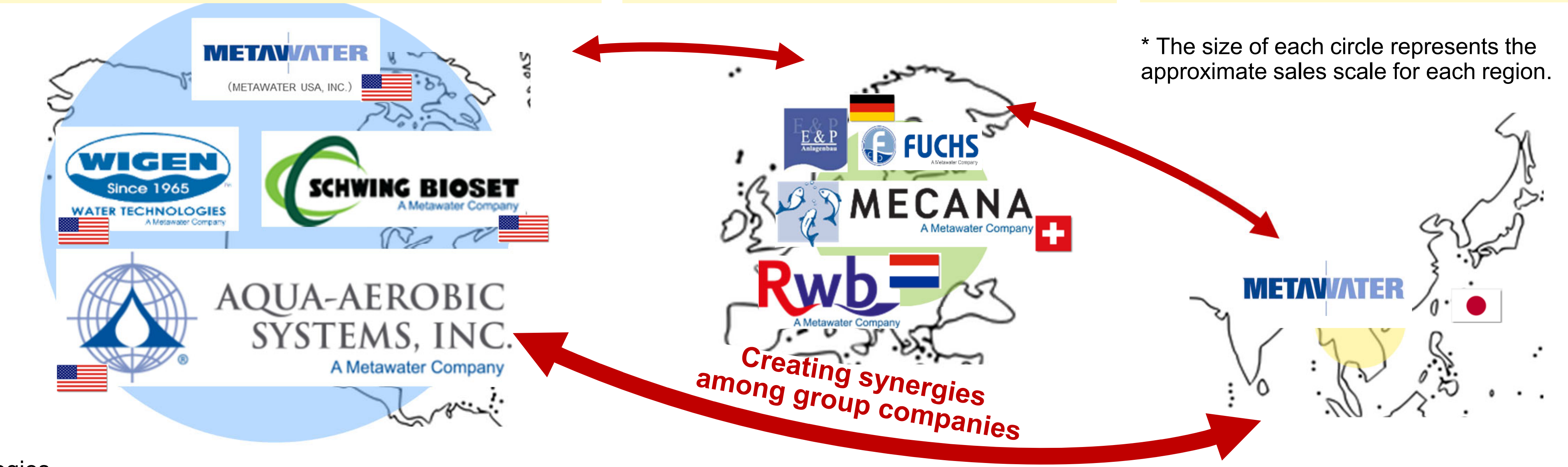
October 2025 to March 2027 (planned)

International Business

Building a local system based on strong products and technological capabilities to meet the expected increase in demand for advanced treatment such as “recycled water” and “micropollutant treatment“.

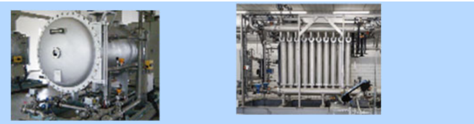
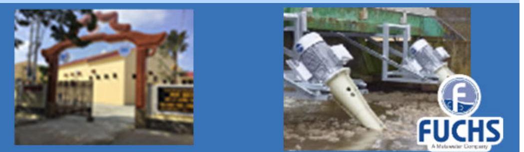
Sales 37.7B yen in FYE3/’25 ⇒ 61.0B yen in FYE3/’26 and growing further

	North America	Europe	Asia and Others
	Water shortages / Aging / Sophisticated treatment demand	Stricter egulations / Aging / Sophisticated treatment demand	Increasing infrastructure investment associated with population growth
Solutions	▪ Enhance strong product line and after-market business ▪ Entry into recycled water market	▪ Entry into trace contaminant treatment ▪ Entry into private sector demand (nitrate contamination)	▪ Enhance Collaboration with Partners ▪ Expand sales of ozone and ceramic membranes, focus on ODA



* The size of each circle represents the approximate sales scale for each region.

Main Technologies

	North America	Europe	Asia and Others
Water treatment	 UF Membrane Filtration / Ceramic Membrane Filtration	 NF/RO Membrane Filtration	 Ozonizor / Ceramic Membrane Filtration
Waste water treatment	 Nereda / Cloth media filter / Piston Pump (New)	 Aerator (slanted shaft) / Cloth media filter	 Pre-treated Trickling Filter System / Aerator (slanted shaft)

Establishing a Business Foundation in the German Market

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➢ Market Environment: Stricter environmental regulations have led to **increased demand for tertiary and quaternary treatment (nitrogen and phosphorus removal)**

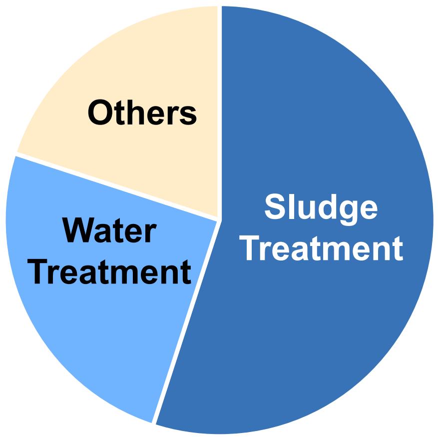
➢ Objective: To enter the German market, it is essential to **establish a business base through collaboration with a prime contractor**
Acquired all shares of "E&P Anlagenbau GmbH" to enter the German market

Aim **to build a business foundation through synergy with the advanced processing technologies** held by our European subsidiaries

Overview of E&P Anlagenbau GmbH

Name	**E&P Anlagenbau* GmbH (Limited Liability Company)** *"plant engineering" in German
Established / Location	2000 / Berlin, Germany
Representative	Jörg Engelhardt (CEO)
Business Activities	Design and construction of sewage and sludge treatment systems
Revenue	12M Euro
Note	Over 700 projects in Germany, and other European countries in the fields of sludge dewatering, thickening, process water treatment, biology, and other areas

Sales Composition



Aerator Candle Cleaning Process

Process Water Treatment (Nitrification/Denitrification)

Container System Centrifugal Dewatering Machine

North American Sewage Market - Aqua Aerobic Systems and Schwing Bioset -

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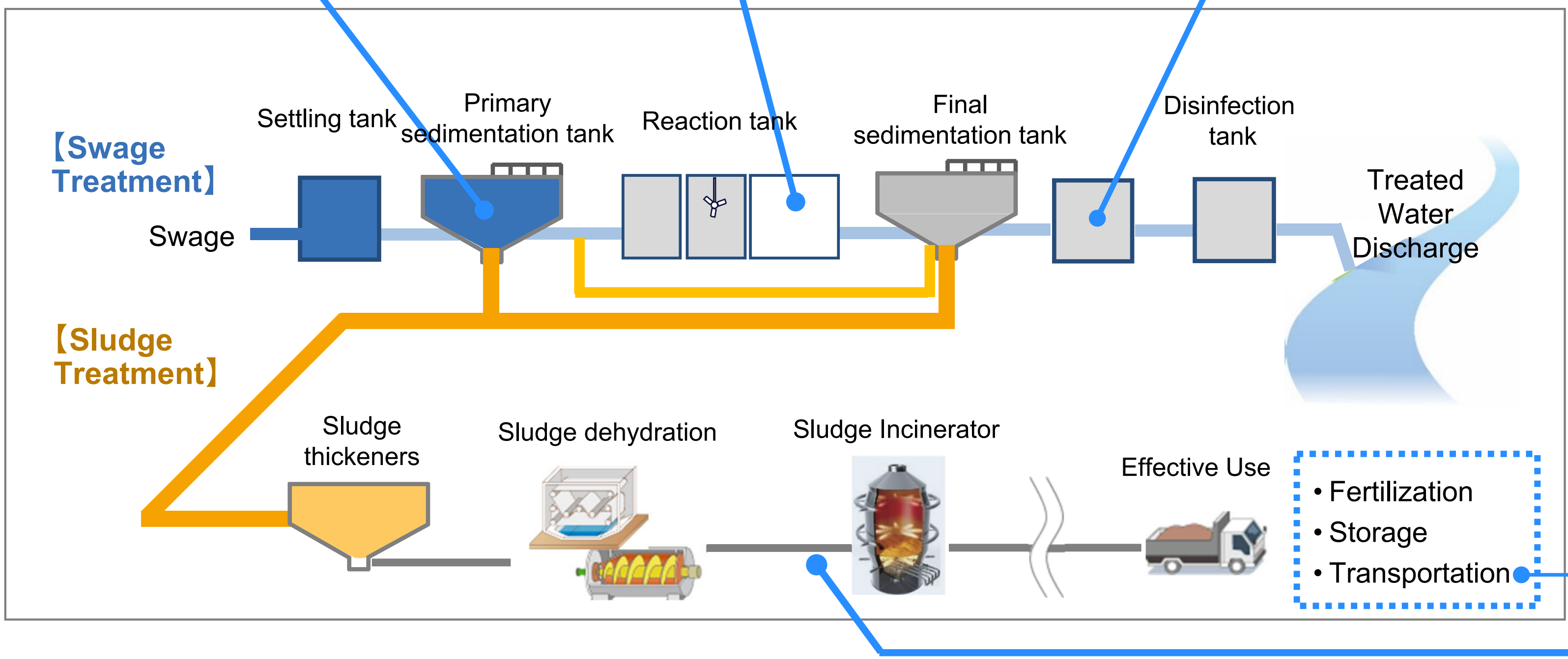
At Aqua-Aerobic Systems, existing products continue to perform strongly, supported by an extensive product lineup and increasingly stringent environmental regulations.

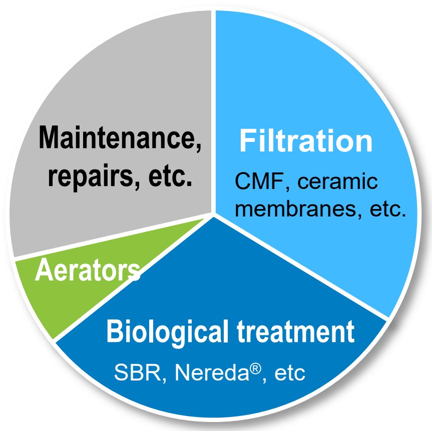
In addition, ramp-up of the new technology (Nereda®) for which we hold exclusive sales rights in North America

The newly acquired Schwing Bioset has enabled entry into sludge treatment, strengthening synergies across the group

■Sewage Treatment Flow (Excerpt)



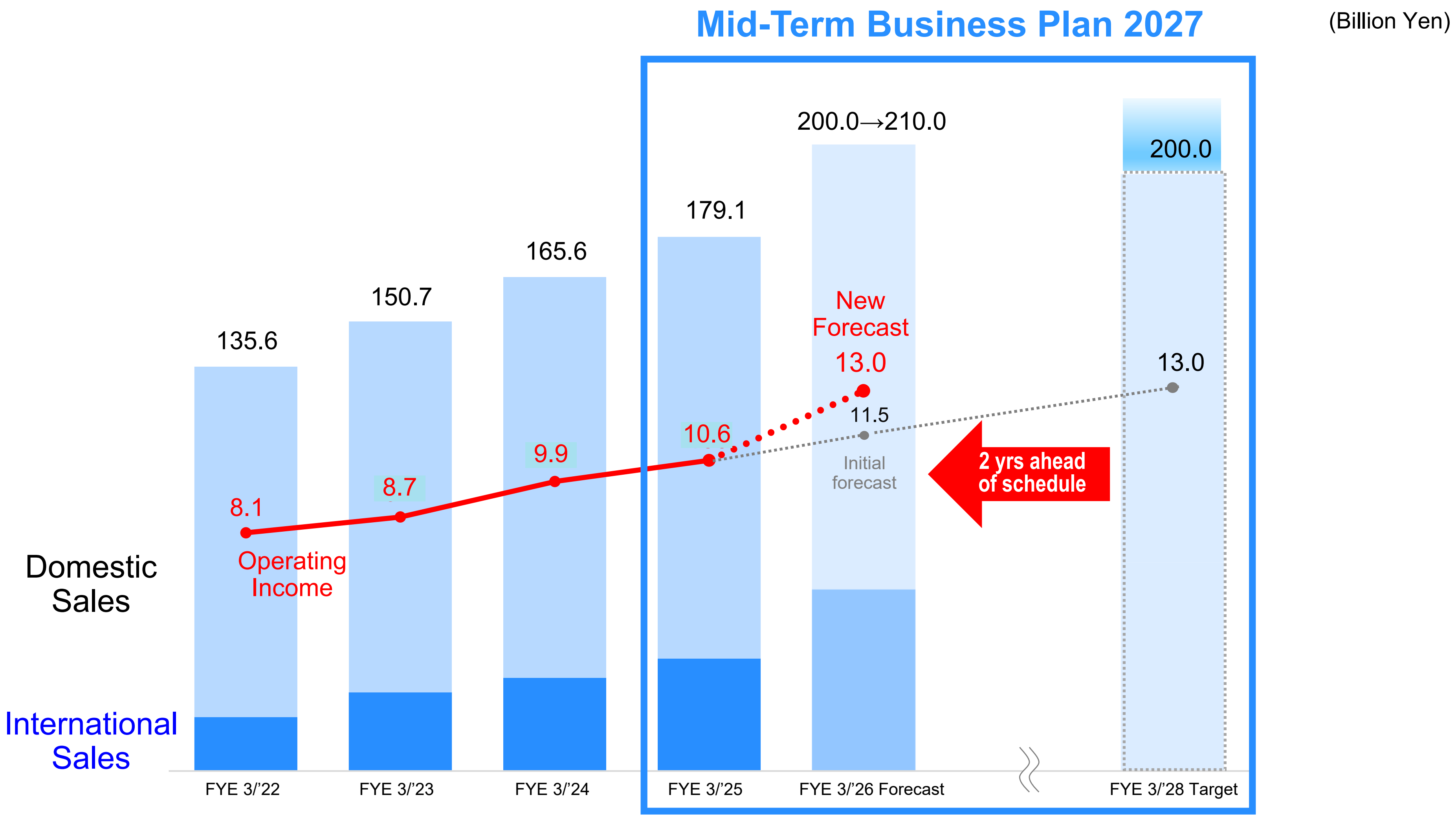
Aqua-Aerobic Systems Sales Composition (Non-consolidated)



Mid-Term Business Plan 2027 - Targets Achieved

FYE3/'26 forecast revised upward: Sales 200B yen → 210B yen,
Operating income 11.5B yen → 13.0B yen.

⇒ "Mid-Term Business Plan 2027" targets achieved 2-years ahead of schedule.
A new provisional target will be set and announced around April next year.



Segment Information and Acronyms

Segment Information

- **Environmental Engineering (EE) Business: Water Environmental Business / Resource and Environment Business**

  The main operations involved are those entailing processes such as the design, construction, upkeep, and operation & maintenance of elements such as machinery and equipment for domestic water treatment plants, sewage treatment plants, and resource recycling facilities.

- **System Solution (SS) Business: System Engineering Business / Customer Engineering Business**

  The main operations involved are those entailing the design, manufacture, upkeep, and operation & maintenance of elements such as electrical equipment for domestic water treatment plants and sewage treatment plants.

- **Operation Business**

  The main operations involved consist of those involved in the operation business for domestic water treatment plants, sewage treatment plants, and resource recycling facilities.

- **International Business**

  The main operations involved are the design, construction, upkeep, and operation & maintenance of facilities and equipment for water treatment plants and sewage treatment plants found overseas, as well as business which caters to demand in the private sector abroad.

Acronyms

EPC	Engineering, Procurement and Construction
O&M	Operation and Maintenance
PPP	Public-Private Partnership (Method through which the private sector participates in the provision of public services)
PFI	Private Finance Initiative (Method of public works which utilizes the private sector for the design and construction, operation and maintenance, management, and capital procurement of public facilities)
DBO	Design, Build and Operate (Method of public works which utilizes the private sector for the design and construction, and operation and maintenance management of public facilities)
Concession	An approach of granting business operation rights to private companies for a long term while leaving the authority of public facilities and authorization of business management to the public.

Disclosure Policy

1. Basic Policy
Based on its corporate philosophy, the METAWATER Group strives to become a corporate group that meets expectations of every stakeholder, garners trust from society and continuously contributes to society so as to achieve sustainable growth in society. In accordance with this viewpoint, the METAWATER Group discloses corporate information related to the Group to stakeholders and society in an equal, fair, timely and appropriate manner. It also promotes active communication with stakeholders to facilitate understanding of the METAWATER Group and ensure highly transparent and reliable business operations.

2. Basics of information disclosure
The METAWATER Group discloses corporate information whose disclosure is required by relevant laws such as the Companies Act, the Financial Instruments and Exchange Act, and rules set out by financial instruments exchanges in accordance with the applicable laws, regulations or rules. Even if the corporate information does not fall under such information, the Group proactively discloses information as much as possible when it is deemed to be useful for stakeholders or disclosure is deemed to be necessary for society.

3. Method of information disclosure
For corporate information whose disclosure is required by the above-mentioned laws, regulations and rules, the Group discloses information in a manner set out by the applicable laws, regulations or rules, and through the Company’s website. Information that does not fall under such information is disclosed through the media, the Company’s website or other appropriate means in consideration of its significance and urgent needs.

4. Communication after information is disclosed
The METAWATER Group actively communicates with stakeholders regarding disclosed information by answering questions in a conference, briefings meeting, interviews and inquiries. Opinions received from stakeholders through communication are shared within the Company’s Group and treated as future reference.

5. Silent Period
In order to prevent the leaks of accounts closing information and ensure fairness, the Group sets a silent period that starts on the day after the closing date (including quarterly periods) through to the day of announcing financial statements. During this silent period, the Group does not answer any questions in a conference, briefings meeting, interviews and inquiries regarding the accounts closing and business prospects, except where information on a revision of business forecasts is disclosed.

6. Forward-looking statements
Of business forecasts, strategies and targets disclosed by the METAWATER Group, forward-looking statements are made based on information available to the Company’s Group as of the date of disclosure and a certain grounds that are deemed to be reasonable. Actual performance may differ from forecasts as a result of various factors.

7. Establishment of Internal Structure
The METAWATER Group builds an internal structure and establishes internal rules so as to comply with this Disclosure Policy, disclose information in an appropriate manner, and communicate with stakeholders.

Contact regarding this document

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Achievements

- Issued “METAWATER Report 2025”, the Integrated Report（August）

  https://www.metawater.co.jp/eng/ir/library/library04.html

- Renewal of Illuminated Signage Advertising at Haneda Airport Domestic Passenger Terminal（July）

  As part of our brand promotion, we have renewed the illuminated signage advertising at Haneda Airport's Terminal 1 and Terminal 2 buildings with a new design.

Haneda Airport Terminal 1 Building, 2nd Floor, South Departure/Arrival Concourse

Haneda Airport Terminal 2 Building, 2nd Floor, North Departure Concourse (Near Gate 59)