



METAWATER Co., Ltd.

For Immediate Release

July 29, 2026

CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2026 (Unaudited)

[JP GAAP]

Company name	METAWATER Co., Ltd.
Stock exchanges on which the shares are listed	Prime Market of Tokyo Stock Exchange
Securities code	9551
URL	https://www.metawater.co.jp
Representative	Kenji Yamaguchi President and Representative Director
Contact person	Tomoyuki Takase Executive Officer Executive General Manager of Accounting and Financial Planning Office (TEL.:+81-3-6853-7317)
Payment date of cash dividends	—
Supplementary information materials on results	Available
Results briefing	Will not be held

(Amounts are rounded down to the nearest million yen)

1. Highlight of consolidated results for the three months ended June 30, 2026

(1) Consolidated operating results (year-to-date)

(Percentages are year-to-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2026	37,677	14.0	(910)	—	(861)	—	(711)	—
Three months ended June 30, 2025	33,054	32.1	(603)	—	(665)	—	(1,003)	—

Note: Comprehensive income: Three months ended June 30, 2026 307 million yen — %
Three months ended June 30, 2025 (2,027) million yen — %

	Net income per share - Basic -	Net income per share - Diluted -
	Yen	Yen
Three months ended June 30, 2026	(16.29)	—
Three months ended June 30, 2025	(22.99)	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets
	Million yen	Million yen	%
As of June 30, 2026	210,539	92,735	41.8
As of March 31, 2026	220,292	94,150	40.6

Note: Shareholders' equity: As of June 30, 2026 88,043 million yen
As of March 31, 2026 89,519 million yen

2. Dividends

Period	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	35.00	—	35.00	70.00
Fiscal year ending March 31, 2027	—				
Fiscal year ending March 31, 2027 (Forecast)		40.00	—	40.00	80.00

Note: Revision of forecast for dividends from the latest announcement: No

3. Forecast for consolidated operating results for the fiscal year ending March 31, 2027

(Percentages are year-to-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share - Basic -
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2027	240,000	14.4	15,000	16.5	14,500	10.1	10,000	9.5	229.04

Note: Revision of forecast for operating results from the latest announcement: No

Notes:

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2026:
No
- (2) Application of accounting method specific to preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - (a) Changes by a newly issued or amended accounting pronouncement: No
 - (b) Changes other than (3)-(a) above: No
 - (c) Changes in accounting estimates: No
 - (d) Retrospective restatement: No
- (4) Number of shares issued and outstanding (common stock)
 - (a) Number of shares issued and outstanding at the end of the period (including treasury stock): 44,258,500 shares as of March 31, 2026 and 44,258,500 shares as of June 30, 2026.
 - (b) Number of treasury stock at the end of the period: 598,014 shares as of March 31, 2026 and 598,044 shares as of June 30, 2026.
 - (c) Average number of shares outstanding for the period: 43,638,786 shares for the three months ended June 30, 2025 and 43,660,485 shares for the three months ended June 30, 2026.

Note: Metawater shares held by Custody Bank of Japan, Ltd. (trust E account) as trust assets under a Stock Benefit Trust (J-ESOP) are included in the number of treasury stock to calculate the number of treasury stock at the end of the period and the average number of shares outstanding for the period.

* Review of the accompanying quarterly consolidated financial statements performed by certified public accountants or accounting firm: No

* Appropriate use of forecasts and other matters

Descriptions and statements in relation to estimates and other forward-looking projections disclosed in this document are based on judgments and assumptions using information currently available to the Company. Actual results may differ significantly from such projections due to risks of uncertainty inherent in such judgments and assumptions as well as changes in business operations and the internal and external environment of the Company. As such, the Company does not guarantee the accuracy of any forward-looking projections disclosed.

Contents of Appendix

1. Qualitative Information Regarding Consolidated Results for the Three Months Ended June 30, 2026	5
(1) Explanation of Operating Results	5
(2) Explanation of Financial Position	7
(3) Explanation of Consolidated Business Forecast.....	7
2. Quarterly Consolidated Financial Statements and Major Notes.....	8
(1) Quarterly Consolidated Balance Sheets	8
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	10
(3) Notes to Quarterly Consolidated Financial Statements.....	12
Notes on Going Concern Assumption	12
Notes on Significant Changes in Shareholders' Equity.....	12
Application of Accounting Method Specific to Preparation of Quarterly Consolidated Financial Statements	12
Segment Information.....	13
Notes to Quarterly Consolidated Statement of Cash Flows.....	13

1. Qualitative Information Regarding Consolidated Results for the Three Months Ended June 30, 2026

(1) Explanation of Operating Results

The Japanese economy recovered modestly during the three months ended June 30, 2026, due to the improved employment and income environment as well as various effective policies. In addition, the global economy continued to show signs of a slower recovery, despite stagnation in some regions. On the other hand, there were growing concerns about downside risks to the economy, such as the situation in the Middle East, fluctuations in the financial and capital markets, and the policy trends in the U.S.

Under such circumstances, the Group has been making company-wide efforts to achieve the Midterm Business Plan 2027 (through the fiscal year ending March 31, 2028), by focusing on the following priority measures: i) growth strategies in each business field, ii) investment and financing strategies to enhance corporate value and iii) sustainability efforts.

The operating results of the Group for the three months ended June 30, 2026 are as shown in the table below.

Net sales remained strong and increased year on year, while operating income decreased year on year due to lower profits in the Environmental Engineering Business and the International Business. Ordinary income includes ¥134 million of the foreign exchange gain due to depreciation of Japanese Yen.

Our business consists mostly of the domestic public work projects for government agencies, which are typically developed and completed intensively in the fourth quarter. As a result, operating results for the first three months tend to be low, and this fiscal year is no exception.

	Three months ended June 30, 2025 (Million yen)	Three months ended June 30, 2026 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	33,054	37,677	4,622	14.0
Operating income	(603)	(910)	(306)	—
Ordinary income	(665)	(861)	(195)	—
Profit attributable to owners of parent	(1,003)	(711)	292	—
Order received	69,645	74,262	4,617	6.6
Order backlog	355,291	425,884	70,592	19.9

The Group's business consists of four segments: Environmental Engineering Business, System Solution Business, Operation Business, and International Business. Operating results by segment are as follows.

(Environmental Engineering Business)

The Environmental Engineering Business Segment, which consists of the Water Environmental Business and the Resource and Environmental Business, is primarily engaged in the design, construction, maintenance and inspection of mechanical equipment for domestic water and sewage treatment plants and resource recycling facilities.

In the Water Environmental Business, net sales increased year on year driven by the steady performance of large-scale construction work, while operating income decreased year on year due to the recognition of costs to address defects for certain products.

In the Resource and Environmental Business, net sales were at the same level year on year driven by the steady performance of large-scale construction work, while operating income decreased year on year mainly due to deteriorating profitability on certain construction work and a decrease in net sales from the maintenance and inspection services.

	Three months ended June 30, 2025 (Million yen)	Three months ended June 30, 2026 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	8,553	9,497	943	11.0
Operating income	(427)	(727)	(299)	—
Order received	16,588	21,013	4,425	26.7
Order backlog	109,549	129,652	20,102	18.4

(System Solution Business)

The System Solution Business Segment, which consists of the System Engineering Business and the Customer Engineering Businesses, is primarily engaged in the design, manufacture, maintenance and management of electrical equipment for domestic water and sewage treatment plants.

In the System Engineering Business, net sales increased year on year driven by the steady performance of large-scale construction work, while operating income slightly decreased year on year mainly due to an increase in labor costs.

In the Customer Engineering Business, net sales were at the same level year on year driven by the steady performance of repair work, while operating income increased year on year driven by improved profitability on certain projects.

	Three months ended June 30, 2025 (Million yen)	Three months ended June 30, 2026 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	6,903	7,269	365	5.3
Operating income	(1,168)	(1,141)	27	—
Order received	26,213	19,346	(6,867)	(26.2)
Order backlog	90,636	109,130	18,493	20.4

(Operation Business)

The Operation Business Segment is primarily engaged in the operation of domestic water and sewage treatment plants and resource recycling facilities.

Both net sales and operating income increased year on year supported by the steady performance of subsidiaries.

	Three months ended June 30, 2025 (Million yen)	Three months ended June 30, 2026 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	5,802	6,126	324	5.6
Operating income	113	239	126	111.6
Order received	13,364	15,172	1,807	13.5
Order backlog	110,582	127,480	16,897	15.3

(International Business)

The International Business Segment is primarily engaged in the design, construction, maintenance, and management of facilities and equipment for international water and sewage treatment plants, as well as private sector business.

Net sales increased year on year supported by the steady performance of subsidiaries in North America and Europe, while operating income decreased year on year due to the impact of a low-profit project at Schwing Bioset, Inc., one of the Company's subsidiaries in North America.

	Three months ended June 30, 2025 (Million yen)	Three months ended June 30, 2026 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	11,795	14,784	2,988	25.3
Operating income	879	717	(161)	(18.3)
Order received	13,478	18,729	5,250	39.0
Order backlog	44,522	59,621	15,098	33.9

(2) Explanation of Financial Position

Total assets as of June 30, 2026 decreased by ¥9,753 million compared to March 31, 2026 to ¥210,539 million.

Current assets decreased by ¥14,278 million compared to March 31, 2026 to ¥148,875 million due to a decrease in notes and accounts receivable - trade, and contract assets, offsetting an increase in cash and deposits and work in process.

Non-current assets increased by ¥4,530 million compared to March 31, 2026 to ¥61,600 million due to an increase in construction in progress.

Current liabilities decreased by ¥7,919 million compared to March 31, 2026 to ¥71,339 million due to a decrease in accounts payable - trade, offsetting an increase in contract liabilities.

Non-current liabilities decreased by ¥418 million compared to March 31, 2026 to ¥46,464 million due to a decrease in PFI and other project finance loans.

Total net assets decreased by ¥1,415 million compared to March 31, 2026 to ¥92,735 million due to the recognition of loss attributable to owners of parent and payment of dividends.

(3) Explanation of Consolidated Business Forecast

There is no change in the forecast for the fiscal year ending March 31, 2027 announced on April 24, 2026.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	27,266	59,372
Notes and accounts receivable - trade, and contract assets	109,932	62,121
Work in process	2,070	5,320
Supplies	12,244	12,807
Other current assets	11,640	9,254
Total current assets	163,154	148,875
Non-current assets		
Property, plant and equipment	13,835	18,593
Intangible assets		
Goodwill	3,890	3,835
Customer-related assets	6,389	6,378
Right to operate public facilities	800	787
Other intangible assets	11,718	11,466
Total intangible assets	22,798	22,467
Investments and other assets	20,436	20,539
Total non-current assets	57,070	61,600
Deferred assets	67	62
Total assets	220,292	210,539

(1) Quarterly Consolidated Balance Sheets (continued)

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	29,356	14,789
Electronically recorded obligations	8,213	10,939
Current portion of PFI and other project finance loans	711	715
Income taxes payable	2,925	269
Contract liabilities	19,495	27,902
Provision for warranties for completed construction	2,435	2,661
Provision for loss on construction contracts	1,227	1,010
Other current liabilities	14,893	13,050
Total current liabilities	79,259	71,339
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	5,017	5,016
PFI and other project finance loans	13,883	13,541
Liability for retirement benefit	4,665	4,525
Other non-current liabilities	3,316	3,379
Total non-current liabilities	46,882	46,464
Total liabilities	126,142	117,803
Net assets		
Shareholders' equity		
Capital stock	11,946	11,946
Capital surplus	9,562	9,562
Retained earnings	61,207	58,859
Treasury stock	(1,161)	(1,161)
Total shareholders' equity	81,554	79,206
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	162	167
Deferred gains or losses on hedges	174	200
Foreign currency translation adjustment	6,057	6,773
Remeasurements of defined benefit plans	1,569	1,696
Total accumulated other comprehensive income	7,964	8,837
Non-controlling interests	4,631	4,691
Total net assets	94,150	92,735
Total liabilities and net assets	220,292	210,539

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

	(Millions of yen)	
	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	33,054	37,677
Cost of sales	26,172	29,267
Gross profit	6,881	8,409
Selling, general and administrative expenses	7,485	9,320
Operating loss	(603)	(910)
Non-operating income		
Interest income	65	44
Dividends income	135	102
Foreign exchange gain	—	134
Miscellaneous income	37	4
Total non-operating income	238	285
Non-operating expenses		
Interest expenses	129	141
Share of loss of entities accounted for using equity method	—	43
Loss on disposal of non-current assets	0	32
Foreign exchange loss	152	—
Miscellaneous loss	18	19
Total non-operating expenses	300	236
Ordinary loss	(665)	(861)
Extraordinary losses		
System migration costs	5	—
Total extraordinary losses	5	—
Loss before income taxes	(671)	(861)
Income taxes	247	(247)
Net loss	(918)	(613)
Profit attributable to non-controlling interests	84	97
Loss attributable to owners of parent	(1,003)	(711)

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income (continued)

Quarterly Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Three months ended June 30, 2025	Three months ended June 30, 2026
Net loss	(918)	(613)
Other comprehensive income		
Valuation difference on available-for-sale securities	45	5
Deferred gains or losses on hedges	3	75
Foreign currency translation adjustment	(1,151)	714
Remeasurements of defined benefit plans	(7)	117
Share of other comprehensive income of entities accounted for using equity method	—	10
Total other comprehensive income	(1,108)	921
Comprehensive income	(2,027)	307
(Details)		
Comprehensive income attributable to owners of parent	(2,114)	161
Comprehensive income attributable to non-controlling interests	86	146

(3) Notes to Quarterly Consolidated Financial Statements

Notes on Going Concern Assumption

No items to report.

Notes on Significant Changes in Shareholders' Equity

No items to report.

Application of Accounting Method Specific to Preparation of Quarterly Consolidated Financial Statements

(Calculation of Tax Expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate applied to income before income taxes for the consolidated fiscal year including the three months ended June 30, 2026 after applying tax effect accounting, and multiplying income before income taxes for the quarter by such effective tax rate. For the Group companies where the estimated effective tax rate cannot be used, the statutory effective tax rate is used instead.

Segment Information

1-1. Net sales and income or loss by reportable segment for the three months ended June 30, 2025

(Millions of yen)

	Reportable segments					Adjust- ments	Consoli- dated
	Environmental Engineering Business	System Solution Business	Operation Business	International Business	Total		
Net Sales							
Sales to third parties	8,553	6,903	5,802	11,795	33,054	—	33,054
Inter-segment transactions and transfers	—	—	—	—	—	—	—
Total	8,553	6,903	5,802	11,795	33,054	—	33,054
Segment income/(loss)	(427)	(1,168)	113	879	(603)	—	(603)

Note: Segment income/(loss) is based on operating loss. There is no difference between segment loss and operating loss recorded on the quarterly consolidated statements of income.

1-2. Net sales and income or loss by reportable segment for the three months ended June 30, 2026

(Millions of yen)

	Reportable segments					Adjust- ments	Consoli- dated
	Environmental Engineering Business	System Solution Business	Operation Business	International Business	Total		
Net Sales							
Sales to third parties	9,497	7,269	6,126	14,784	37,677	—	37,677
Inter-segment transactions and transfers	—	—	—	—	—	—	—
Total	9,497	7,269	6,126	14,784	37,677	—	37,677
Segment income/(loss)	(727)	(1,141)	239	717	(910)	—	(910)

Note: Segment income/(loss) is based on operating loss. There is no difference between segment loss and operating loss recorded on the quarterly consolidated statements of income.

Notes to Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows for the three months ended June 30, 2026 has not been prepared. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended June 30, 2026 are as follows.

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	712	929
Amortization of goodwill	81	128