

An aerial photograph of a modern cityscape, featuring several tall, cylindrical skyscrapers and a large green park area with winding paths. The image is overlaid with a semi-transparent blue circular graphic on the left side.

2026

METAWATER REPORT

METAWATER Report
for the Fiscal Year Ended March 2026

METAWATER Co.,Ltd.



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Reporting Period This report primarily covers the results for fiscal 2025 (fiscal year ended March 2026), with certain content also including information from periods before and after this timeframe.

Reference Guidelines

- SDGs (Sustainable Development Goals)
- International Integrated Reporting Framework by the International Integrated Reporting Council (IIRC)
- GRI Sustainability Reporting Guidelines
- Ministry of Economy, Trade and Industry (METI) Guidance for Collaborative Value Creation
- The United Nations Global Compact (Ten Principles)
- Ministry of the Environment's Environmental Reporting Guidelines (2018 Edition)

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Our Group's Strengths at a Glance in Numbers

- Environmental Engineering Business
- Operations Business
- System Solutions Business
- Overseas Business

Completed facility and equipment design and construction projects

Over 2,300 sites

Delivery record for ceramic membranes for large-scale water treatment plants

Over 10 locations

Number of prefectures where water business cloud systems have been delivered

45 prefectures

Number of on-site personnel

Over 2,300 people

Delivery record for large-scale ozone generators

Over 60 locations

Number of facilities contracted for operation and maintenance throughout our group*3

Over 100 sites

Delivery record for incineration systems*1

Over 130 sites

Investment initiatives in special purpose companies (SPCs) and similar entities

43 projects*2

Local offices/partner companies

Over 20 sites

Delivery record for monitoring and control systems

Over 450 sites

Delivery record for high-speed filtration systems

Over 45 sites

Domestic service locations

Over 30 sites

Number of public-private partnership projects in the domestic water and environmental fields

62 projects*2

*1 Includes gasification and carbonization facilities *2 Major projects with long-term contracts of more than 15 years or investments in special purpose companies (SPCs), etc. (including those where SPCs have been liquidated and those planned to be established in the future)
*3 Total number of water supply, sewerage, and resource recycling facilities under operation, maintenance, and inspection (including Private Finance Initiatives and Design, Build and Operate projects).

Glossary of Terms

EPC

Design and construction of facilities and equipment

O&M

Operation and maintenance of facilities and equipment

DBM

A method in which a private operator is responsible for the design, construction, operation, and maintenance of a facility (but not its management).

Private Finance Initiative (PFI) Act

Act on Promotion of Private Finance Initiative

WBC

An abbreviation for Water Business Cloud. Our proprietary real-time information and communication platform for sharing, analyzing, and utilizing data among stakeholders.

PPP

A broad concept that refers to various methods of involving the private sector in the provision of public services, with the aim of improving efficiency and service quality by utilizing private sector funding, technology, expertise, and management skills.

DB

A method in which facility design and construction are comprehensively implemented by leveraging the expertise of private operators.

Concession

A method in which the public entity retains ownership of a public facility that collects usage fees, and the right to operate the facility is assigned to a private operator.

Public-Private Partnership for Water (Water PPP)

A public-private partnership method for the phased transition of public facility operations in the water supply, sewerage, and industrial water sectors, in which management and renewal are integrated under a long-term contract. This framework was announced by the Cabinet Office in June 2023.

PFI

A method for the comprehensive implementation of facility design, construction, operation, maintenance, and point repair by utilizing the funds and expertise of private operators.

DBO

A comprehensive method for facility design, construction, operation, maintenance, and point repair that leverages the expertise of private operators.

SPC

A company established specifically to carry out particular business activities (a Special Purpose Company).

BTO

A method in which the private operator procures financing, designs and constructs the facility, transfers ownership to the public, and then operates and maintains the facility.

Performance-based order

A method in which the client specifies the required performance and functions, while the detailed specifications are left to the discretion of the contractor.

Specification-Based Contracting

A method in which the client defines the detailed structure, materials, and technical specifications of the facility before placing an order.

Feature SUSTAINABLE WATER KEEPERS

The water and wastewater business faces an unprecedented crisis driven by declining revenue, aging facilities, and labor shortages. We are confronting these challenges by fully leveraging our commitment to our mission, expertise, and technologies. This feature tells the story of the Miyagi Prefecture Integrated Water Supply, Industrial Waterworks, and Sewerage Public-Private Partnership Management Project, which bundles waterworks, industrial waterworks, and sewerage works, and how local governments and companies are each bringing their own strengths as they work together to create a new model for infrastructure.



Technical Planning Department
Planning Group



Fumotoyama Water Treatment Plant
Facility Management Supervisory
Department
Maintenance Management Team



Engineering Department
Electric Equipment Group



Senen Wastewater Treatment Center
Facility Management Supervisory
Department / Water Quality Analysis



Senen Wastewater Treatment Center
Facility Management Supervisory
Department
Maintenance Management Department



Corporate Administration
Department
Corporate Planning Group



Fumotoyama Water Treatment Plant
Facility Management Supervisory
Department
Operation Management Team



Technical Planning Department
Improvement Proposal Group



Corporate Administration
Department
Finance and Accounting Group



Senen Wastewater Treatment Center
Facility Management Supervisory
Department
Water Treatment Operation Manager



Engineering Department
Construction Supervision Group



Fumotoyama Water Treatment Plant
Facility Management Supervisory
Department
Water Quality Team



K. K. Mizumusubi Management Miyagi
President and Representative Director
Susumu Kadowaki

K.K. Mizumusubi Service Miyagi
President and Representative Director
Takechi Ando

The Challenge of Protecting the Future of Water Through Public-Private Partnerships

Creating a New Model for Infrastructure Through Passion and Digital Technology

Japan's first integrated public-private partnership operation project for waterworks, industrial waterworks, and sewerage

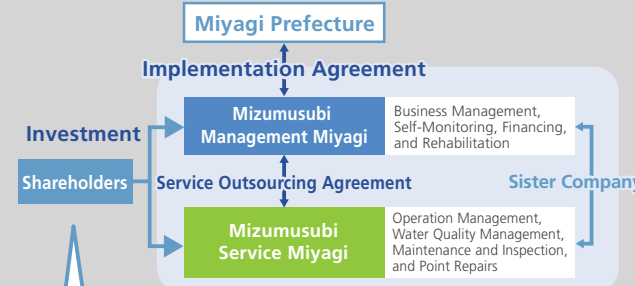
Mizumusubi is a concessionaire for the Miyagi Prefecture integrated public-private partnership operation project for waterworks, industrial waterworks, and sewerage. It consists of two companies: K.K. Mizumusubi Management Miyagi (MMM), which carries out the overall operation of nine projects (water supply, sewerage, and industrial water) in Miyagi Prefecture, and K.K. Mizumusubi Service Miyagi (MSM), which is contracted for operation and maintenance services for this project and carries out operation management, point repairs, and inspections of waterworks and industrial waterworks facilities and wastewater treatment facilities in the prefecture. Guided by its three management principles of Local Community, Trust, and Innovation, the project is promoting sustainable, integrated operations to support the future of Miyagi's water services. In contrast to MMM, which was established for a limited 20-year period, MSM, which is responsible for on-site maintenance and management, will continue operating after those 20 years, helping to sustain local employment and ensure the transfer of technical expertise. Under this framework, Mizumusubi complies with prefecture-led monitoring based on stringent water quality requirements, and experts act as one team and make full use of digital technologies to continue ensuring high safety at all times.

We leverage economies of scale to achieve steady DX efforts and cost reductions.

Under this project, we have renewed the aging system and introduced an integrated wide-area monitoring and control system that enables centralized monitoring of water treatment plants and wastewater treatment centers scattered throughout the prefecture. In addition, by building the Water Miyagi Digital Transformation Platform (MDP), we have established a robust crisis management framework that enables remote monitoring and control even in the event of disasters. These innovative initiatives have been highly acclaimed, earning honors including the Infrastructure Maintenance Grand Prize. In addition, we expect to reduce maintenance costs by balancing the selection of optimal purchasing and procurement methods with fair bidding, supported by shareholder companies, and by actively introducing solar power generation. In 2025, rising water temperatures led to problems including musty odors and water shortages, requiring concerted efforts from on-site teams. Going forward, we will also collaborate with university experts and explore medium- to long-term technical solutions. By building on pioneering endeavors and management efforts that draw on the expertise of all 10 companies, we are paving the way for a sustainable future for water infrastructure.

Overview of the Miyagi Prefecture Integrated Public-Private Partnership Operation Project for Waterworks, Industrial Waterworks, and Sewerage (Miyagi Model for Management and Operation)

Project Structure



- ① METAWATER Co., Ltd. ② Veolia Genets Co., Ltd.
③ ORIX Corporation ④ Hitachi, Ltd. ⑤ NJS Co., Ltd.
⑥ Hashimototen Co., Ltd. ⑦ Fukken Gijutsu Consultants Co., Ltd.
⑧ Sanden Kogyo Co., Ltd. ⑨ Tokyu Construction Co., Ltd.
⑩ METAWATER SERVICE Co., Ltd.

Miyagi Model	Contract Period	20 Years (Long Term)	- Greater benefits from economies of scale - Greater employment stability
	Contract Unit	Contract with a private company for nine projects as an integrated package	
	Performance-Based Procurement	The prefecture specifies water quality standards to ensure safety. ⇒ The means of achieving those standards are left to the expertise and ingenuity of the private companies.	- Maximizes private-sector capabilities - Enables cost reduction

Cost Reduction Project Cost Reduction: 28.7 billion yen

Division of Roles Between Private Companies (Mizumusubi) and Miyagi Prefecture

Content	Division of Roles	
	Previously	Miyagi Model
Comprehensive management and monitoring of the overall project	Prefecture	Prefecture
Ownership of facilities	Prefecture	Prefecture
Operation management of waterworks and sewerage facilities	Private Sector	Private Sector
Procurement of chemicals and materials and point repairs and renewal work for equipment	Prefecture	Private Sector
Water quality testing based on laws and regulations	Prefecture	Prefecture
Operation and maintenance of pipelines and renewal work for pipelines and buildings	Prefecture	Prefecture

Chapter 01

Joining Forces to Break Barriers and Explore New Frontiers

Mizumusubi Management Miyagi (MMM) is responsible for overall project operations. Transcending company boundaries to work as one team, we bring together our expertise and digital technologies. In this feature, these professionals share their firsthand perspectives.

A “Third Eye” for Reliable Water Quality in Miyagi

MMM is responsible for an unprecedentedly broad scope of infrastructure operations spanning nine water, industrial water, and wastewater businesses. Self-monitoring is a function for independently verifying and evaluating whether all nine operations meet the stringent requirements established by the prefecture. The Technical Planning Department is responsible for objective evaluation of the project from a neutral standpoint. By visualizing the monitoring results, we can show residents of the prefecture that each of MMM's project operations is being carried out safely and steadily. Ideally, this evaluation should yield the same results no matter who performs it, and we believe it must not become dependent on specific individuals. Therefore, we are currently focusing on building robust mechanisms, such as establishing common rules for monitoring methods and updating verification forms.



Self-Monitoring
Mizumusubi Management Miyagi
General Manager, Technical Planning
Department and General Manager,
Improvement Proposal Group (NJS Co., Ltd.)

Self-Monitoring
Mizumusubi Management Miyagi
General Manager, Planning Group,
Technical Planning Department
(NJS Co., Ltd.)

Leveraging my knowledge as a water infrastructure consultant at the company I was seconded from, my main goal is to establish a structure under which anyone can perform consistent evaluations. The department also coordinates overall monitoring and serves as a bridge to further improvements in work standards. After a first check by each on-site department, a second cross-check is carried out in a meeting attended by the president and general managers. There are around 80 items to be confirmed for each project, and one of my key responsibilities is to scrutinize them and present them at meetings for discussion. We hold regular meetings of the Improvement Monitoring Committee consisting of five outside experts to reflect the knowledge of third parties in an agile manner in business management and execution. We also draw on our extensive experience over many years in areas such as water facility design, paying close attention to the documentation procedures unique to public-private partnerships.

Because a total of seven people are involved from preparing submitted documents to approval, delays in the approval process used to be an issue. In addition to thorough water quality management at the site, timely and appropriate reporting to administrative authorities is also essential to ensuring the project's transparency and reliability. That is why we now check progress toward submission as needed and carry out thorough deadline management. Since the project began, we have revised the verification forms every year through repeated discussions with the prefecture in line with actual circumstances, and to achieve even more appropriate evaluations, we are currently also moving forward with major revisions to the next fiscal year's forms. Recently, through venues such as the experimental corner at the Mizumusubi Festival, which draws about 3,000 people each year, opportunities have also increased for visitors to gain an appreciation of our public-private partnership initiatives. To help more people learn about the value of this project, we also strongly feel the need for further PR. Our

role is to uphold objectivity and rules one step before the front line, so that administrative authorities and prefectural residents can have confidence in the safety and reliability of Miyagi's water. With this mission firmly in mind, we will continue supporting the future of Miyagi's water by working as a team to maintain rigorous management practices.



Building a Sound Future for Water Infrastructure Through Highly Transparent Financial Management

As the head of the Finance and Accounting Group, I oversee all aspects of Mizumusubi's finances, including the management of financial results, cash flow, and project finance. My role is to bring the perspective of ORIX, the only financial-sector shareholder, to the organization and ensure an appropriate level of discipline through rigorous internal controls. Because of the highly public nature of our project, misunderstandings can sometimes arise. Even when this can be frustrating, I remain committed to my approach of communicating the numbers accurately and with integrity. Through precise budget management, we reliably support funding for facility renewal and carry sustainable services forward to the next generation.



Engineering Department
(Electric Equipment)
Mizumusubi Management Miyagi
Deputy General Manager,
Engineering Department and
General Manager, Electric
Equipment Group (Hitachi, Ltd.)

Bridging Manufacturers and the Front Line to Find the Optimal Solution for Both

At the Engineering Department, I am in charge of construction work to build an integrated system that connects the monitoring and control systems of each pumping station into one system. My role is to act as an intermediary between Hitachi, Ltd., which builds the system, and MMM, coordinating the views of both sides. As a seconded employee from the Hitachi Group, I understand the inner workings of the manufacturers, but as a member of MMM, I have not compromised on operational improvements and have pursued solutions that are mutually agreeable. I am proud to continue supporting the stable operation of Miyagi's vast water plants by building an easy-to-use system that is suitable for actual operation.



Finance and Accounting
Mizumusubi Management Miyagi
Corporate Administration
Department
General Manager, Finance and
Accounting Group
(ORIX Corporation)



Engineering Department
(Construction Supervision)
Mizumusubi Management Miyagi
Construction Supervision Group,
Engineering Department
(also serving in the Facilities
Management Department)
(METAWATER Tech)

Leveraging Frontline Expertise to Keep Facilities Running During Construction

At the Construction Management Group, we are in charge of checking whether the renovation work, such as monitoring and control and private power generation, is progressing as planned. My strength is that, for about three and a half years before being assigned to MMM, I gained hands-on experience in MSM's operation and maintenance team, including the gritty work of launching and maintaining the Miyagi Model. My firsthand experience in the field enables me to consistently take a maintenance and management perspective, identifying operational improvements and giving careful consideration to the details of construction work. My mission is to keep facilities running without interruption from construction-related failures or other issues, while working closely with on-site teams to ensure the continued delivery of safe water for the future.

Bridging the Public and Private Sectors Through Trust and Respect for Frontline Voices

In addition to contract management and voluntary projects, I am responsible for overseeing regional collaboration, including the project with Shichigahama Town, as well as secretariat functions. We primarily bring together the diverse expertise of the 10 companies and work alongside small municipalities facing shortages of technical personnel to strengthen their operational foundations. What I prioritize above all is carefully matching the needs of local communities with our expertise. By sharing the expertise gained through this project and joining together with all of you as one team to tackle unprecedented challenges, we will continue contributing to local communities.



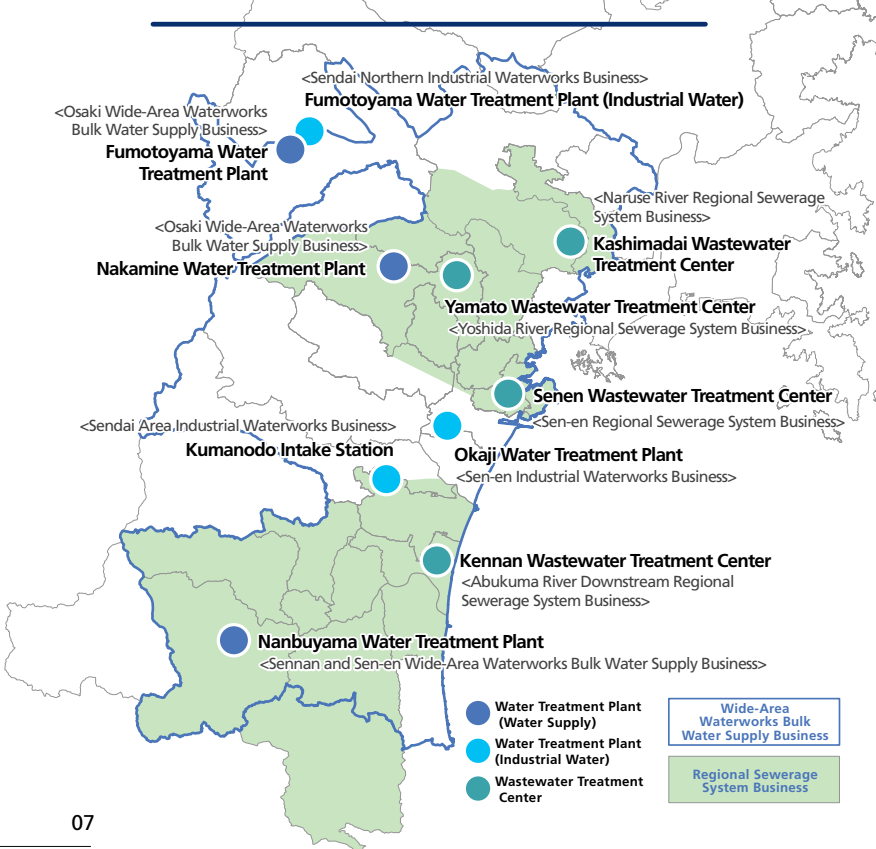
Regional Collaboration
Mizumusubi Management Miyagi
Corporate Administration
Department
Corporate Planning Group
(METAWATER Co., Ltd.)

Chapter 01

Protecting Everyday Infrastructure, 24 Hours a Day, 365 Days a Year

Mizumusubi Service Miyagi is responsible for the operation and maintenance of facilities. In this feature, professionals who enable safe water share their firsthand perspectives.

Main Concession Facilities



Story01 Water Supply: Fumotoyama Water Treatment Plant Strong Frontline Teamwork to Safeguard Water Infrastructure

Turn on the tap, and you'll always have clean, safe water. To ensure this everyday necessity is never interrupted, even for a moment, three teams with distinct roles work closely together at the Fumotoyama Water Treatment Plant, functioning as one unified team. The command center that transforms river and dam water into safe water is the Operation Management Team, which is responsible for central monitoring and adjusting chemical injection volumes. Supporting the Operation Management Team's decisions with data is the Water Quality Testing Team, which collects and analyzes water samples from water sources and treatment processes. Through analysis, the team quickly detects invisible contamination and changes in water quality, preventing delays in countermeasures. The role of the Maintenance Management Team is to thoroughly inspect on-site pumps, electric equipment, and water quality instruments using the five senses and data, ensuring that the equipment performs at its full potential. The strength of these three teams working as one came to the fore during the extraordinary conditions brought about by last summer's severe lack of rainfall and drought. With levels of musty odor compounds that affect water quality surging to nearly 100 times the usual level, there was no time to lose. The Water Quality Testing Team immediately analyzed the water and shared the results. In response, the Operation Management Team directed and carried out optimal chemical dosing management of activated carbon and other treatment chemicals, while the Maintenance Team worked around the

Mizumusubi Service Miyagi	Facility Management Supervisory Department / Operation Management Team
	Facility Management Supervisory Department / Water Quality Team
	Facility Management Supervisory Department / Maintenance Management Team

clock to disassemble and clean on-site instruments and piping. It was this round-the-clock teamwork that enabled us to successfully overcome this major crisis. In this age of highly advanced AI and digital technology, our greatest weapons are our five human senses, which allow our employees to detect early signs of problems on the job site with their skin and ears, and the solid experience we have gained through steady work. With this unwavering pride in people supporting people and trust in each other's expertise, we will continue to work together to safeguard Miyagi's water. We will continue to support sustainable water infrastructure with a strong sense of responsibility.



Story02 Sewerage: Senen Wastewater Treatment Center

With multifaceted perspectives and analytical capabilities, we maintain the stability of wastewater treatment.

Mizumusubi Service Miyagi	Facility Management Supervisory Department / Water Treatment Operation Manager
	Facility Management Supervisory Department / Maintenance Management Department
	Facility Management Supervisory Department / Water Quality Analysis

At the Senen Wastewater Treatment Center, which protects Miyagi Prefecture's vast water environment and public health, a massive volume of wastewater is treated every day. At this facility, operators respond flexibly to constantly changing water conditions while pursuing environmentally conscious infrastructure management, including an on-site solar power system that uses all generated electricity within the facility and the supply of digestion gas from sludge treatment to power generation operators. The foundation for stable water treatment is the reliable implementation of the annual business plan and compliance with required standards. In daily operation management, decisions are made based on accumulated scientific data. To improve the safety of final effluent, we go beyond the analyses required to meet standards, proactively adding test parameters based on plant conditions to rigorously control water quality. Furthermore, stable plant operation is achieved by combining reliable maintenance work on the hardware side, such as annual equipment inspections, emergency response to failures, and safety measures. The current operational structure was built from the ground up



through trial and error during the initial launch of wide-area maintenance operations. Through ongoing dialogue, members with diverse experience shared and combined their knowledge and skills, creating a unique management structure that leverages each individual's strengths. This structure demonstrates its effectiveness during delicate phases between seasons when water temperatures change rapidly, raising concerns about reduced water treatment performance. At the site, we immediately conduct pack tests and additional analysis using microscopes to identify the cause, and based on that data, carry out prompt operation adjustments. At the same time, by continuing to maintain normal equipment operations, we can quickly stabilize final effluent quality. We strive to ensure that issues are not left for individuals to handle alone, but are shared by the entire team and translated into concrete improvement measures. Even among members with different work arrangements, we carry out reliable handovers using management sheets and records, allowing individual skill development to contribute to greater reliability overall. These steady efforts, repeated day after day, are what sustain the everyday infrastructure that local communities rely on.



Strengthening Public-Private Collaboration to Carry Miyagi's Rich Water Environment into the Future

Miyagi Prefecture Public Enterprise Administrator Mr. Mamoru Chiba

The Miyagi Model for management and operation, which Miyagi Prefecture introduced ahead of the rest of Japan, is the best advanced model for addressing structural issues such as population decline and aging facilities and maintaining a safe and reliable water supply over the long term. Four years have passed since the project began, and visible, solid results are steadily emerging, including improved operational efficiency through DX initiatives, cost reductions, and the achievement of a high local employment rate. These achievements would not have been possible without the tireless efforts of the highly skilled and passionate people at Mizumusubi, for which I am deeply grateful. Of course, there are still challenges that need to be addressed, such as responding to emergencies and public relations activities for prefectural residents, but cooperation between the public and private sectors has been strengthened through initiatives such as the Administrative Improvement Working Group. As the party with ultimate responsibility, the prefecture will continue verifying operating conditions through a multi-layered monitoring structure and will maintain transparency through proactive information disclosure. I sincerely hope that everyone at Mizumusubi will remain our valued partners over the long term as we work together to achieve results that set an example for the rest of Japan and ensure that our rich water infrastructure is passed on to the next generation.

Feature SUSTAINABLE

WATER KEEPERS

WATER
KEEPERS 01



Plant Construction Division
First Construction Department /
Group 1

WATER
KEEPERS 02



Environmental Engineering Division
Water Environmental Division
Water Reclamation Technology
Department / Group 3

Opportunities for Every Individual to Thrive D&I at METAWATER

Viewing people as its greatest asset, the METAWATER Group promotes D&I* as a driving force for sustainable business growth.

In this feature, we share the perspectives of women who are thriving on the front lines of our business, each with a different background and path to joining the company.

* D&I stands for Diversity and Inclusion. The company is implementing a wide range of measures, such as expanding systems to support the active participation of diverse talent and creating an environment in which employees can advance their careers with an even greater sense of fulfillment.

Don't Say "You Can't" — Take the First Step for a New Perspective

After joining as a mid-career hire, I am currently building my career at plant construction sites. I have faced difficult situations up to now, but my strength is the flexibility and resilience to take initiative and act without giving up, no matter what obstacles I face. Even when I initially felt that something might be too difficult for me, I have continued to discover new possibilities and broaden my perspective by engaging in dialogue, working with those around me, and having the courage to take the first step. Because METAWATER has an environment in which each employee can maximize their performance regardless of age or gender, I am still able to continue taking on challenges. "Rather than assume that it's impossible from the outset, try taking action first. That first step is sure to give you a new perspective." This is the message I want to share with everyone who wants to take on challenges going forward.

It Doesn't Have to Be Perfect: Finding a Balance That Works for Me in the Long Run

I joined as a new graduate, and I am currently taking on my daily work while raising a child. As my life entered a new stage, the way I approach work and use my time changed significantly. To perform effectively within limited working hours, I make a conscious distinction between work and childcare and focus on working efficiently.

What drives me to keep working is the understanding and support of those around me and the company environment that recognizes diverse ways of working.

I realized that rather than overexerting myself to do everything perfectly, finding a balance that works for me is the key to continuing my career in a way that's sustainable over the long run. I encourage everyone who feels anxious about balancing work and private life, including childcare, to relax and find an approach that suits them at their own pace.

WATER
KEEPERS 03



System Solutions Division
System Engineering Division
Metropolitan Electrical Engineering
Department

WATER
KEEPERS 04



System Solutions Division
Product Center
System Development Department /
Development Group 2

Creating an Environment in Which Everyone Can Act Autonomously and Thrive

When I was a student, I majored in material properties. I joined Fuji Electric Co., Ltd. hoping to work at its Research Institute, but I was assigned to a department that performs detailed electrical design and software design for water treatment plants, where I studied electrical engineering. After that, I transferred to a basic design department and have been involved in proposals, design, and R&D. As an engineer, I became absorbed in solving problems and tackling challenges as an engineer, and over time developed a passion for electrical engineering and built my career around it. Currently, as Senior Engineer, I work to improve the technical capabilities of the entire department. Rather than simply leading the team, I strive to practice servant leadership, allowing those around me to play central roles and leverage their strengths autonomously.

I would like to continue working with everyone to create a culture where anyone can take on various challenges and thrive without worrying too much about gender or constraints associated with different stages of life.

Going Beyond Roles to Pursue Technology and Create Products Everyone Wants to Use

I joined as a new graduate, and I am currently engaged in development work. In my daily work, what I value above all is an attitude of not being satisfied with the status quo and thoroughly pursuing matters as an engineer. I believe that even seemingly difficult challenges can lead to unprecedented technological innovations and new discoveries if we keep thinking and delve deeply into the underlying essence of the problem.

Maintaining a good balance between work and private life and continuing to take on challenges proactively while staying true to myself is a major driving force for me now. At METAWATER, there is an environment where, regardless of age or gender, anyone can engage earnestly with technology and pave the way for the future from diverse perspectives. To anyone who is about to take a new step forward, I urge you to believe in your potential and take on challenges without fear.

Diverse individuality paves the way for the future

The source of METAWATER's competitiveness lies in an environment and culture that enables each employee, regardless of age, gender, or career, to take voluntary action and perform at their best.

We will continue to view people as our greatest asset, actively invest in people, and by creating an environment in which diverse individuality thrives, we will promote human capital management that enables employees to achieve self-fulfillment while supporting the company's sustainable growth.

Note: Please see the Human Capital Management section (pp. 61–68) to learn about specific initiatives.





Chapter 02
Value Creation

Working Toward Sustainable Water and Environmental Infrastructure

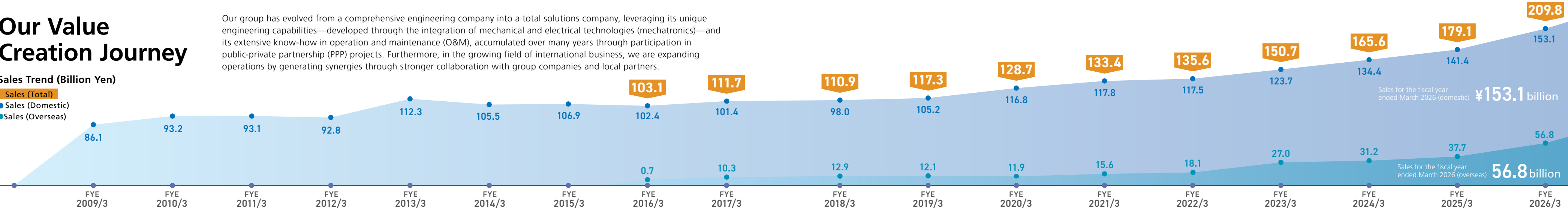
We contribute to the realization of sustainable water and environmental infrastructure by developing four business segments—Environmental Engineering, System Solutions Business, Operations Business, and International Business—across the three key domains of Waterworks, Sewerage, and Resource Recycling, both in Japan and abroad.



Our Value Creation Journey

Sales Trend (Billion Yen)

- Sales (Total)
- Sales (Domestic)
- Sales (Overseas)



Sales for the fiscal year ended March 2026 (total) **¥209.8*** billion

Sales for the fiscal year ended March 2026 (domestic) **¥153.1** billion

Sales for the fiscal year ended March 2026 (overseas) **56.8** billion

Corporate History

April 2008

Establishment of METAWATER
Established as a comprehensive engineering company in the water and environmental sectors through the merger of the water environment subsidiaries of NGK Corporation (now NGK) Group and Fuji Electric Group

July 2009

Acquired the environmental business Kurimoto Technos Co., Ltd. to strengthen and expand operations in the resource and environmental sector

April 2011

Launched the cloud-based platform service Water Business Cloud (WBC)

September 2014

Established METAWATER TECH Co., Ltd., to oversee the operation and maintenance of water supply and sewerage facilities

December 2014

Listed on the First Section of the Tokyo Stock Exchange (now Prime Market)

June 2018

Announced new corporate philosophy: "Continue, to make it sustainable."

April 2024

Announced purpose: "To coexist with communities, protect water and environmental recirculation, and contribute to people's lives."

March 2026

Strengthened cooperation by investing in Suido Kiko Kaisha, Ltd., which specializes in water treatment technologies such as rapid filtration systems,

Public-Private Partnership (PPP) Projects

May 2002

Launched the company's first Private Finance Initiative project, the Tahara City Recycling Center Development and Operation Project

February 2009

Commenced the Kawai Water Treatment Plant Redevelopment Project, Japan's first full-scale Private Finance Initiative (PFI) project covering an entire water treatment plant

December 2014

Commenced the Toyokawa Purification Center Sludge Treatment Facility Development and Operation Project, the first Private Finance Initiative (RO method) project in Japan in the sewerage sector

April 2021

Launched the Kumamoto Prefecture Ariake/Yatsushiro Industrial Waterworks Operation Project, the first concession project in Japan for industrial waterworks

April 2022

Launched the Miyagi Prefecture Integrated Water Supply, Industrial Waterworks, and Sewerage Public-Private Partnership Management Project, Japan's first integrated concession project covering all three sectors

April 2026

Launched the Ube City Public Sewerage Western Treatment District Operation Project, the first 30-year concession project in Japan

Overseas Business

April 2008

Opened a European representative office in Germany (relocated to the Netherlands in 2014)

January 2013

Established METAWATER USA, INC. in the United States as the Group's first overseas subsidiary

January 2015

Commenced operation of one of the world's largest ozone systems for a water treatment plant (at the Wylie Water Treatment Plant in Texas, USA)

January 2016

Completed the full acquisition of Aqua-Aerobic Systems, Inc., a U.S.-based water treatment engineering company, and its subsidiaries

April 2020

Acquired all shares of Wigen Companies, Inc., a U.S. supplier of water treatment equipment

November 2020

Acquired all shares of Rood Wit Blauw Water B.V., a Dutch water treatment engineering company

February 2024

Completed the first public sewerage system in Phnom Penh, Kingdom of Cambodia

March 2025

Established the Phnom Penh Branch in the Kingdom of Cambodia

April 2025

Acquired all shares of Schwing Bioset, Inc., a U.S. water treatment engineering company

*Figures are rounded to the nearest displayed unit, so totals may not add up.

Value Creation Process

We aim to create value that contributes to the realization of a sustainable environment and society by leveraging our group's strengths in mechanical and electrical technologies, operation and maintenance know-how, and ICT in our water and environmental infrastructure-based business, while remaining mindful of the business environment and societal challenges. These efforts are guided by our Basic Policy on Sustainability and business strategy.

Current Societal Challenges

Japan

- Financial difficulties faced by municipalities due to population decline
- Decrease in municipal staff (shortage of technical personnel)
- Aging of infrastructure and facilities
- Countermeasures against natural disasters
- Progress in public-private partnership projects (including concession projects)

Overseas

[North America]

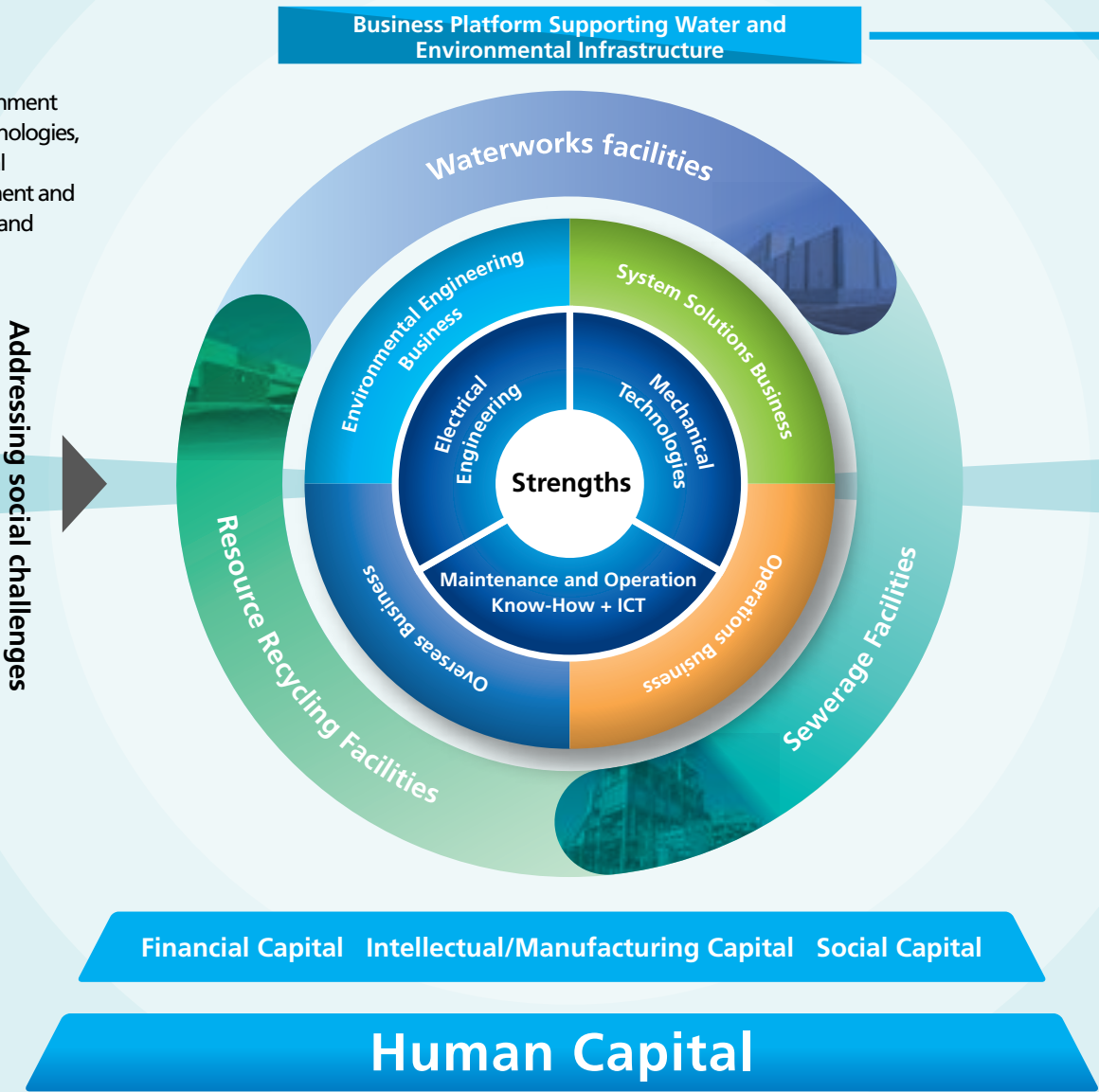
- Worsening water crisis due to population growth, utilization of reclaimed wastewater to secure water resources, and aging facilities

[Europe]

- Stricter environmental regulations and aging infrastructure

[Asia]

- Increasing the coverage of water supply and sewerage facilities
- Commitment to the SDGs (Sustainable Development Goals)



Six Material Issues to Be Addressed

- Water Environment
- Recycling-Oriented Society
- Reduction of Greenhouse Gas Emissions
- Local Communities
- Human Capital
- Governance

Goals for a Better Future

Three Priority Measures

- Growth strategies for each business segment
- Investment and financing strategies to increase corporate value
- Sustainability initiatives

Goals of the Mid-Term Business Plan 2027 (Revised Upward in April 2026)

Orders received	Over ¥250 billion
Net sales	¥245 billion
Operating profit (rate of return)	¥16.5 billion (6.7%)
Net income	¥11 billion
ROE	11% or more

Long-Term Vision: Next2037 Goals

Net sales Over ¥300 billion

Continuing to Deliver Value for the Future

Our Purpose

To coexist with communities, protect water and environmental recirculation, and contribute to people's lives.

Financial Capital		Intellectual/Manufacturing Capital	Human Capital		Social Capital*1		
Total assets	Capital adequacy ratio	Research and development expenses	Consolidated number of employees	Turnover rate	Completed facility and equipment design and construction projects	Number of monitoring and control systems delivered	Number of facilities under operation, maintenance, and inspection contracts
¥220.3 billion	40.6%	¥2.3 billion	4,228 people	1.8%	Over 2,300 sites	Over 450 sites	Over 100 locations*3
Operating profit margin	Net assets	Number of patents held (domestic and overseas)	Training expenses per employee	Health care expenses per employee	Number of high-speed filtration systems delivered	Number of incineration systems delivered	
6.1%	¥94.2 billion	925 cases	¥93,000	¥52,400	Over 45 sites	Over 130 locations*2	

*1 The listed figure is for METAWATER.
*2 Including gasification and carbonizing facilities.
*3 Total number of water supply, sewerage, and resource recycling facilities under operation, maintenance, and inspection (including Private Finance Initiatives and Design, Build and Operate projects).

Philosophy System

Our group contributes to vital social infrastructure that underpins everyday life, such as water and sewage systems and resource recycling facilities. In the field of social infrastructure, Japan's water and wastewater businesses are facing challenges such as financial difficulties for municipalities due to a declining population, a shortage of engineers, the aging of facilities developed during the period of rapid economic growth, and the urgent need to implement countermeasures against natural disasters such as earthquakes and torrential rains.

Our group upholds the corporate philosophy, "Continue, to make it sustainable." Guided by our purpose and the core value of "METAISM," we are committed to addressing environmental and societal issues through our business activities. By working closely with local communities and society, we aim to realize a sustainable future together with all our stakeholders.

Corporate Philosophy

Continue, to make it sustainable.

Continue acting with integrity. Tackle issues each day and overcome them.

Continue working together in cooperation. Achieve goals through mutual respect and the use of diverse knowledge and technologies.

Continue embracing innovation. Generate ideas with flexibility and take on challenges.

That way, what truly matters can continue into the future.

Our Objectives

Purpose

To coexist with communities, protect water and environmental recirculation, and contribute to people's lives.

We value our commitment to working closely with local communities and society. Protecting the water and environmental cycles leads to healthier, safer, and more secure lives for everyone. This also helps address issues such as climate change and resource shortages. We will support people's daily lives in order to achieve a sustainable future.

Our Values

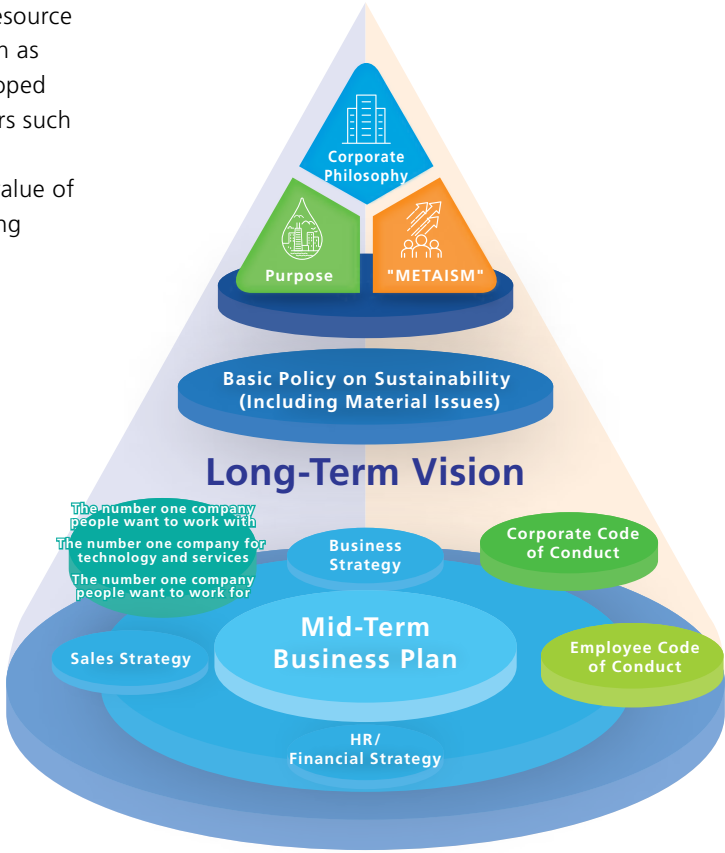
"METAISM"

- Transformation (Change)

Not dwelling on the past, transforming ourselves, discerning what to improve and what to preserve, moving forward, and thinking from scratch.
- Challenge (Endeavor)

Not fearing failure, always maintaining a sense of purpose, continuing to take on challenges, and pursuing them thoroughly.
- Diversity (Embracing Differences)

Having an attitude of acceptance, embracing differences, respecting individuality, and coexisting in harmony.



Basic Policy on Sustainability

In order to uphold safety and security in day-to-day life, contribute to environmental and social sustainability, and achieve sustainable development together with society, our group strives to meet the expectations of stakeholders, earn the trust of society, and continue contributing to society.

Three Basic Policies

- We will contribute to solving environmental and societal issues by providing optimal technologies and services in collaboration with customers, local communities, and partners.
- People are our greatest asset, and we are committed to embracing diversity, developing diverse work styles, and creating a safe and secure working environment.
- To enhance our corporate value over the medium- to long-term, we aim to achieve the highest standards of corporate governance and become a sustainable company in partnership with society.

Working Toward Fulfilling the Basic Policy on Sustainability

We have identified issues that are closely related to our group's business and are also important to society and stakeholders as material issues, and have designated the following six areas as our focus.

Six Material Issues

Water Environment

Recycling-Oriented Society

Reduction of Greenhouse Gas Emissions

Local Communities

Human Capital

Governance

Sustainability Promotion Framework

We have established the Sustainability Committee to serve as an organization that considers and promotes our sustainability initiatives in response to environmental and societal issues, as well as changes in the business environment surrounding our company. The Sustainability Committee convenes twice a year and consists of 12 members, including one chairperson and 11 members, and includes three specialized subcommittees. The activities of the committee are reported to the Executive Committee and the Board of Directors as appropriate.

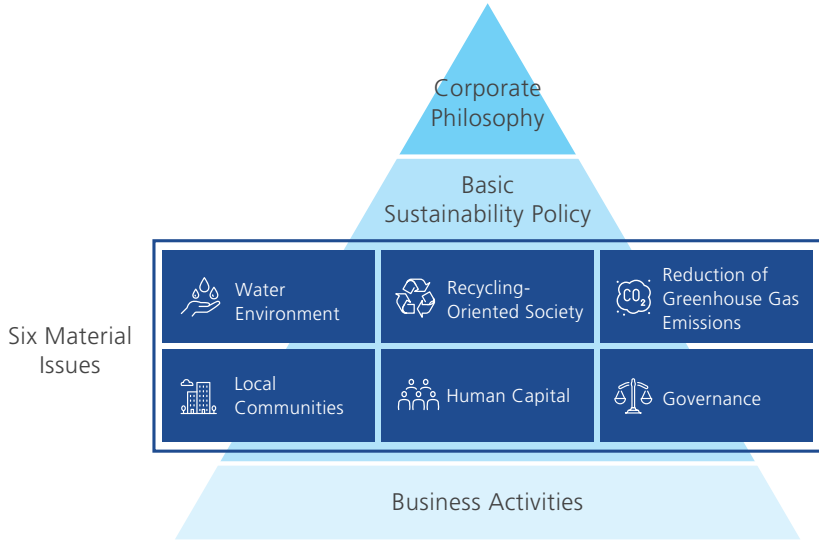


Committees, etc.	Role
Board of Directors	Receive reports from the committee on a regular basis (once a year) and provide oversight
Management Meetings	Same as above
Sustainability Committee	The committee meets regularly (twice a year), with members consisting of Executive General Managers and others. It is chaired by a Director and Executive Officer (Executive General Manager of the Corporate Strategy Planning Division).

Material Issues

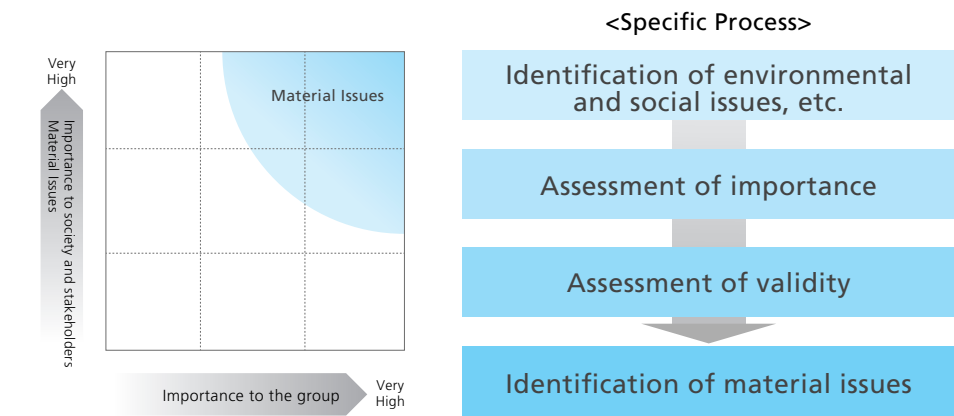
Our Group’s Approach to Sustainability

Our group considers the implementation of our corporate philosophy, "Continue, to make it sustainable," to be the very essence of sustainability. Under our Basic Policy on Sustainability, we aim to realize a sustainable environment and society and enhance our corporate value through our business activities. To realize this policy, we have identified six issues that are closely related to our business and important to society and our stakeholders as material issues.



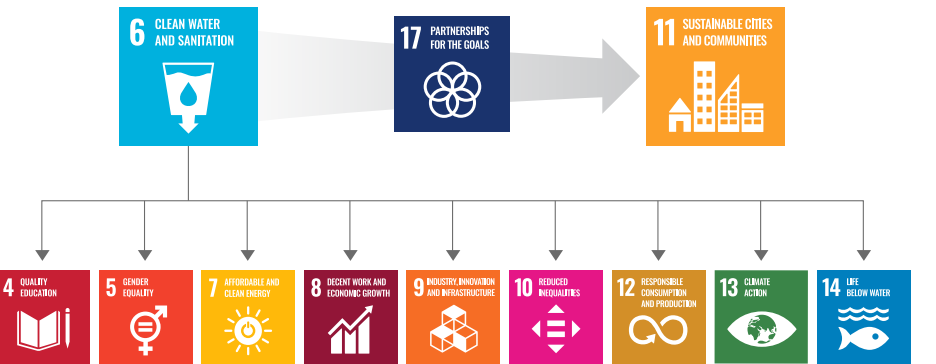
Material Issue Identification Process

- We identify environmental and social issues by taking into consideration medium- to long-term social trends, the expectations and requests of investors, and the direction of our company.
- We identify environmental and social issues, evaluate their significance to society, stakeholders, and our group, and determine key material issues.
- We evaluate the appropriateness through interviews with business divisions, discussions in the Sustainability Committee and the Management Meeting, and interviews with external experts.
- The Board of Directors determines material issues.



Contribution to the SDGs

In order to contribute to the SDGs, our group aims to achieve Goal 6, Goal 11, and Goal 17 in terms of our business characteristics and mission in society. In particular, we consider Goal 6 to be a critical issue that is essential to people’s lives and social activity. We believe that achieving this goal will also contribute to the advancement of other goals. Furthermore, by strategically advancing Goal 17 through our business activities, we believe we can also contribute to the achievement of Goal 11.



Initiatives to Address the Six Material Issues

The domestic landscape is marked by a declining population and increasing financial difficulties among municipalities, while environments overseas vary by region in terms of water resource availability, aging infrastructure, strengthening of environmental regulations, and improvements in waterworks coverage. Our group identifies material issues based on changes in society both in Japan and overseas, and in light of our mission to support water and environmental infrastructure. Under the Basic Policy on Sustainability, which reflects our aim to realize a sustainable environment and society through our business, we are strengthening our contributions to advancing public-private partnership projects, implementing natural disaster countermeasures, and addressing global challenges. We will continue to engage with material issues strategically to enhance our corporate value.

Material Issue	Reason for Identification
Water Environment	Because solving domestic and overseas issues—such as aging water infrastructure and increasing risks of natural disasters—is fundamental to our business operations
Recycling-Oriented Society	To address resource depletion and waste issues, and to contribute to the transition to a sustainable society
Reduction of Greenhouse Gas Emissions	Because climate change countermeasures are an urgent challenge, and reducing GHG emissions is required throughout all of our business activities
Local Communities	To contribute to solving the challenges faced by local communities experiencing population decline and financial difficulties, and to build relationships of trust
Human Capital	Because securing and developing diverse human resources—who are key to both business growth and solving social issues—is essential
Governance	To strengthen our management structure, which is essential for the sustainable enhancement of corporate value and for earning the trust of society

Chapter 03

Management Plan

Purposes:
Coexisting with local communities, protecting the water and environmental cycle, and supporting people's lives

The foundation of our lives is being shaken by increasingly frequent severe natural disasters and aging water and wastewater facilities in various regions. By putting our Purpose into practice and bringing together our accumulated expertise, the METAWATER Group will shape a sustainable future of water and environmental infrastructure for the next generation.

Kenji Yamaguchi
President and Representative Director

Top message



Our History and Domestic Business Environment

Vulnerabilities in water and sewage infrastructure, which form the essential foundation of our daily lives, are becoming apparent due to widespread water leaks, sinkholes, and increasingly frequent severe disasters caused by climate change.

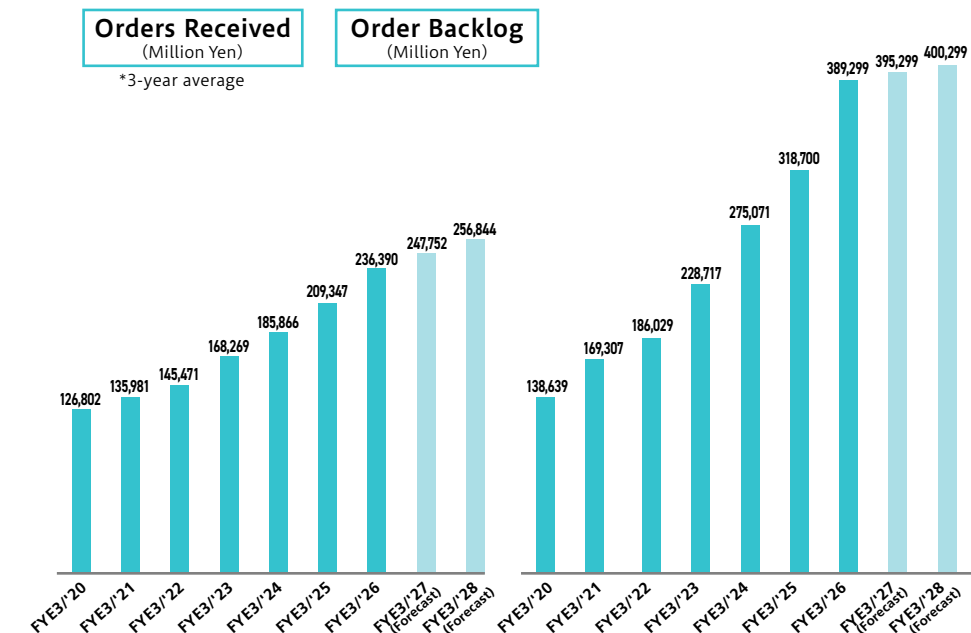
In April 2008, anticipating a future era of public-private partnerships, the METAWATER Group was established by acquiring the core technologies for water and wastewater facilities and equipment — mechanical technologies from NGK Insulators Co., Ltd. (now NGK Inc.) and electrical technologies from Fuji Electric Co., Ltd. — through the spin-off and merger of the water and environmental divisions of both companies to operate as an independent entity. Since then, we have gained extensive experience and accumulated a wealth of expertise by engaging in a wide variety of Public-Private Partnership (PPP) projects related to water and wastewater facilities and infrastructure—including Design-Build-Operate and maintenance (DBO) projects and concession agreements in which we manage operations on behalf of local governments.

Meanwhile, in 2013, the Japanese government enacted the Basic Act for National Resilience to minimize damage from large-scale disasters and build a national, regional, and socioeconomic system that possesses "strength and flexibility."

Based on this fundamental principle, in response to imminent issues such as the aging of water and sewage facilities and shortages of personnel at municipalities, steady efforts are being made to strengthen the operational foundation through amendments to the Water Supply Act in 2018 and 2024, including regional business consolidation and the utilization of private-sector companies through PPPs.

Furthermore, the First Medium-Term Plan for National Resilience for fiscal year 2026 sets out a policy of investing approximately 20 trillion yen over the five-year period through fiscal year 2030. As part of this effort, the budget for the water supply and sewage sectors has also been increased by approximately 20% from the previous year.

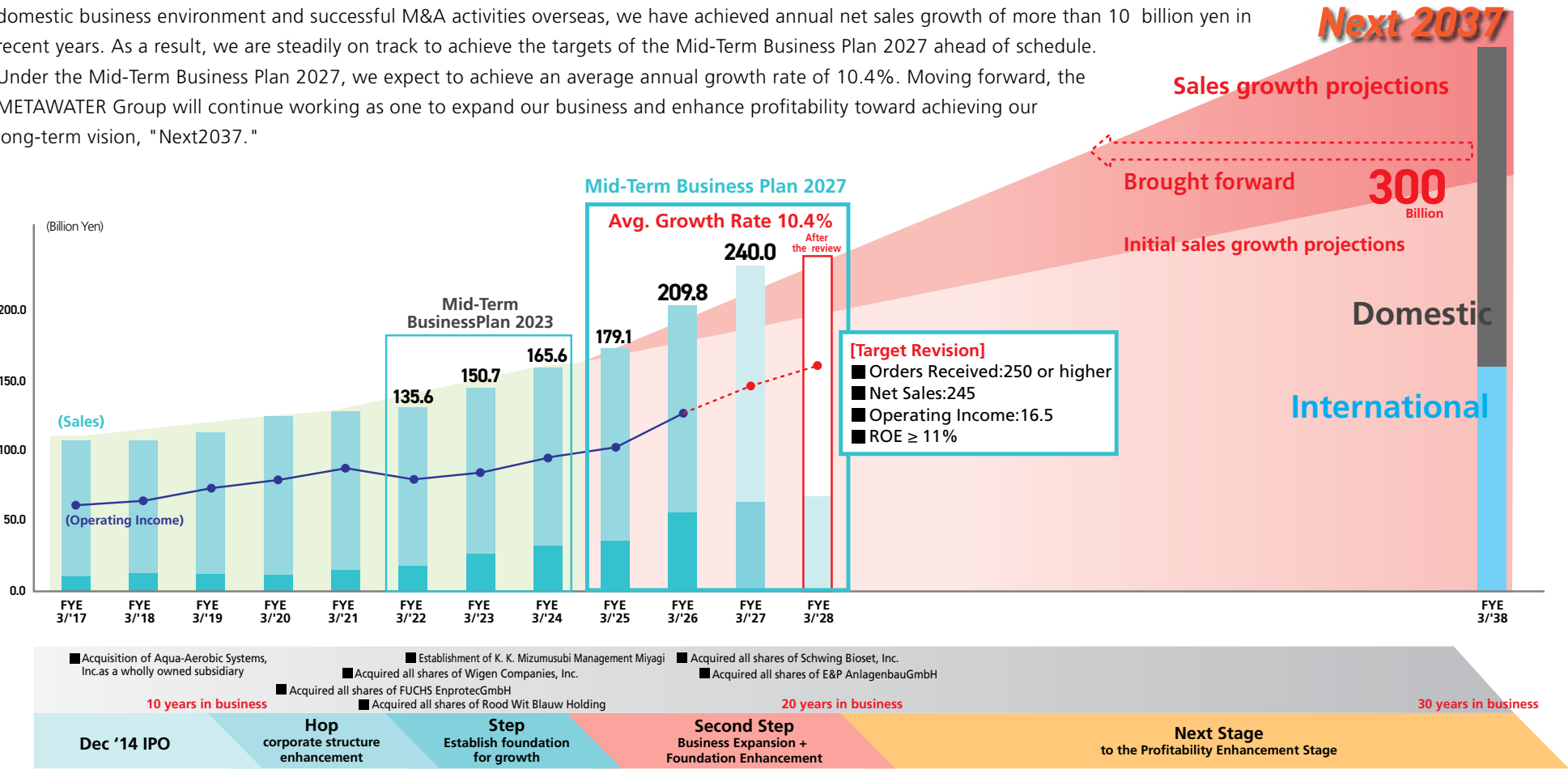
Stable Growth Built on a Solid Foundation of Record-High Orders Received and Order Backlog



As a result, we expect that investments in the renewal and construction of water and wastewater facilities and equipment across Japan will gain momentum going forward, and indeed, our Group's orders received and order backlog have reached record highs for each consecutive fiscal year. Furthermore, the Group's performance has remained stable, driven by higher sales, streamlined design and project management through engineering reforms, advances in cost engineering initiatives, and a decrease in unprofitable projects.

◀ Toward Achieving the Mid-Term Business Plan 2027 and Accelerating Long-Term Vision "Next2037"

In FY2027 (ending March 31, 2028), METAWATER will celebrate its 20th anniversary. At the time of establishment, we set targets of achieving net sales of 100 billion yen in our 10th year and 200 billion yen in our 20th year. However, we have exceeded these initial targets. Benefiting from changes in the domestic business environment and successful M&A activities overseas, we have achieved annual net sales growth of more than 10 billion yen in recent years. As a result, we are steadily on track to achieve the targets of the Mid-Term Business Plan 2027 ahead of schedule. Under the Mid-Term Business Plan 2027, we expect to achieve an average annual growth rate of 10.4%. Moving forward, the METAWATER Group will continue working as one to expand our business and enhance profitability toward achieving our long-term vision, "Next2037."



◀ Upward Revision of Targets for the Mid-Term Business Plan 2027

In April 2024, our Group formulated its Mid-Term Business Plan 2027, covering the period through FY2027 (fiscal year ending March 31, 2028), targeting orders received of 200 billion yen or more, net sales of 200 billion yen, and operating income of 13 billion yen. As a result of group-wide efforts toward achieving these goals, in FY2025 (the fiscal year ended March 31, 2026) — the second year of the plan—the Group achieved record highs across all three metrics, with orders received of 274.5 billion yen, net sales of 209.8 billion yen, and operating income of 12.9 billion yen. Reflecting these solid results and the anticipation that performance will substantially outperform the initial plan, in April 2026, we revised upward the management targets for the final year of the plan to new targets of orders received of 250 billion yen or more, net sales of 245 billion yen, and operating income of 16.5 billion yen.

(Cons.)	Final Year FYE 3/'28 Initial Target	FYE 3/'25 Actual	FYE 3/'26 Actual	FYE 3/'27 Forecast	Final Year FYE 3/'28 Revised Target	Change from Initial Target
Orders Received	200.0 or more	222.7	274.5	246.0	250.0 or more	+50.0
Net Sales	200.0	179.0	209.8	240.0	245.0	+45.0
Operating Income (operating margin)	13.0 (6.5%)	10.6 (5.9%)	12.9 (6.1%)	15.0 (6.3%)	16.5 (6.7%)	+3.5
Net Income	8.5	6.8	9.1	10.0	11.0	+2.5
ROE	10% or more	8.9%	10.7%	11%	11% or more	+1%

◀ Future Initiatives for Domestic Business

In our domestic business, responding to the mandatory testing for PFAS effective April 2026, we will actively promote proposals for PFAS removal systems that fully leverage the technologies and know-how we have cultivated over many years. Furthermore, in the Public-Private Partnership (PPP) business, replacing critically deteriorating water facilities built mostly during the late 1940s to 1950s is imperative. Through closer collaboration with Suido Kiko Kaisha, Ltd., a company with deep expertise and an extensive track record in sand filtration — the predominant water treatment method — we will create mutual synergies to accelerate orders in the expanding Water PPP market, while strengthening earning power through our engagement in Phase 2 PPP projects and know-how utilization. In the wastewater field, we will continue steadily advancing demonstration experiments for “Nereda®” (see pg. 48) as we prepare for the next stage.

Mid-Term Business Plan Interim Results	Future Direction
Exclusive domestic licensing agreement for Nereda® technology signed; selected for the AB-Cross Project in FY2025 (July 2025)	Entering the expansion phase for Nereda® in the domestic market EE
Contract awarded by Kakamigahara City for the “Mitsui Water Source Water Quality Improvement Treatment Facility Construction Project (Water Treatment Facilities)” (February 2026) New construction of a PFAS removal system using ion exchange resin—the first of its kind in Japan for tap water	New product development driven by mandatory PFAS testing in Japan EE
“Ube City Public Sewerage Western Treatment District Operation Project” demonstration experiment launched (concession model) (November 2025) April 2026 – March 2056 (30 years),	Accelerating W-PPP-compliant order acquisition OP
Comprehensive outsourcing contract for the Arao City water utility business (Phase 3) signed (January 2026) April 2026 – March 2036 (10 years)	Responding to the phase 2 PPP project Strengthening profitability through knowledge utilization OP
Capital and business alliance with SUIDO KIKO KAISHA, LTD. (February 2026) Tender offer for SUIDO KIKO KAISHA, LTD. completed (March 2026) (to become an equity-method affiliate)	Strengthening collaboration with Suido Kiko Kaisha, Ltd., expanding the lineup, and enhancing the ability to respond to W-PPP projects EE SS OP

Development of International Business and the Business Environment

In North America, our strategic region, the expansion of advanced treatment facilities and equipment has become an urgent priority due to water shortages caused by population growth and increasingly stringent environmental regulations.

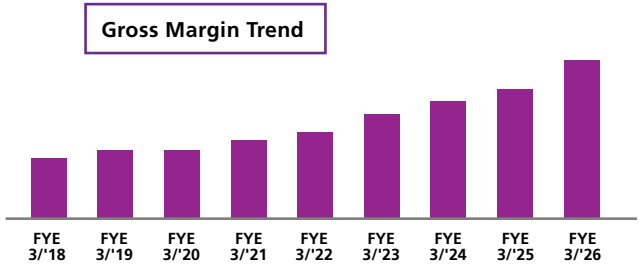
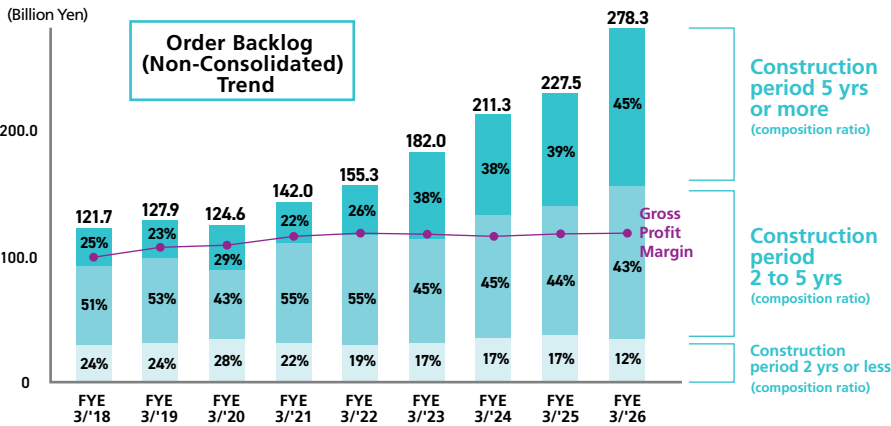
In North America, which we position as the core market for our international business, population growth-induced water shortages and stricter environmental regulations have created a need to construct new facilities and expand capacity for advanced treatment systems that completely remove harmful substances such as nitrogen and phosphorus from reclaimed and treated water.

In January 2016, we welcomed Aqua-Aerobic Systems, Inc. (U.S.; hereinafter "AAS")—a company with a long-standing track record and a solid business foundation in North America—into the Group. Through this, we acquired its nationwide customer channels and highly differentiated technologies. One of AAS’s flagship technologies, the Cloth Media Filter (CMF), was invented and developed by its consolidated subsidiary, Mecana AG (Switzerland). This technology provides the optimal product and system to meet the demand for advanced water treatment, or "tertiary treatment," required to comply with increasingly strict environmental regulations in the United States.

In addition, another core differentiated technology is Nereda®, an aerobic granular sludge water treatment technology for which AAS obtained exclusive North American distribution rights from developer Koninklijke Haskoning Groep B.V. (Netherlands; "Haskoning").

This technology is an innovative sludge treatment technology particularly suited for downsizing, enabling more compact facilities by eliminating the need for primary and final sedimentation tanks. Furthermore, it significantly reduces the electricity consumption required for processes such as aeration — which injects air to activate microorganisms during the wastewater filtration process — while also achieving substantial reductions in costs related to maintenance and labor. AAS has completed approximately seven years of demonstration testing to date and has secured numerous pre-orders. Based on this track record, METAWATER acquired the exclusive sales rights for "Nereda®" in Japan from Haskoning in April 2025. In August of the same year, we launched demonstration testing of this technology in collaboration with the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), the Japan Sewage Works Agency (JS), and Miyagi Prefecture. We have also already received numerous inquiries from municipalities nationwide.

Maintained Gross Margin in Order Backlog, with Gross Profit upon Order Received Also Reaching a Record High



Future Initiatives for International Business

In the United States, which plays a central role in our international business, we will work to further expand differentiated technologies and products, including AAS's flagship CMF products and "Nereda®," for which we hold exclusive sales rights in North America. In addition, centering on piston pumps from Schwing Bioset, Inc. (U.S.; hereinafter "Schwing Bioset"), which joined our Group in March 2025, we will pursue entry into the U.S. sludge treatment market. Meanwhile, in Europe, with E&P Anlagenbau GmbH (Germany; hereinafter "E&P"), which joined our Group in October of the same year, serving as the prime contractor and our Group companies in Europe acting as suppliers, we will generate synergies, strengthen our capabilities to meet the growing demand for advanced treatment, and aim to establish a solid sales platform in Europe.

Growth in International Business Brings Achievement of New Targets for Mid-Term Business Plan 2027 Within Reach

Looking at our sales growth, while domestic business has achieved an annual growth rate of 7.6% since the fiscal year ended March 31, 2024, the international business centered on AAS has achieved growth exceeding 20% over the same period. While our domestic operations primarily deliver EPC projects, the international business centers on selling equipment and systems with higher marginal profit margins. Driven by an expanding revenue share from international operations, their contribution to overall operating income has climbed to approximately 30%. Looking ahead to FY2027 (the fiscal year ending March 31, 2028), the final year of the Mid-Term Business Plan 2027, operating profit from the international business is projected to expand further to account for one-third of total operating income. As a result, overall profit will be pushed upward, and we consider the achievement of the plan's newly established operating income target of 16.5 billion yen to be well within reach.

Mid-Term Business Plan Interim Results

Future Direction

Acquisition of E&P Anlagenbau (Germany) (October 2025)

Acquisition of Schwing Bioset(USA) (April 2025)

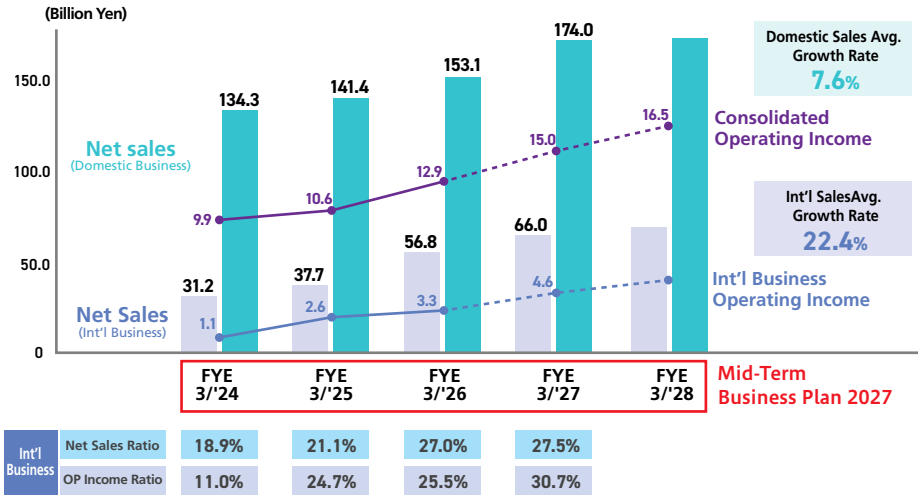
Aqua-Aerobic Systems (USA):
Cloth Media Filter (CMF) is performing well due to stricter environmental regulations, population growth, and population migration to the American Southwest.
Nereda®, a new technology for which we have secured exclusive distribution rights in North America, has successfully completed pilot testing, secured numerous pre-selections, and is now beginning a phased ramp-up.

Europe

Create synergies among group companies centered on E&P
(Expansion of advanced treatment technologies in the European market) Application development for RWB ceramic membranes, FUCHS aerators, and MECANA CMF

North America

Full-scale entry into the sludge treatment market and contribution to business performance centered on Schwing Bioset's piston pumps.
Further expansion and adoption of CMF
Business expansion via Nereda®: Moving from pre-selection to full-scale rollout

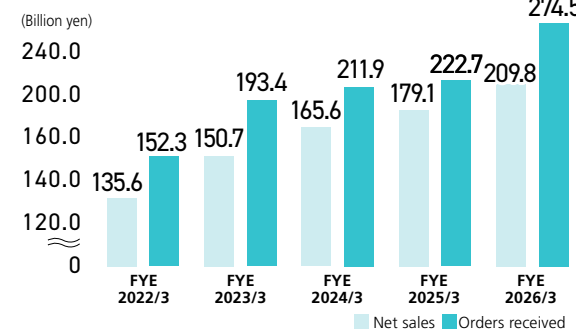


Profitability

FYE 2026/3 Orders received: **¥274.5** billion Net sales: **¥209.8** billion KPI Sales: **245** billion

Sales/Orders Received

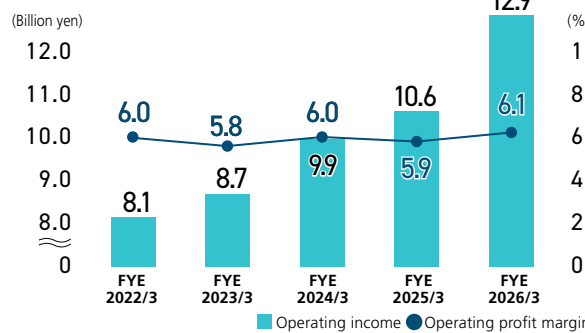
Record-high orders received and sales



FYE 2026/3 Operating Income: **¥12.9** billion Operating Profit Margin: **6.1%** KPI Operating Profit: **¥16.5** billion

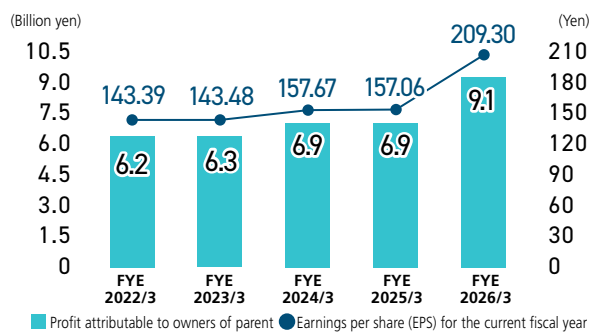
Operating Income/Operating Profit Margin

Record-high operating profit



FYE 2026/3 Net income: **¥9.1** billion EPS **¥209.30**

Net Profit Attributable to Owners of the Parent/Earnings per Share (EPS) for the Current Fiscal Year
Growth in both net income and EPS, resulting in record-high net income

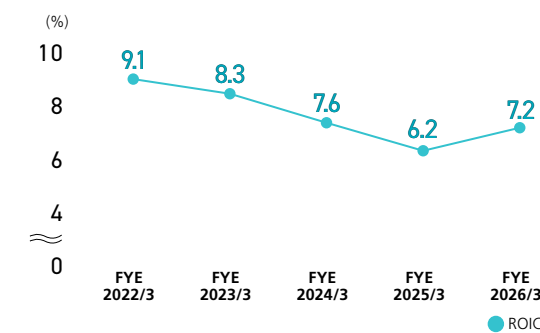


Efficiency

FYE 2026/3 ROIC: **7.2%** WACC: **6.7%** KPI ROIC>WACC

ROIC Trend

Continuously generated returns (ROIC) that exceed WACC



ROE results

FYE 2026/3 ROE: **10.7%** KPI ROE: **11%** or more

ROE Trend

Breakdown of ROE (based on DuPont analysis)

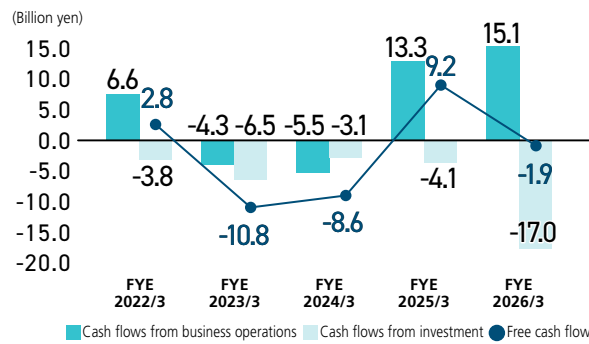
Efficiency		FYE2024/3	FYE2025/3	FYE2026/3
	ROE	10.0%	8.9%	10.7%
	Profit Margin	4.2%	3.8%	4.4%
	Total Asset Turnover Ratio	1.06times	0.98times	1.01times
	Financial Leverage	2.26times	2.37times	2.44times

Cash Flow

FYE 2026/3 Cash flows from operating activities **¥15.1** billion

Cash Flow Trend

Operating cash flow exceeds the previous year's results for the second consecutive fiscal year

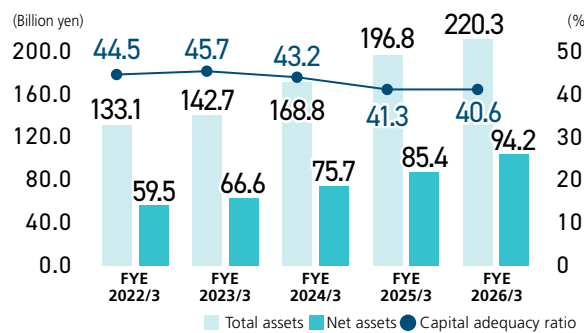


Financial Soundness and Shareholder Returns

FYE 2026/3 Capital adequacy ratio: **40.6%** KPI Equity ratio between **40%** and **50%**

Total Assets/Net Assets/Equity Ratio

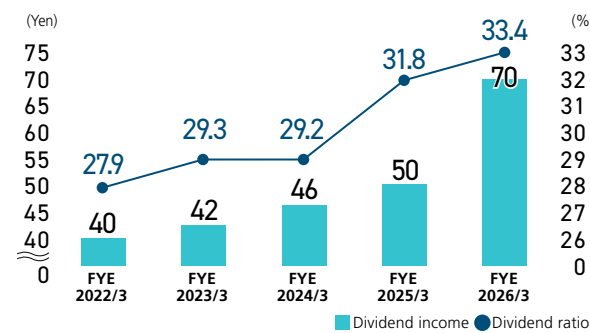
Achieved an appropriate capital adequacy ratio and a strong financial base



FYE 2026/3 Dividend income: **¥70** billion Dividend ratio: **33.4%** KPI Dividend ratio: **30% to 40%** (Progressive dividend)

Dividend Income/Dividend Ratio

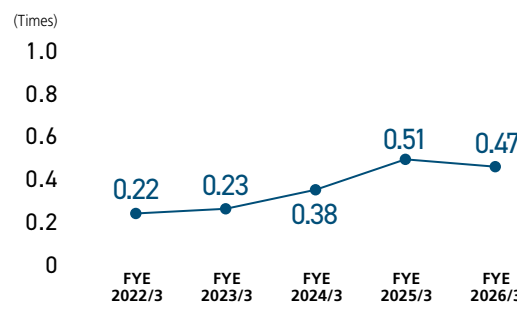
Dividend increased for the fifth consecutive fiscal year



FYE 2026/3 DE ratio: **0.47** times KPI DE ratio: Less than **0.8** times

DE ratio

Maintained strong financial soundness

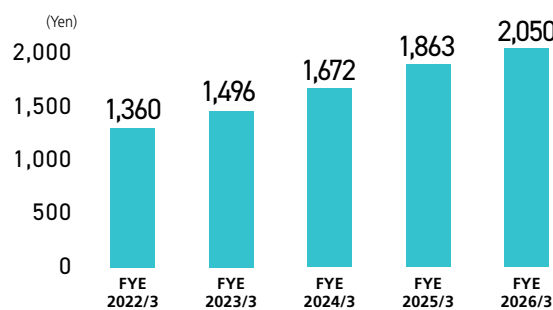


Other cash flows from investment activities

FYE 2026/3 BPS: **¥2,050**

Book Value Per Share (BPS)

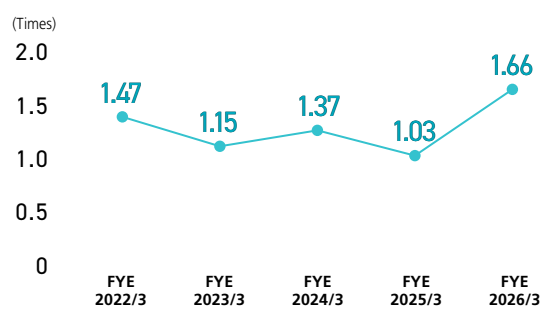
BPS has reached the 2,000 yen range through steady profit accumulation



FYE 2026/3 PBR: **1.66** times

Price/Book Ratio (PBR)

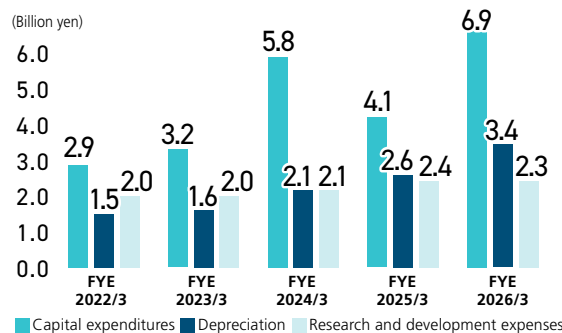
Increased by 1.66 times on the back of the FYE 2026/3 stock price increase



FYE 2026/3 Capital expenditures: **¥6.9** billion Research and development expenses: **¥2.3** billion

Capital Expenditures/Depreciation Expenses/
Research and Development Expenses

Strengthened the business platform through continuous investment



Message from the Executive in Charge of Finance

Contributing to corporate value enhancement through proactive financial strategies.



Tomoyuki Takase

Executive Officer / Executive General Manager,
Accounting & Financial Planning Office,
Corporate Strategy Planning Division

Achieved Record-High Performance through the Steady Execution of Financial Strategies

Upward Revision of Management Targets for Sustainable Growth

Under the financial strategy of the Mid-Term Business Plan 2027, we have established seven KPIs from the perspectives of "Profitability," "Efficiency," "Financial Soundness," and "Shareholder Returns" to visualize the process toward reliably achieving our targets. In the fiscal year ended March 31, 2026, we achieved record-high results and improved profitability, the core of our strategy, resulting in ROE of 10.7%. We also maintained high level of financial soundness, with an equity ratio of 40.6% and a D/E ratio of 0.47 times. With performance expected to significantly outpace the initial plan, in April 2026 we revised upward the management targets for the plan's final fiscal year, setting new targets of 245.0 billion yen in net sales and 16.5 billion yen in operating income. Other KPIs have also performed favorably overall, giving us sold confidence in achieving our targets.

Medium- to Long-Term Financial Strategy Targets

Following such solid performance, stakeholder expectations have risen even further, bringing a profound sense of responsibility. Building on these heightened expectations and the ahead-of-schedule achievement of the Mid-Term Business Plan, the mission of the CFO is to steer the Company toward realizing even higher medium- to long-term financial targets, specifically targeting an ROE of 15% and a ROIC of 10%.

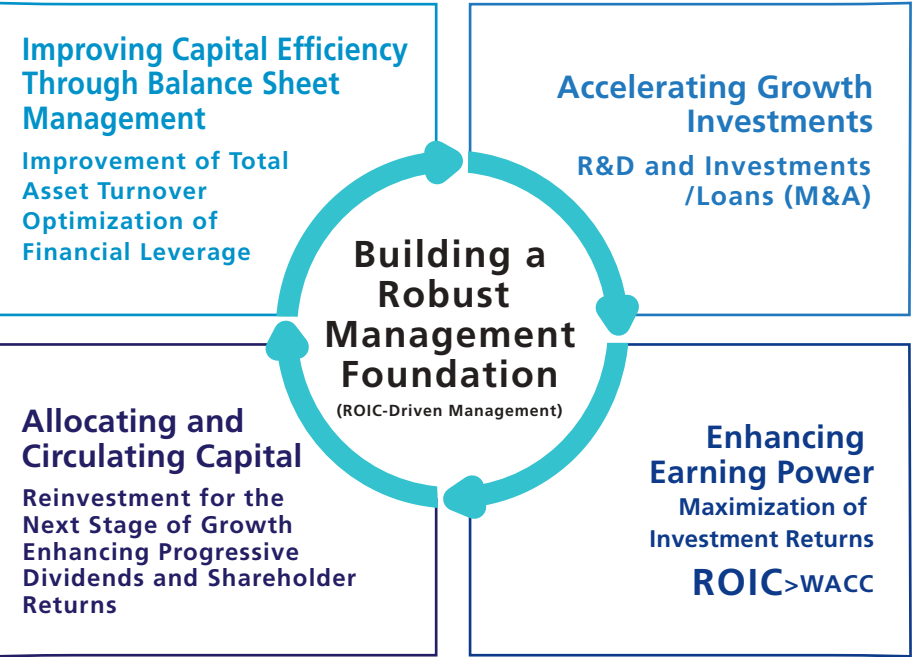
7KPIs		
Profitability	Efficiency	Financial Soundness and Shareholder Returns
Sales ¥245.0 Billion (200.0Billion)*	ROE At least 11% (At least 10)*	D/E ratio Less than 0.8 times
Operating Income ¥16.5 Billion (13.0Billion)*	ROIC ROIC>WACC	Equity ratio More than 40% but less than 50% Dividend payout ratio (Progressive dividend) 30% to 40%

*Initial plan

Enhancing Earning Power for Sustainable Growth

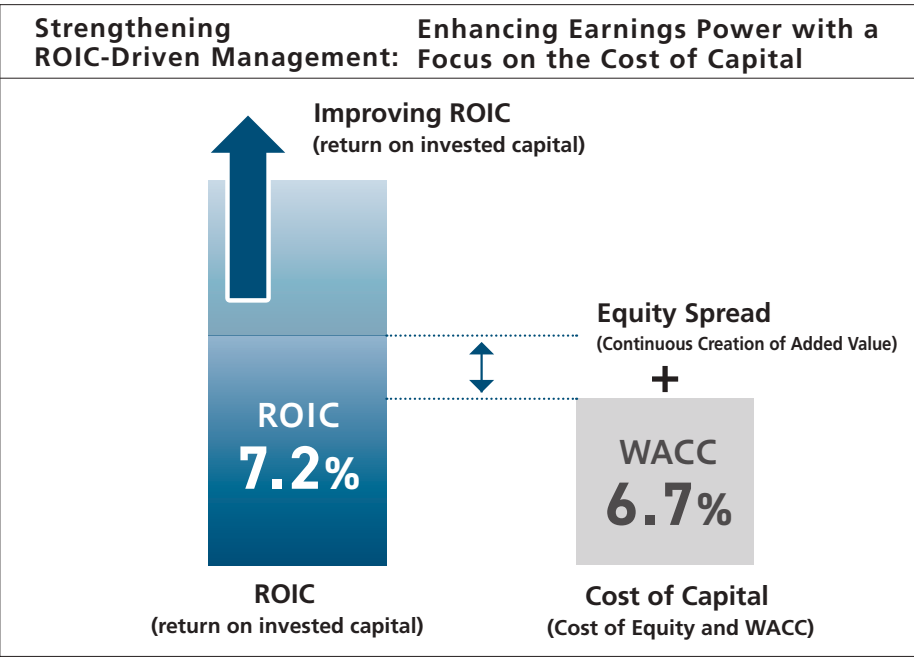
Capital Cost-Conscious Management and Improved Capital Efficiency

In accordance with the Corporate Governance Code, we practice management that is highly conscious of the cost of capital (cost of equity and WACC). In light of recent increases in interest rate and share price trends, we recognize that further enhancing our profitability to outpace rising interest rates and capital costs is absolutely essential. To further improve profitability, we aim to establish a sustainable growth cycle by interlinking "accelerating growth investments," "enhancing earning power," "allocating and circulating capital," and "improving capital efficiency through balance sheet management" as detailed below.



Promoting Growth Investments and Strengthening ROIC-Driven management

Specifically, we will further reinforce the profitability of our core businesses while accelerating investments for sustainable growth, maximizing the investment returns to enhance earning power. We will build a robust management foundation capable of continuously maximizing our "equity spread" by stably ensuring that our ROIC reliably exceeds the cost of capital.



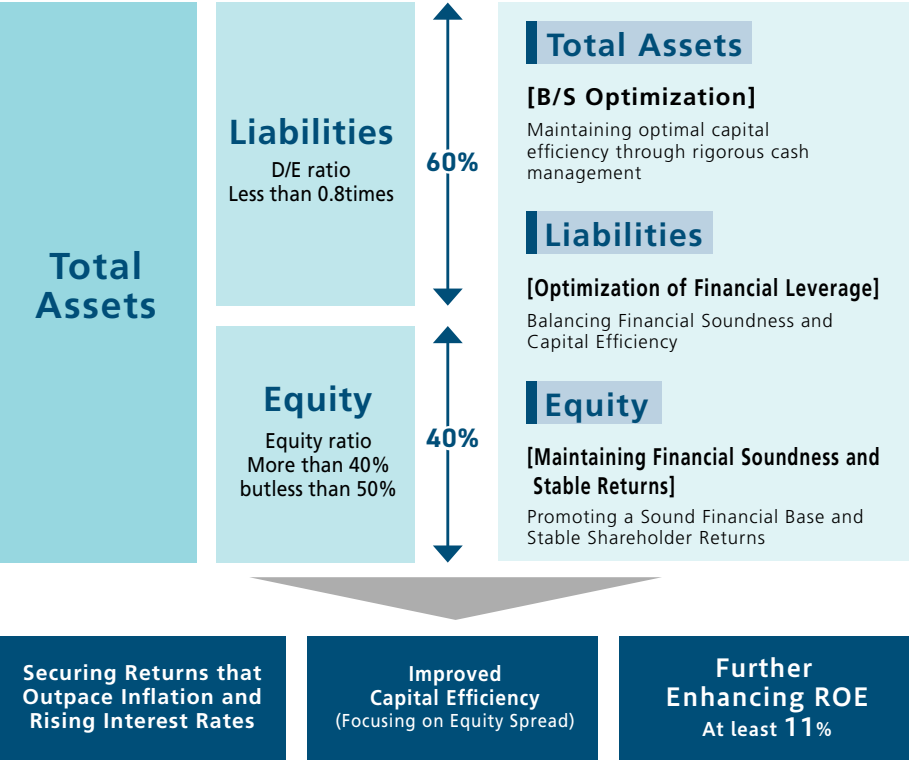
The WACC and various capital costs stated in this report are figures calculated and determined by the Company based on information available at the time of preparation.

Balance Sheet Management and Improving Capital Efficiency

Strengthening the Financial Foundation and Optimizing Financial Leverage

As a company engaged in businesses with highly public nature, we regard an equity ratio of 40% as a benchmark for stability. Building on this solid financial foundation, we closely assess our liquidity on hand and market conditions to appropriately leverage interest-bearing debt and pursue both financial soundness and efficiency.

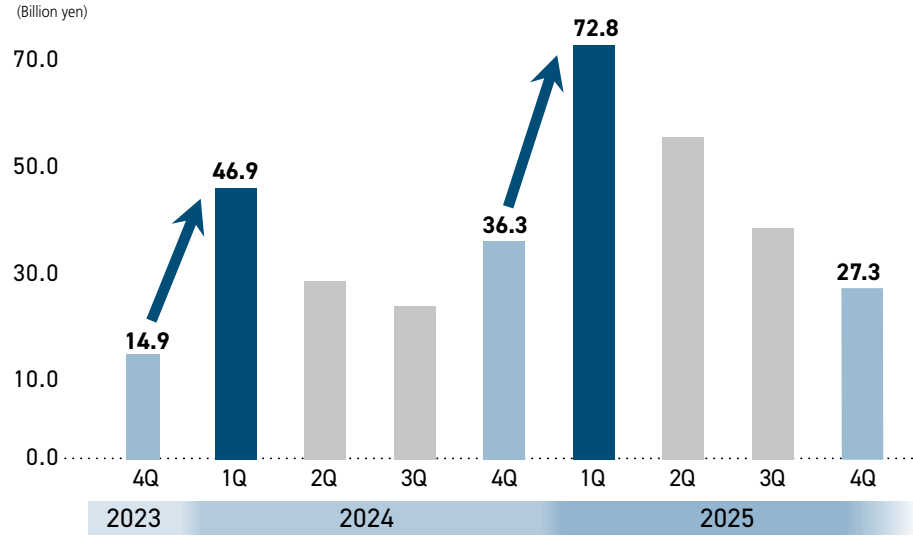
The METAWATER Group’s Balance Sheet Management to Maintain Financial Soundness



Efficient Cash Management

On our balance sheet, we manage a unique operating cycle specific to public works projects, where construction completions concentrate at fiscal year-end, causing accounts receivable to peak before being collected during the first quarter. We fully understand these characteristics and precisely control cash flows as well as investments and loans for business operations. By optimizing the balance sheet through rigorous cash management to keep optimal capital efficiency, we achieve swift cash allocation to growth investments.

Trend in Cash and Cash Equivalents



Cash Allocation

Plan Progress and Current Status

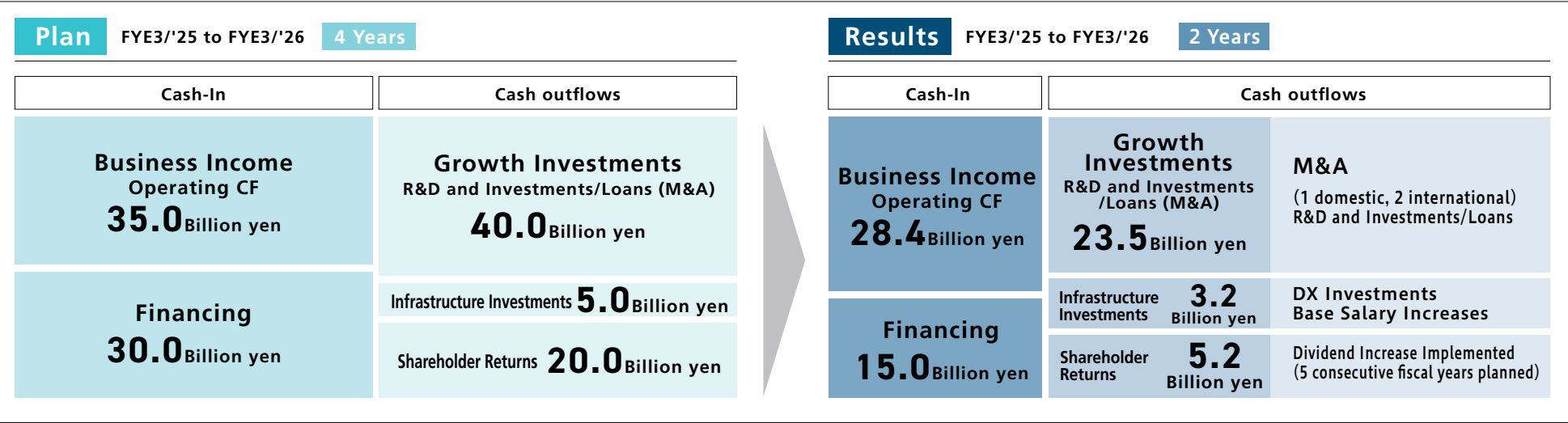
Under the Mid-Term Business Plan 2027, we have formulated the following cash allocation plan to reliably achieve our targets. As for our current progress, operating cash flow — the source of incoming cash — has exceeded the previous year’s results for two consecutive periods, and business income has reached 28.4 billion yen. We are seeing solid signs of progress toward achieving our plan.

Cash Outflows

We allocated 23.5 billion yen to growth investments, including R&D and investments and loans (such as investments in Suido Kiko Kaisha, Ltd., Schwing Bioiset, Inc., and E&P Anlagenbau GmbH); 3.2 billion yen to human capital investments, including base salary increases to offset inflation, mid-career hiring, and DX infrastructure investments to further improve productivity; and 5.2 billion yen to shareholder returns.

Future Strategy for Growth Investments

While maintaining a balance between financial soundness and shareholder returns, we are steadily building the foundation for business expansion. Moving forward, we will leverage our strong business income to accelerate the allocation of resources to growth investments, which are the driving force behind sustainable growth, thereby expanding our international business and further broadening our business domains. Furthermore, based on a careful review of our share price performance since the plan’s inception and current market levels, we believe that at this stage, prioritizing capital allocation toward growth investments businesses expansion— rather than temporary capital adjustments through share buybacks — is most effective for improving medium- to long-term ROE and maximizing corporate value. For the time being, we will carefully assess market conditions and investment efficiency while pursuing the optimal balance between maintaining capital efficiency and shareholder returns.



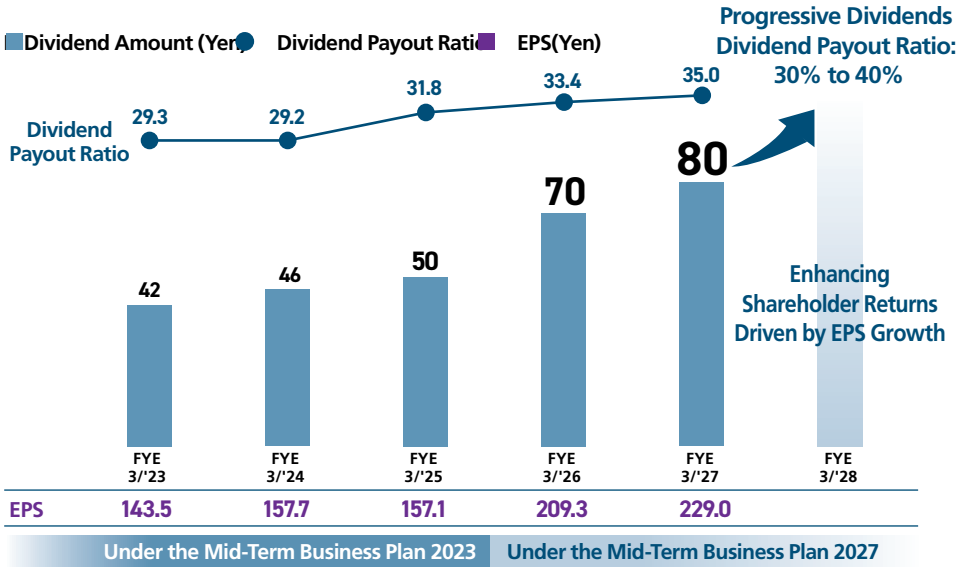
Enhancing Shareholder Returns

Basic Policy on Capital Allocation

Considering our share price at the time the Mid-Term Business Plan 2027 was formulated and our current market valuation, we believe that at this stage, allocating capital to growth investments for businesses expansion and to shareholder returns will be effective in improving ROE and ROIC over the medium- to long-term, and therefore, enhancing corporate value.

Dividend Policy and Enhancement of “Progressive Dividends”

As our dividend policy, we are reinforcing progressive dividends to our shareholders. The annual dividend for the fiscal year ended March 31, 2026 was 70 yen per share (including a 20 yen dividend increase driven by earnings growth). Going forward, we will continue to steadily enhance shareholder returns. For the time being, we will carefully assess market conditions and investment efficiency while pursuing harmony between maintaining capital efficiency and shareholder returns.



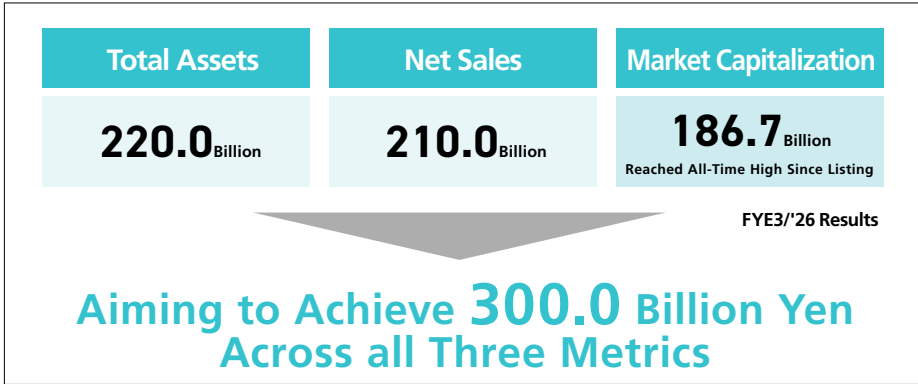
Our Vision

Progress of the Long-Term Vision “Next2037”

Under the long-term vision “Next2037,” we have set targets of “300.0 billion yen” each for total assets, net sales, and market capitalization. Of these, total assets and sales have already reached the 200.0 billion yen milestone. In addition, market capitalization reached an all-time high in March 2026, giving us solid confidence toward achieving our target. Backed by solid business growth in recent years, we will work to expand market capitalization further, aiming to achieve the 300.0 billion yen target ahead of schedule during the period of the next mid-term business plan.

Toward Enhancing Corporate Value over Medium to Long Term

Through achieving record-high share price since our public listing and engaging in ongoing dialogue with investors, we can truly feel the strong expectations and trust placed in our business. Rather than viewing this positive momentum as a temporary phenomenon, we will transform it into a further driving force. We are committed to actively communicating and promoting understanding of our medium- to long-term strategies, and working to achieve sustainable growth in corporate value.

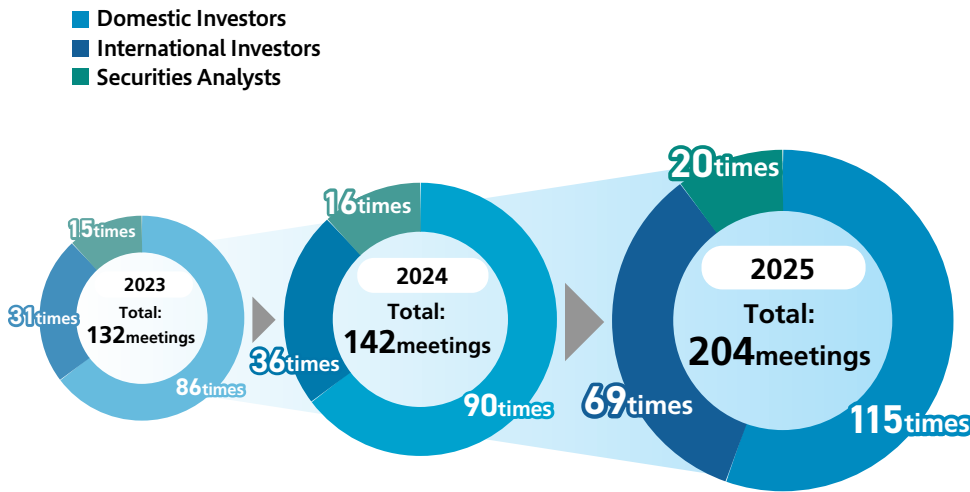


Enhancing IR Activities

Expanding Investor Engagement

To achieve our goal of increasing market capitalization, we have been conducting proactive investor relations activities, placing a strong emphasis on both the frequency and quality of our dialogue with investors. As shown in the meeting implementation status below, the number of individual meetings has notably increased from 132 in FY2023 to 204 in FY2025. In particular, meetings with international investors expanded to 69 (accounting for approximately 30% of the total), reflecting the deeper dialogue. Specifically, in response to requests from investors, we are enhancing participation in seminars for individual investors. For international investors, in addition to online meeting, we are focusing on direct, in-person dialogue on site.

■ Status of Individual Meetings



Future Strategy

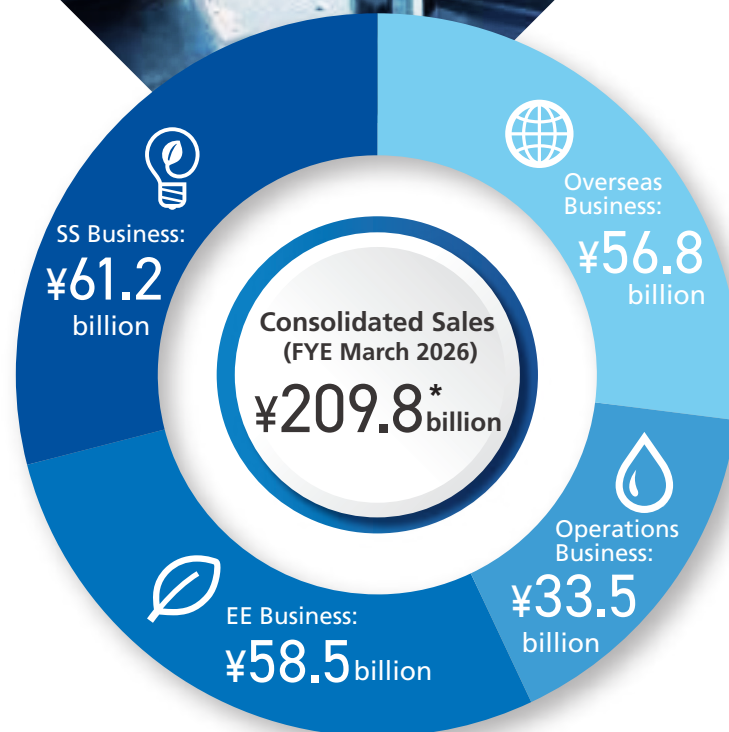
Against the backdrop of growing interest in our growth strategy and businesses, the number of analysts covering and evaluating our Company increased by one. Through ongoing dialogue with analysts, we will aim for “deep mutual understanding” and enhance the stability of our market valuation. Through these initiatives, we will continue sincere engagement with investors to properly evaluate our future potential. Moving forward, we will regular briefings and individual dialogues, pursuing IR activities that foster a "clear and accurate understanding" among investors.

Other Major IR Activities

IR Activities in FY2025	Company Speakers
Financial Results Briefings (4 times a year)	President and Representative Director Executive Officer / Executive General Manager, Accounting & Financial Planning Office, Corporate Strategy Planning Division
IR Conferences for Institutional Investors (3 times a year)	President and Representative Director Executive Officer / Executive General Manager, Accounting & Financial Planning Office, Corporate Strategy Planning Division
IR Seminars for Individual Investors (Web-based)	Executive Officer / Executive General Manager, Accounting & Financial Planning Office, Corporate Strategy Planning Division
IR Fairs for Individual Investors (Presentations)	Executive Officer / Executive General Manager, Accounting & Financial Planning Office, Corporate Strategy Planning Division
Business Briefings: Environmental Engineering Business / International Business	Executive Officer / Executive General Manager, Environmental Engineering Division Executive Officer / Executive General Manager, International Business Division

Chapter 04

Business Strategy and Technology



*Figures are rounded to the nearest displayed unit, so totals may not add up.

Sales by Segment (FYE 2026/3 Results)



Environmental Engineering Business (EE Business)

¥58.5
billion

Water Environment Business

Resources & Environment Business

Design, construction, maintenance, and O&M of machinery and equipment for domestic purification plants, wastewater treatment plants, and resource recycling facilities



System Solution Business (SS Business)

¥61.2
billion

System Engineering Business

Customer Engineering Business

Design, manufacturing, maintenance, and O&M of electric equipment for domestic purification plants and wastewater treatment plants



Operations Business

¥33.5
billion

Operations of domestic purification plants, wastewater treatment plants, and resource recycling facilities



Overseas Business

¥56.8
billion

Design, construction, maintenance, and O&M of facilities and equipment for overseas purification plants and wastewater treatment plants, as well as private-sector projects

Messages from Division Heads

01

Environmental Engineering Division

With the aim of addressing societal issues such as environmental problems and the declining working population, we will leverage energy-saving, energy-generation, and automation technologies to advance the transition to a recycling-oriented society and decarbonization, contributing to a more optimized society.

Executive Officer, Environmental Engineering Division

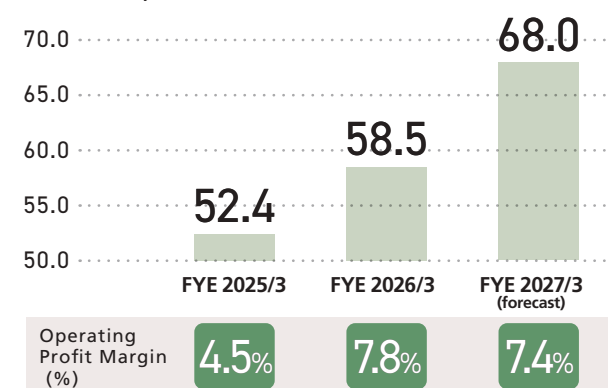
Daisuke Ochiai



We are engaged in a wide range of businesses, including the engineering, procurement, and construction (EPC) of water treatment plants, wastewater treatment plants, and resource recycling facilities, as well as operation (O) and maintenance (M). To respond to the diversification of customer needs due to changes in the business environment, we promote digital transformation (DX) by effectively utilizing ICT and AI in each phase of EPC, O, and M, providing high-quality, safe, and secure engineering solutions that also create new value.

Sales / Operating Profit Margin

Sales (billion yen)



Strengths and Challenges

Strengths

- Engineering capabilities utilizing differentiated products and technologies in the mechanical field, as well as integration of mechanical technologies and electrical technologies (electromechanical fusion)
- Technical proposal capabilities to solve customer challenges such as reducing greenhouse gas emissions and labor-saving, and to meet diverse needs
- Extensive experience and track record in delivering mechanical equipment to water treatment plants, wastewater treatment plants, and resource recycling facilities

Challenges

- Continuing engineering innovation to create new value through the effective use of ICT
- Further strengthening our ability to propose solutions for a decarbonized society through the development of disaster response capabilities and energy-saving and energy-creation technologies
- Further improving business profitability and ensuring the quality of facilities and services

Review of Fiscal Year 2025

In the fiscal year ended March 2026, operating revenues and profits increased from the previous fiscal year due to steady progress in the design and construction of long-term projects and strong orders for service projects. The backlog of orders remained at a high level due to strong orders for large-scale projects, including the Mano Water Treatment Plant Renewal and Improvement and Water Supply Facility Operation and Maintenance Project. Notable project developments included the completion of the Tokyo Metropolitan Government's Rebuilding of Sludge Incinerator Equipment at the Nanbu Sludge Plant, Construction Stage 2 Project.

Outlook toward the Mid-Term Business Plan 2027

Our goal is to be number one in technology and services by developing technologies, enhancing productivity, and fostering human resources. We leverage the extensive know-how we have accumulated through the design, construction, operation, maintenance, and inspection of water supply, sewerage, and resource recycling facilities to provide plant construction and point repair services that utilize our strengths in energy-saving, energy-creation, and labor-saving technologies, as well as safe, secure, and highly productive operation and maintenance and operation management services.

Messages from Division Heads

02

System Solutions Division

We will contribute to the stable operation of water supply and sewage facilities by integrating the design and construction of electric equipment with after-sales service.

Executive Officer / Executive General Manager, System Solutions Division

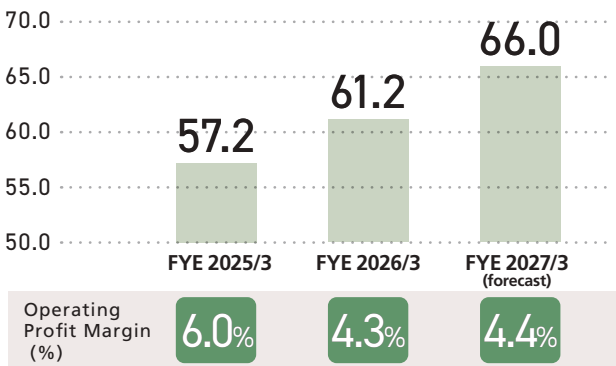
Hajime Ito, Director,



The System Solutions Division is an organization that consolidates engineering functions from the design and construction of various electrical equipment for water supply and sewerage facilities to after-sales service. We provide solutions that support safe and secure water and environmental infrastructure by flexibly responding to challenges faced by customers in terms of the operation and maintenance of facilities, measures to address aging infrastructure, the continued expansion of public-private partnership projects, and environmental issues.

Sales / Operating Profit Margin

Sales (billion yen)



Review of Fiscal Year 2025

Both the SE*1 business, which is responsible for engineering, procurement, and construction, and the CE*2 business, which is mainly responsible for point repair, maintenance, and inspection, achieved higher order volumes and sales than the previous year. Notably, in terms of orders, the backlog at the beginning of this fiscal year increased by 30% compared to the previous year due to multiple large-scale orders, including combined mechanical and electrical projects and long-term PPP contract projects. While gross profit increased due to higher sales, operating income decreased from the previous fiscal year. This was the result of investments toward the future, including the improvement of the WBC environment for the expansion of services for customers, effective use of ICT and AI in business operations, strengthening the promotion of engineering DX, an increase in capital expenditures for the development and improvement of the workplace environment, and an increase in research and development investment.

Outlook toward the Mid-Term Business Plan 2027

We aim to contribute to the achievement of the goals of the revised Mid-Term Business Plan by systematically developing sales based on the large backlog of orders we have secured and promoting proposals for technologies and services that meet our customers' needs. We are also committed to solving our customers' challenges by improving the quality and efficiency of our operations through engineering DX, expanding our technologies and services to respond to changes in the market environment, developing systems and human resources, and improving working environments.

Strengths and Challenges

- Strengths

 - Extensive delivery track record, engineering experience, and know-how
 - Know-how and experience in maintenance, inspection, point repair, and troubleshooting accumulated over many years for electrical and mechanical equipment
 - A service network centered on 34 locations nationwide
 - Extensive delivery track record and know-how using our proprietary cloud service, WBC, for integrated monitoring and remote monitoring (wide-area monitoring) of dispersed small-scale facilities, as well as facility operation management systems using equipment management ledgers and maintenance and inspection tools
- Challenges

 - Responding to the continued expansion of public-private partnership projects
 - Engineering capabilities to meet performance-based orders
 - Development that contributes to further efficiency in O&M
 - Development of the structure and functions of service bases
 - Development that contributes to energy saving, energy creation, and energy management
 - Further promotion of work-style reform
 - Promotion and integration of DX in engineering operations
 - Promotion of work-style reform for on-site workers
 - Development of an environment where diverse employees can thrive

Messages from Division Heads

03

Public Private Partnership Division

We will use next-generation technologies to promote the improvement of operational efficiency and engage in a variety of public-private partnership projects, including Water-Related Public-Private Partnerships (Water PPP) that are closely linked with local communities.

Executive Officer / Executive General Manager, Public Private Partnership Division

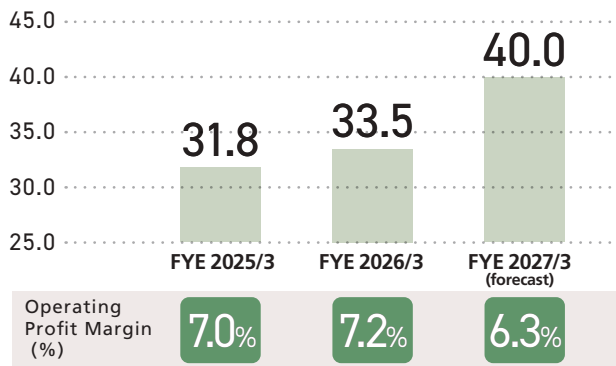
Masaaki Takahashi



The Public Private Partnership Division continues to support the water environment in local communities through a variety of public-private partnership projects, including the Miyagi Prefecture Integrated Water Supply, Industrial Waterworks, and Sewerage Public-Private Partnership Management Project, which is a concession (Level 4 Water PPP) project. We will further strengthen our ability to offer high value-added proposals that meet the essential needs of local communities, and provide stable public services to citizens, business entities, and local communities over the long term through sincere business execution and thorough operational efficiency.

Sales / Operating Profit Margin

Sales (billion yen)



Review of Fiscal Year 2025

In FY2025, six PPP projects were newly commissioned, including a wastewater system concession project in Ube City, Yamaguchi Prefecture, and the comprehensive consignment for the Arao water business (stage 3) in Arao City, Kumamoto Prefecture. In June 2026, we were selected as the preferred bidder for a wastewater system concession project in Hayama, Kanagawa Prefecture, further strengthening our track record as a leader in water-related PPPs in Japan. In addition, we are expanding the functions of the Operation Support Center (OSC) to provide on-site support, gradually expanding the number of support projects, and strengthening our proposal and operational capabilities for water-related PPPs, which are expected to increase rapidly in the future.

Outlook toward the Mid-Term Business Plan 2027

Going forward, we will not only use our accumulated know-how to expand market share, but also accelerate operational efficiency by making full use of next-generation technologies such as advanced functions of the Operation Support Center (OSC) and AI. We will utilize our strengths in operation, maintenance, and inspection know-how that we have acquired and accumulated on-site, as well as our technical capabilities in electromechanical fusion to optimize life cycle costs in water-related PPPs and ensure stable operation. Leveraging strong teamwork across the group, we will continue to embrace new challenges and forge a brighter future for the water and environmental business, with the aim of becoming the most reliable partner for local communities.

Strengths and Challenges

- Strengths

 - Operational know-how of Japan's top-class public-private partnership projects backed by extensive experience
 - Proactive risk anticipation and establishment of reliable avoidance methods in various regions and business forms
 - Robust systems to quickly restore and maintain local infrastructure in the event of a disaster or other emergency
 - Expanding the results of improvements at each site to other projects, and... implementing effective PDCA cycles to optimize life cycle cost (LCC)
- Challenges

 - Continuous development of specialist human resources who will carry out stable business operations over the long term and support next-generation water infrastructure
 - Strengthening networks with local partners to develop businesses deeply rooted in local communities
 - Appropriate business management and further promotion of energy saving in response to rising prices associated with social conditions
 - Enhancing operational structures in line with the establishment of the Operation Support Center (OSC) and... the adoption of AI and other technologies
 - In-house production of asset management technologies for facilities and pipelines and quick implementation in businesses nationwide

Messages from Division Heads

04

International Business Division

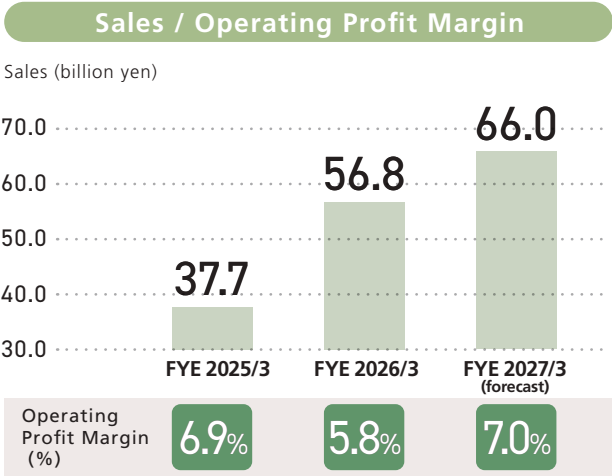
We aim to expand our business in the growing global water environment market by building on our strong products and technological capabilities.

Executive Officer & Executive General Manager, International Business Division

Ken Akikawa



The International Business Division operates primarily in North America, Europe, and Asia. In the global water environment market, water shortages, aging infrastructure, and increasingly stringent regulations are driving growing demand for the use of reclaimed wastewater, advanced wastewater treatment, and the effective utilization of sewage sludge. We have built a network of group companies with proven local track records and strong reputations, drawing on their customer bases, technologies, and expertise to provide comprehensive water and environmental solutions tailored to regional needs.



Review of Fiscal Year 2025

In FY2025, we expanded our business to new regions and strengthened our business platform by welcoming Schwing Bioset, Inc. to our group in North America, and E&P Anlagenbau GmbH to our Group in Europe. Despite continued changes in the external environment, our sales, technology, and procurement divisions, and the back office all worked together to achieve results that significantly exceeded those of the previous fiscal year. At the same time, for further growth in the future, we recognize the importance of creating even more new value by bringing together the technologies, products, and sales networks of our group companies.

Outlook toward the Mid-Term Business Plan 2027

Under the Mid-Term Business Plan 2027, we will focus on areas where global demand is expected to grow, such as reclaimed wastewater use, advanced wastewater treatment, treatment of trace pollutants, and effective use of sewage sludge. We will leverage the overseas business platform that we have built up, as well as accelerate the development of new technologies and new products, aiming to achieve sustainable business growth while addressing regional issues.

Strengths and Challenges

- Strengths

 - A broad range of technologies and products covering everything from water treatment to sludge treatment, including ceramic membranes, ozone generation systems, Cloth Media Filters (CMF), AquaNereda®, and fertilizer production processes
 - The customer bases and strong local operating capabilities of our overseas group companies, which have deep roots in their local markets
 - Ability to propose solutions utilizing the technologies, human resources, and sales networks of the group companies
- Challenges

 - Continued response to changes in the external environment, including inflation, supply chain changes, and tighter regulations
 - Contributing to solving environmental issues by further expanding our business to new regions beyond existing markets in Europe, North America and Asia
 - The need to consider and build a medium- to long-term water business management system outside Japan in response to changes in the global water market

Messages from Division Heads

05

Sales & Marketing Division

We approach the challenges faced by business entities and local communities from a broad perspective, consistently proposing solutions to these issues while working to secure ongoing sales orders.

Executive Officer, Sales & Marketing Division

Kenji Kojima



The Sales & Marketing Division aims to address the issue of aging facilities and equipment in domestic water and environmental infrastructure, as well as the challenges this creates, such as the need for quality improvement, rising maintenance and inspection costs, and a decrease in the number of business operators. In addition, the division is committed to proposing digital transformation (DX) technologies that contribute to solutions to these issues, decarbonization efforts aimed at achieving carbon neutrality, and improvements in operation and management efficiency.

Review of Fiscal Year 2025

In the water and wastewater sector, we combined both mechanical and electrical technologies to propose optimized operations that take into account entire facilities and life cycle costs (LCC). We also focused on comprehensive proposals that enhance added value through improved functionality and operational efficiency, which allowed us to secure sales orders. We also continue to focus on proposals for the practical application of new technologies. In the resources and environment fields, we supported the formation of a recycling-oriented society, contributed to local employment and environmental education, and proposed the construction and operation of facilities that exist in harmony with local communities. By enhancing our ability to make proposals based on the life cycle of facilities, we have achieved a smooth start from construction to O&M (operation and maintenance), contributing to the resolution of a wide range of issues faced by customers.

Outlook toward the Mid-Term Business Plan 2027

We will continue to build on our FY2025 results and deliver proposals that contribute to solving existing and new issues faced by customers. In addition, regarding the Water-Related Public-Private Partnership (PPP) projects, we will not only solve challenges faced by customers, but also strengthen our efforts in proposing optimal technologies based on our group's extensive track record and build new operational structures through collaboration with local companies and the use of digital transformation (DX) technologies, thereby contributing to entire local communities. To solve challenges faced by customers and to realize water and environmental infrastructure that is not only safe and secure, but also contributes to local communities, we prioritize taking macro-level and broad perspectives on societal issues as we aim to secure ongoing orders.

Strengths and Challenges

- Strengths

 - Mechanical and electrical technologies that optimize water treatment facilities and related facilities in order to solve challenges faced by customers, and the capability to propose solutions
 - New regulations and standards, unique environmental technologies that contribute to life cycle cost (LCC) reductions, and DX efforts that leverage AI and ICT
 - Delivery of after-sales services such as system operation, maintenance, and inspection, and proposals for optimal improvements to our products and systems that are also tailored to emerging needs and challenges
 - Delivery of proposals for efficient and comprehensive optimal solutions to challenges faced by customers and local communities based on extensive experience and achievements in various public-private partnership projects
- Challenges

 - Ability to deliver innovative proposals to achieve efficiency, LCC reduction, further energy saving, energy creation, and decarbonization
 - Responding to drastic changes in the economy, labor market, and social conditions
 - Building frameworks and developing human resources in response to changes in the market environment

Environmental Engineering Division

Delivery of our company’s first full-scale energy self-sufficient incinerator and waste heat power generation system (ORC system)

The design and construction of the No. 7 reactor at the Nanbu sludge treatment plant in Tokyo took approximately five years, and delivery of the actual reactor was completed in July 2025. The plant (energy self-sufficient incinerator), which has received technical certification from the Tokyo Metropolitan Government, boasts zero fuel consumption and zero electricity consumption. The core technology essential to achieving this goal is our company’s first waste heat power generation system (ORC: Organic Rankine Cycle System). The system uses a working medium with a low boiling point to operate a steam turbine with high efficiency, generating up to 1,400 kW of electricity. This significantly exceeds the power consumption of the incinerating facility, which is 650 kW, achieving zero power consumption. By combining the comprehensive strengths of our company, including our business division, the R&D Center, and the Plant Construction Division, we have carried out development, site construction, and commissioning as planned. This plant will serve as a symbol of our company for the next generation.



Overall view of the plant

Waste heat recovery generation equipment (ORC system)

Overview of the No. 7 Incinerator at the Nanbu Sludge Treatment Plant

Contract construction period	August 6, 2020 – July 1, 2025
Treatment capacity	300 t/day (24 hours continuous operation)

System Solutions Division

Construction Work Involving the Rehabilitation of Extra-High Voltage Power Receiving and Transforming Equipment at the Shitamachi Purification Center

At the Yokosuka City (Kanagawa Prefecture) Waterworks and Sewerage Bureau Shitamachi Purification Center, we successfully completed the rehabilitation of the extra-high-voltage power receiving and transforming equipment, high-voltage power receiving and transforming equipment, and related equipment. Facilities that require large amounts of electricity, such as wastewater treatment plants, need to receive electricity at high voltages from power companies and convert it into voltages that can be used by each piece of equipment in the facility. For this project, we supplied a complete range of electrical equipment, including extra-high-voltage receiving and transforming equipment for receiving and converting power at the extremely high voltage of 66 kV. In addition to the dangerous work of handling high voltage, this difficult project required the construction of a strong foundation to ensure resilience against tsunami inundation, but all processes were successfully completed under a thorough management system. This project was designated an Excellent Construction Project by the City of Yokosuka in recognition of its high standards of construction quality and safety measures.



Extra-high power receiving and transforming equipment

Electric equipment: Full set

Overview of Construction Work Involving the Rehabilitation of Extra-High Voltage Power Receiving and Transforming Equipment at the Shitamachi Purification Center

Project period	December 19, 2023 – March 13, 2026
Construction details	Power receiving and transforming equipment, special power supply equipment, operating equipment, instrumentation equipment, monitoring and control equipment, etc.

Public Private Partnership Division

Secured the order for the Ube City Public Sewerage Western Treatment District Operation Project concession, following projects in Kumamoto and Miyagi prefectures

In November 2025, a special purpose company (SPC), Ube Aqua Front Co., Ltd., which is represented by our company, concluded an implementation agreement with the city of Ube for the Ube City Public Sewerage Western Treatment District Operating Project. In April 2026, Ube Aqua Front Co., Ltd. will commence operations at the West Sewage Treatment Plant Center. We will also be responsible for the maintenance and management of the off-site facilities in the western treatment district under a comprehensive private-sector contract. We will carry out maintenance, inspection, rehabilitation, and related tasks for the applicable facilities in an integrated manner over a long period of 30 years, leveraging the capabilities and ingenuity of the private sector.



West Sewage Treatment Plant Center

Overview of Ube City Public Sewerage Western Treatment District Operation Project

Project Method	Concession (public facility operation business) and comprehensive private outsourcing
Applicable business	Operation of the West Sewage Treatment Plant Center and maintenance and inspection of the pumping station and maintenance hole pumping station
Project Period	April 2026 – March 2056 (30 years)
Business entity	Ube Aqua Front Co., Ltd. (special purpose company) [Investors] METAWATER Co., Ltd. (representative company), Fuji Sogyo Co., Ltd., UD Engineering Co., Ltd. Maemura Electric Construction Co., Ltd., Daiei Kenseitsu Co., Ltd., Mitsubishi UBE Cement Corporation

International Business Division

Acquired all shares of E&P Anlagenbau GmbH in Germany

Strengthening the business platform in Europe and accelerating the expansion of overseas business

In October 2025, we acquired all shares of E&P Anlagenbau GmbH (hereinafter, "E&P"), a sewage and sludge treatment engineering company headquartered in Berlin, Germany. Currently, stricter environmental regulations are being enforced in the European market, and in particular, there is a rapidly growing need for advanced nitrogen and phosphorus processing in wastewater treatment, as well as for efficiency and resource recovery in sludge treatment. E&P is a company with advanced engineering technology in the field of sewage and sludge treatment. E&P is highly evaluated for its comprehensive capabilities in offering one-stop solutions from design through construction to maintenance, and the company has a proven track record of deliveries, including the completion of nitrogen and phosphorus treatment projects, and a strong customer base. By bringing E&P into our group, we will combine our advanced water and environmental technologies and global network with the strong business foundation and engineering capabilities that E&P has built in Europe. Moreover, by strengthening cooperation with the existing operations in Europe, we will maximize synergies between groups and further strengthen our business platform, as well as contribute to building sustainable water infrastructure.



Overview of E&P

Location	Berlin, Germany
Founded	2000
Director and Chairman	Satoshi Hata
President and CEO	Jörg Engelhardt
Main Business Activities	Design and construction of wastewater treatment and sludge treatment systems

Key Products and Systems



TERRMOX® anammox removal system

Wastewater treatment engineering

Sludge treatment container facility

Aerator maintenance facility

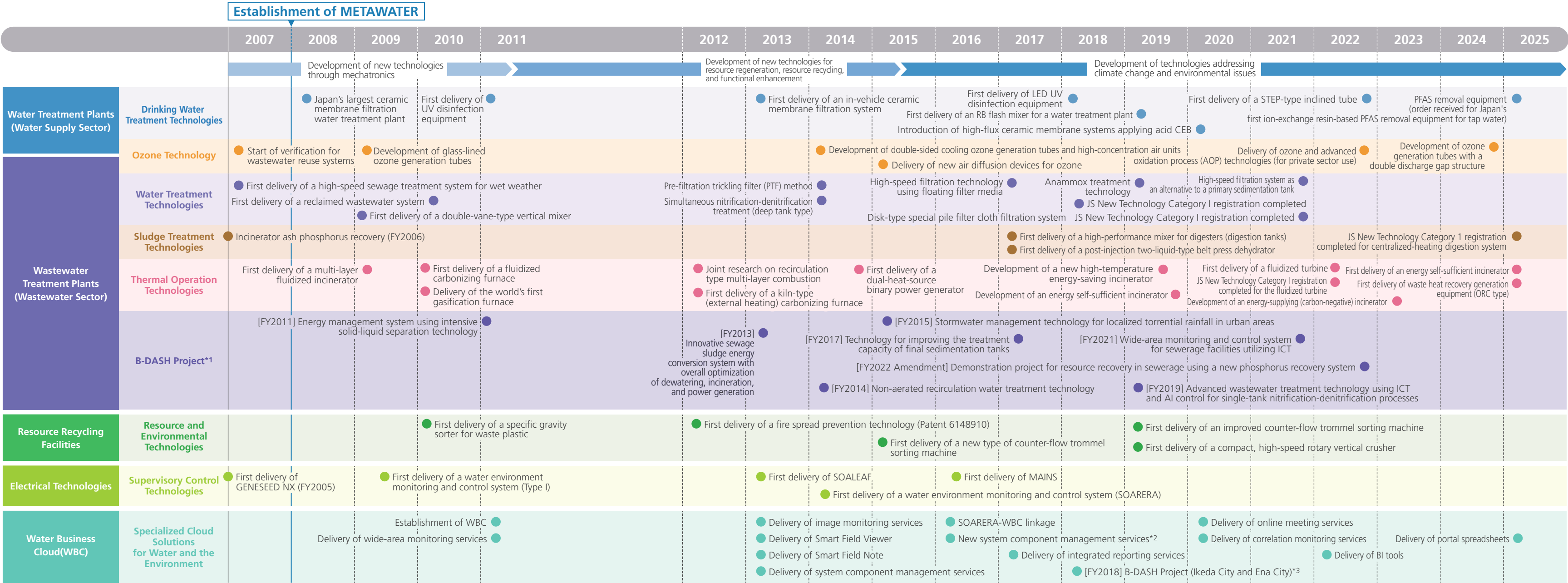
Technologies (Initiatives) We Take Pride in

History of Developing New Technologies

The situation surrounding water and environmental infrastructure is changing daily, and the challenges faced by various countries and regions are diverse. For more than 50 years, since the days of our founding parent companies, NGK Insulators, Ltd. and Fuji Electric Co., Ltd., our company has been engaged in the development of technologies supporting water and environmental infrastructure. Since our establishment in 2008, the business environment has continued to change rapidly due to challenges such as climate change, natural disaster countermeasures, financial difficulties due to population decline, and a shortage of engineers. Our group will continue to take on the challenge of developing technologies required by the times and contribute to the realization of sustainable water and environmental infrastructure.



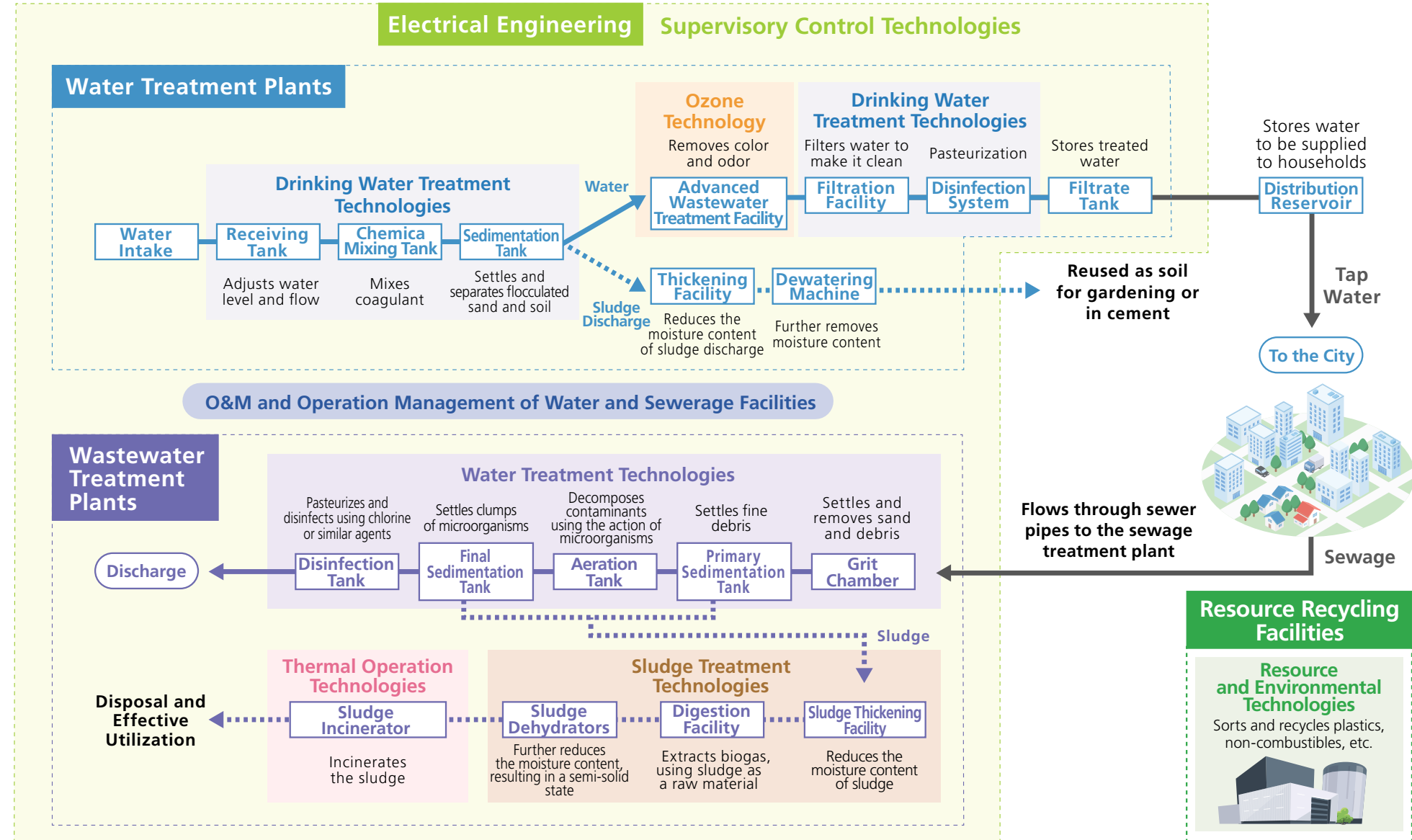
Our History of Developing New Technologies (2007–2025)



*1 "Sewerage Innovative Technology Demonstration Project (B-DASH Project)": "B-DASH" is an abbreviation of Breakthrough by Dynamic Approach in Sewerage High Technology Project. This demonstration project has been carried out by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) since FY2011. MLIT has been implementing this project in order to establish a low-carbon, recycling-oriented society in the sewerage industry, reduce life cycle costs, take measures against flooding and aging facilities, etc., while simultaneously supporting the overseas expansion of Japanese companies in water-related businesses by accelerating the research, development, and commercialization of new technologies. *2 Full renewal *3 Demonstration project on the practical application of a continuous physical asset management system starting from maintenance and inspection using cloud computing

Flow of Water, Sewage, and Resources in the Environment

Treatment Processes and Technologies at Water Treatment Plants, Wastewater Treatment Plants, and Resource Recycling Facilities



Technologies We Take Pride in | **Ceramic Membrane Filtration System** | Safe water treatment system with high strength, space efficiency, and long service life

Ceramic Membrane Filtration System

Our Ceramic Membrane Filtration System ranks number one* in market share among membrane filtration systems for water treatment plants in Japan. It features low risk of damage, removal of protozoa, space efficiency, and long service life. Our company has been improving the performance and reducing the life cycle cost (LCC) of ceramic membranes, allowing us to develop systems that can be packaged and transported on vehicles (such as vehicle-mounted and helicopter-mounted products).

*According to our research.



Features of the Ceramic Membrane Filtration System

High Strength and High Reliability

Contributes to water supply safety with a high-strength membrane that does not break

High Operational Stability

Maintains filterability and stable treatment even with high-turbidity raw water during rainfall

Space Saving

Eliminates the need for a floc forming tank or sedimentation tank, saving space

Easy Storage and Management

Enables dry storage for easy management

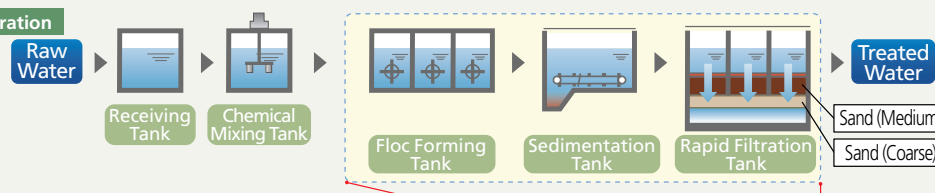
Environmentally Friendly

Long Service Life Can be used for over 15 years and can be recycled as raw material

Energy Saving Enables filtration at low pressure, as well as energy-saving operation by utilizing water level differences

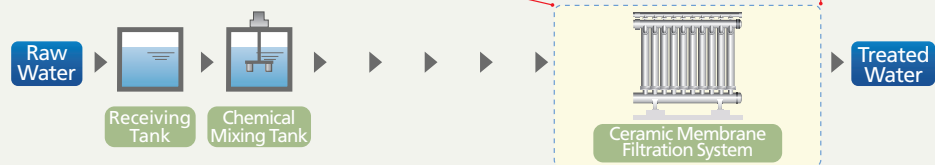
Rapid Filtration Flow

A method in which chemicals (coagulants) are added to cause turbidity and impurities to form clumps (flocs), which are settled by sedimentation and then filtered through a coarse sand layer



Membrane Filtration Flow

A method in which, after adding chemicals (coagulants), turbidity and impurities are filtered out using a membrane



TOPICS

Delivery of In-vehicle Ceramic Membrane Filtration System for Disaster Response to the Lao People's Democratic Republic

The waterworks coverage in Laos remains at a national average of approximately 25% (2020). Providing access to safe water, especially in the event of an emergency, has been a challenge. In 2023, our company delivered two units of in-vehicle ceramic membrane filtration systems in Laos. When a large-scale flood occurred immediately after the delivery, the units were sent to the affected area to secure 10 liters of safe water per person per day for several thousand people, providing water for drinking and daily use.

Furthermore, we delivered one additional unit in 2025 and provided training on operation, maintenance, and inspection of the unit for personnel from local water-related ministries and agencies.



Local Training (2025)

Disaster Response (2023)

Initiatives We Take Pride in

Carbon Neutral Technology

Contributing to energy savings and reduced greenhouse gas emissions

Initiatives for Carbon Neutrality

Our group is actively promoting efforts toward carbon neutrality (CN) in order to address environmental and societal issues such as climate change, as well as to realize sustainable water and environmental infrastructure. As one example, we have set greenhouse gas (GHG) emission reduction targets not only for our group, but also for our customers (local governments). In order to contribute to the realization of CN, we will further strengthen cooperation among the sales, development, and technology divisions, and enhance our product development and solution proposals to address customer challenges. Going forward, we will further expand our lineup of products and technologies that contribute to carbon neutrality while improving transparency regarding the level of GHG reductions achieved as a result of their adoption, thereby accelerating our efforts to realize a decarbonized society.

Indicators and Targets for GHG Emissions of Our Group

Items	Scope	Base Year	Target Year	Target Details	Actual Value
GHG Emissions (Scope1,2)	Consolidated Subsidiaries*	2020 (3,982 t-CO ₂ /year)	2030	70% reduction	5,750 t-CO ₂ /year (FY2025)
			2050	Net zero	
Contribution to reducing the GHG emissions of our customers (local governments)	Thermal operation-related products and systems at domestic sewage works	2013 (approx. 320,000 t-CO ₂ /year)	2030	50% reduction through the introduction of products and systems	207,724 t-CO ₂ /year (FY2025)

*The following companies are included, with the domestic period from April to the following March, and the overseas period from January to December. Domestic: Our company, METAWATER SERVICE Co., Ltd. | Overseas: METAWATER USA, INC.; Aqua-Aerobic Systems, Inc.; Mecana AG; FUCHS Enprotec GmbH; Wigen Companies, Inc.; Rood Wit Blauw Water B.V.; Schwing Bioset, Inc.; Revinu, Inc.; E&P Anlagenbau GmbH

Products and Technologies that Contribute to Carbon Neutrality

TOPICS

Multi-Layer Fluidized Incinerator

An incinerator with a layered structure that efficiently combusts sludge



Approximately 50% reduction in N₂O

Compared to conventional operations at facilities where our products have been delivered



Approximately 20% reduction in fuel consumption

Compared to conventional operations at facilities where our products have been delivered

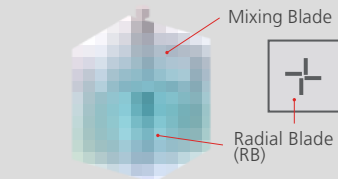
Rapid mixer (RB-type flash mixer)

By adopting an RB-type flash mixer,

we realized low-power chemical mixing.

Approximately 30% reduction in power consumption

Compared to conventional (suspended type) mixers at a planned water treatment capacity of 100,000 m³/day



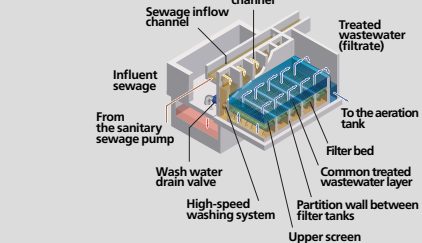
High-speed filtration system as an alternative to a primary sedimentation tank (intensive solid-liquid separation)

Using high-speed filtration as an alternative to a primary sedimentation tank

reduces power consumption

by approximately 25%.

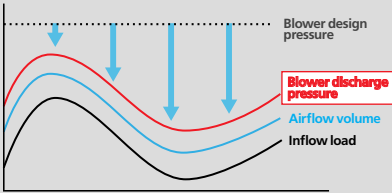
Comparison under certain conditions



Variable pressure control

Sets the required and sufficient discharge pressure in real time according to load fluctuations.

Reduced power consumption in wastewater treatment



Initiatives We Take Pride in

AB-Cross Project

FY2025 Demonstration Project

Downsizing-Capable Wastewater Treatment Technology Using Aerobic Granules

This project was selected in March 2025 as the FY2025 project of the Integrated Water and Sewerage Innovative Technology Demonstration Project (AB-Cross) promoted by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). In this project, demonstration experiments to remove organic matter, nitrogen, and phosphorus from wastewater through biological treatment (aerobic treatment) using granular sludge (granules) that forms inside an aeration tank are conducted to demonstrate the effects in terms of treated wastewater quality, treatment capacity, and power consumption reduction. In accordance with a future decrease in influent sewage volume, the project aims to gradually downsize the facility while using automatic control technology to suppress excessive power consumption. This demonstration is carried out using Nereda® technology, an aerobic granule-based water treatment technology for which our company has an exclusive license agreement with Royal HaskoningDHV (Netherlands).

Overview of This Technology

- Compared with conventional activated sludge, aerobic granules have superior settling properties and form aerobic, anoxic, and anaerobic zones within the sludge.
- Biological nitrogen and phosphorus removal is possible through a three-step cycle in one reaction tank.
- Eliminates the need for primary sedimentation and final sedimentation tanks for batch treatment.
- Since the sludge concentration in the reaction tank can be increased, the capacity of the reaction tank can be reduced.
- This enables compact reconstruction even for facilities that use the conventional activated sludge process (referred to as the “standard method” below).

Features of This Technology

1 Societal Benefits

- Supports downsizing
- Smaller facilities make earthquake resistance and disaster recovery easier

2 Economic Benefits

- Facilities are extremely compact, reducing construction costs
- Fewer power equipment units, enabling reduced O&M costs and energy savings

3 Environmental Benefits

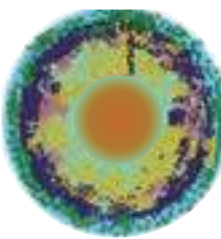
- Contributes to reductions of CO₂ emissions through energy saving
- When used as an alternative to the standard method, N₂O emissions can be reduced to the same level as the A2O method
- Promotes the reconstruction of advanced wastewater treatment facilities and contributes to water environment management

Reduction Rates of This Technology Compared to Conventional Methods

	Compared to A2O Method	Compared to Standard Method
Installation Area	Approx. 70% decrease	Approx. 50% decrease
Power Consumption	Approx. 35% decrease	Approx. 15% decrease
Construction Cost / O&M Cost	Approx. 30% decrease	Approx. 20% decrease

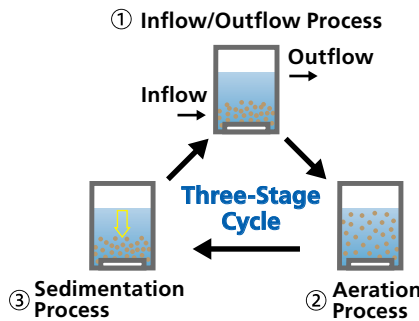
Cross-Sectional Illustration of Granular Biosolids

- Nitrifying Bacteria
- Denitrifying Bacteria
- Phosphorus-Accumulating Bacteria
- Glycogen-Accumulating Bacteria

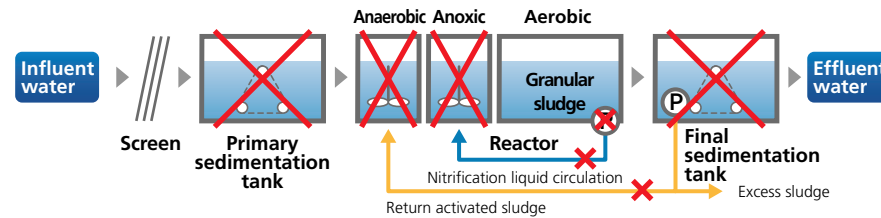


The outer layer (light blue) is aerobic, the center (light green) is anaerobic, and the area in between is anoxic.

Three-Stage Cycle in the Aeration Tank



Eliminating the Need for Facilities by Adopting This Technology



Overview of the Project

Project Participants	METAWATER, Japan Sewage Works Agency, and Miyagi Prefecture Joint Research Group
Demonstration Field	Ken-nan Purification Center (Abukuma River Lower Basin Sewerage System), Miyagi Prefecture
Project Implementation Period	FY2025 and onward

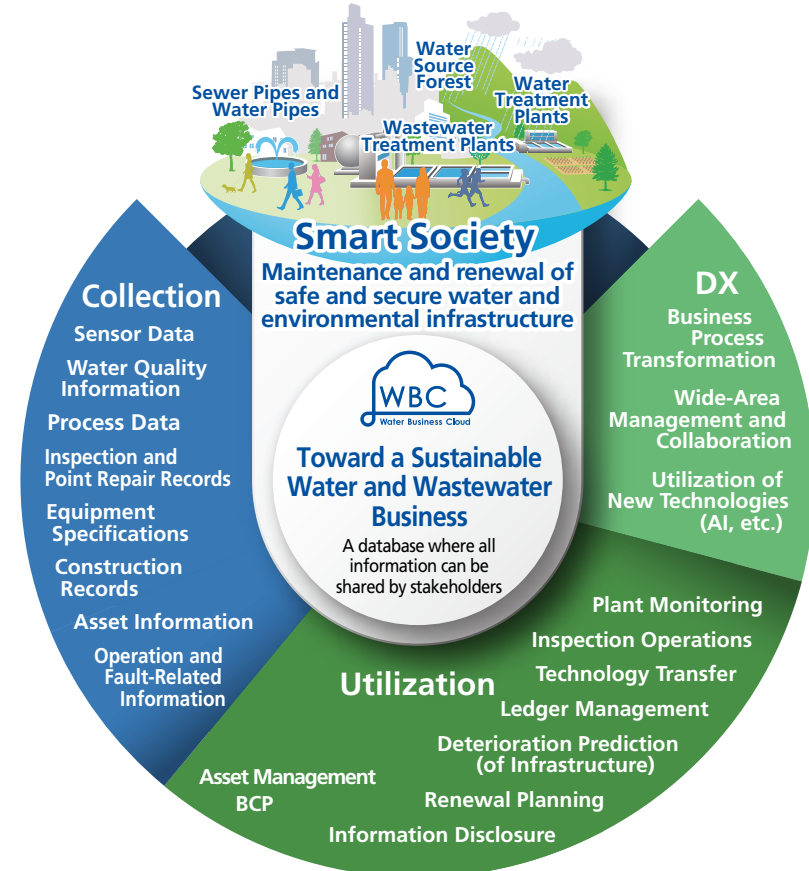
This project was conducted as a study commissioned by the National Institute for Land and Infrastructure Management, Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

Initiatives We Take Pride in | **WBC**

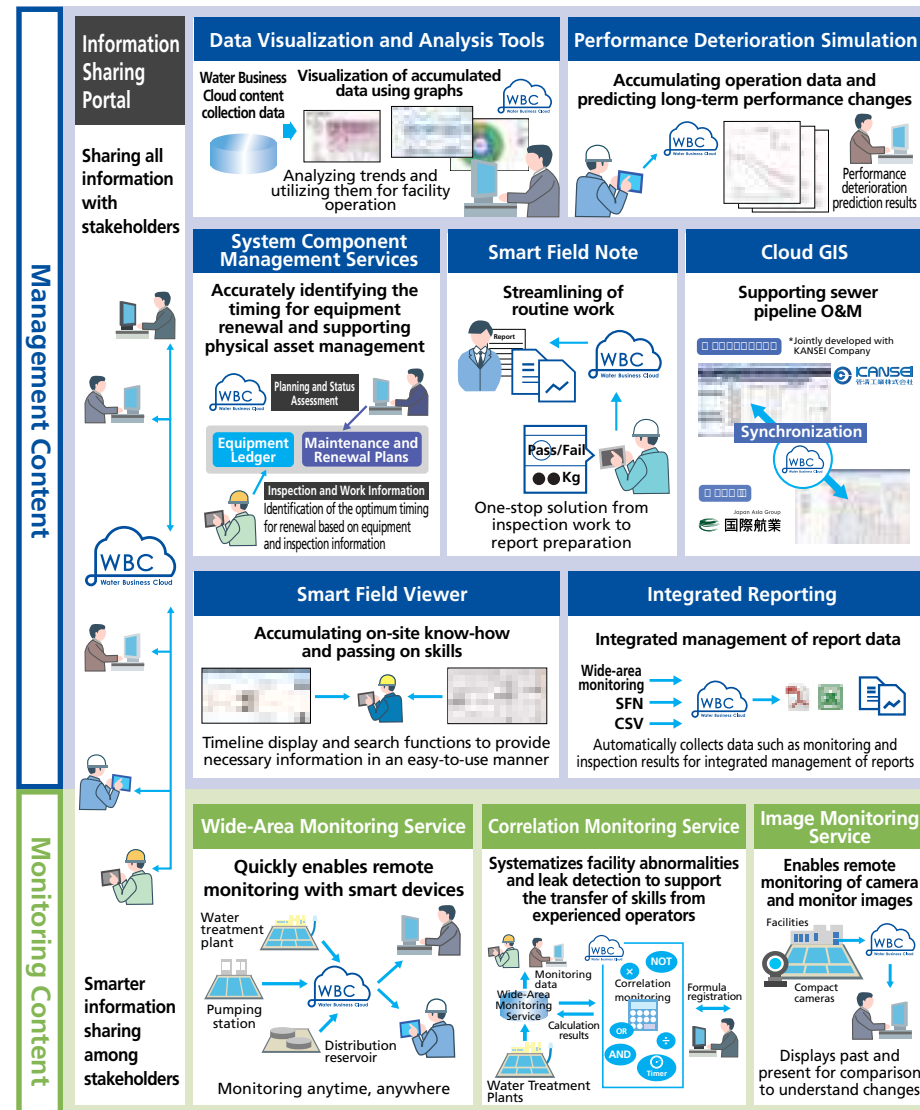
Water Business Cloud (WBC)

WBC is a cloud-based platform that enables centralized management and sharing of information for water and environmental projects. It supports monitoring, operation, and maintenance for water and sewerage facilities, assists business operations through data analysis, and promotes operational efficiency, technology transfer, and digital transformation (DX). By creating new digital solutions and utilizing data, we contribute to the development of smart and sustainable water and wastewater systems.

WBC Solutions that Connect People and Data



Main Functions and Services of the Water Business Cloud



Technologies (Initiatives) We Take Pride in | **PPP**

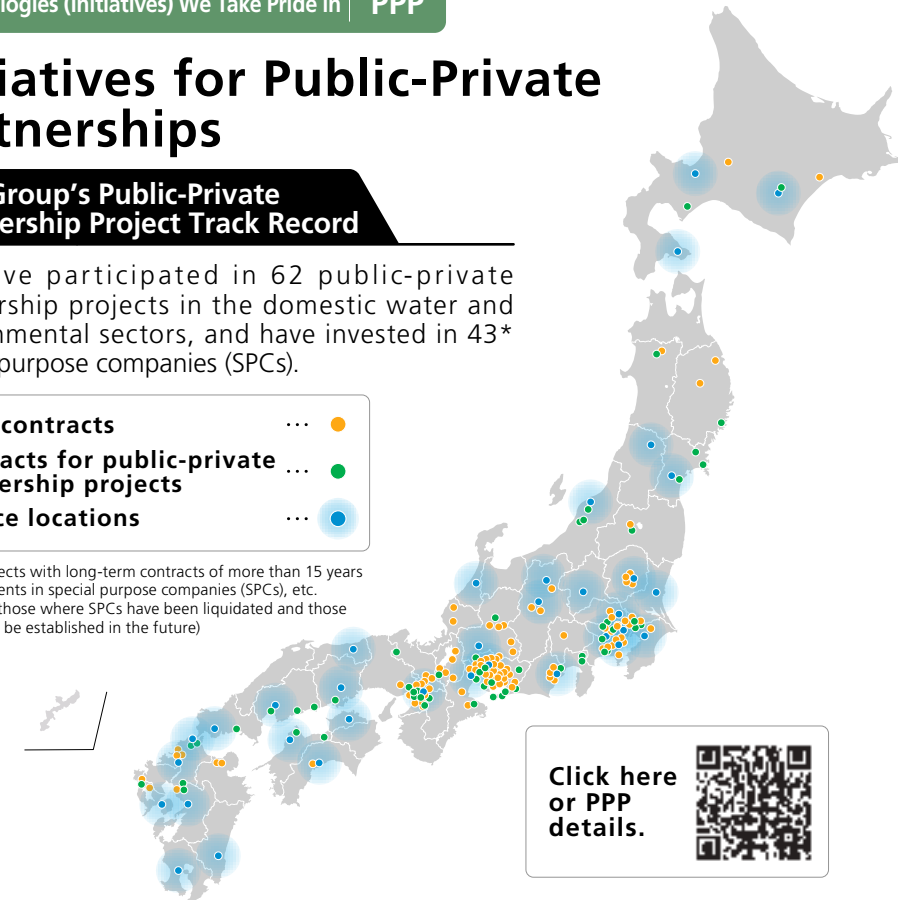
Initiatives for Public-Private Partnerships

Our Group's Public-Private Partnership Project Track Record

We have participated in 62 public-private partnership projects in the domestic water and environmental sectors, and have invested in 43* special purpose companies (SPCs).

- O&M contracts ... ●
- Contracts for public-private partnership projects ... ●
- Service locations ... ●

*Major projects with long-term contracts of more than 15 years or investments in special purpose companies (SPCs), etc. (including those where SPCs have been liquidated and those planned to be established in the future)



Examples of Orders Corresponding to Water-Related Public-Private Partnerships (Water PPP)

Integrated Management Method for Operation and Renewal [Level 3.5]		Public Facilities Operation Project (Concession) [Level 4]		
Outsourcing of comprehensive management services for Shichigahama Sanitary Wastewater Pumping Station, etc.	Comprehensive Outsourcing of Arao City Water Supply Business (Stage 3)			

TOPICS

Implementation of Demonstration Experiments for the Automation of Water Supply and Sewerage Facility Maintenance and Inspection Operations in Collaboration with the NTT Group

In October 2025, the Metawater Group and NTT Group launched joint demonstration experiments at Kiyohara Water Reclamation Center in Utsunomiya City with the aim of optimizing the on-site network environment and automating maintenance and inspection operations for the water supply and sewerage facilities. The implementation of digital transformation (DX) technologies helps reduce operation staff workloads and create a safe working environment.

Optimization of the On-Site Communication Network

We aim to build an optimal information and communications network as a foundation for automating maintenance and inspection at water supply and sewerage facilities with expansive sites and numerous pieces of equipment by adopting the new, wider-coverage Wi-Fi HaLow™ standard.



Wi-Fi HaLow™ Access Points Installed in Office Buildings

Automation of Maintenance and Inspection Operations

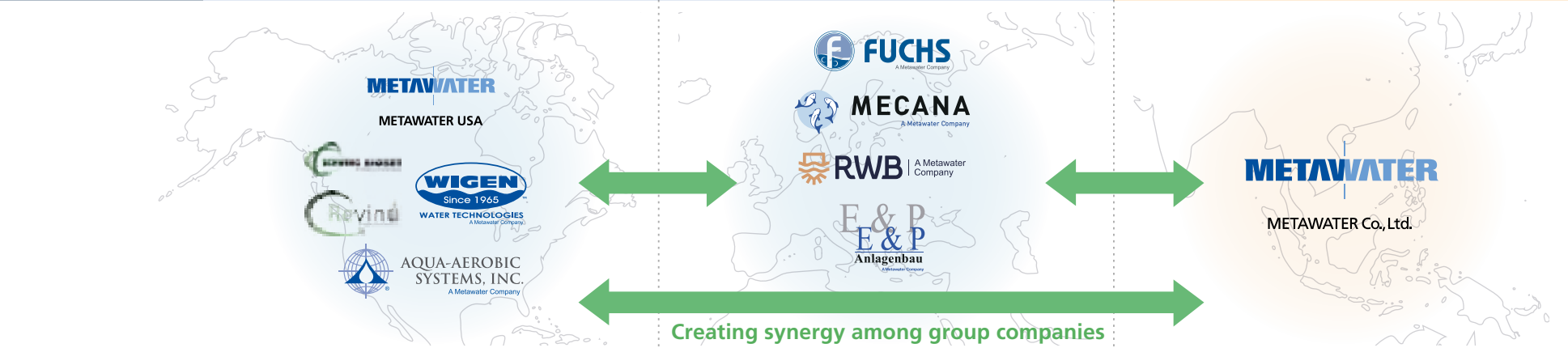
Operation and maintenance at water supply and sewerage facilities involves on-site operators making rounds to visually inspect and maintain up to several thousand pieces of equipment, and much of this work depends on their senses and extensive experience. In this demonstration experiment, we aim to apply AI, IoT sensors, drones, and other such technologies to automate inspection rounds, recording of inspection results, identifying the presence of any abnormalities, and other tasks that are currently performed by humans.



Technologies (Initiatives) We Take Pride in | International Business

Building local systems to meet the growing demand for advanced wastewater treatment, such as reclaimed wastewater and trace contamination treatment, centered on strong products and technological capabilities

Water and Environmental Issues	North America	Europe	Asia and Other Regions
	Water ShortageAging InfrastructureDemand for Advanced Wastewater Treatment	Stricter RegulationsAging InfrastructureDemand for Advanced Wastewater Treatment	Increased Infrastructure Investment Due to Population Growth
Solutions	Strong product lineup and strengthened aftermarketEntry into the reclaimed wastewater and sludge treatment markets	Entry into the trace contamination treatment marketExpansion into private-sector demand (nitrate contamination)	Strengthening collaboration with partnersExpanding sales of ozone systems and ceramic membranes, focusing on ODA



Main Technologies	Water Supply Treatment		
	WIGEN UF Membrane Filtration	AQUA-AEROBIC SYSTEMS, INC. Ceramic Membrane Filtration	
	AQUA-AEROBIC SYSTEMS, INC. Nereda®	AQUA-AEROBIC SYSTEMS, INC. Cloth Media Filter	
	CEYIND Piston Pumps	CEYIND Dewatering Machine	
Wastewater Treatment			
	FUCHS Aerators (Inclined Shafts)	MECANA Cloth Media Filter	E&P Anlagenbau Nitrogen Removal
Sludge Treatment			

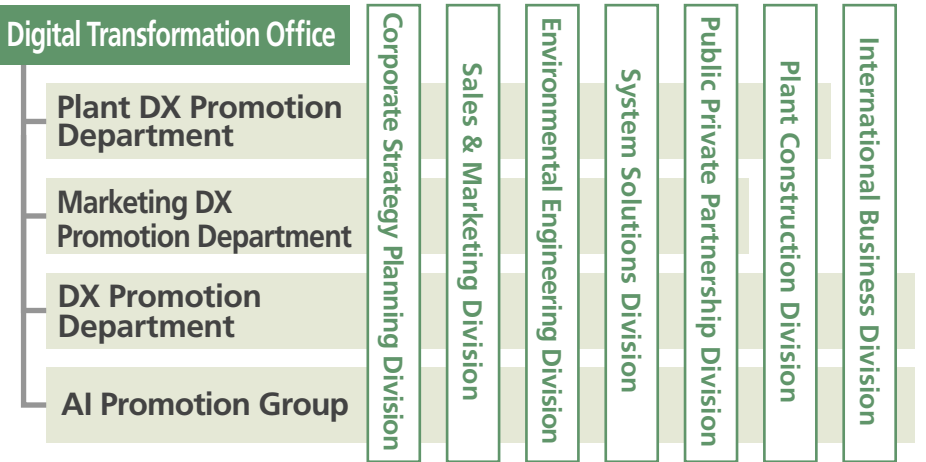
Technologies (Initiatives) We Take Pride in | Digital Transformation (DX)

Establishing an AI-CoE Organization in the DX Promotion Office and Launching Project GENESIS, an AI-Driven Work Style Reform Project

Moving the DX Promotion Office under the President’s direct supervision and establishing the AI Promotion Group

In April 2026, the DX Promotion Office was transferred to a top-level organization under the direct supervision of the President to closely align our management and digital strategies and accelerate the digital transformation of our business structure. This will allow us to create a company-wide, cross-departmental leadership structure and a rapid decision-making framework. In addition, a new AI Promotion Group will be established within the office to take charge of AI-CoE*, and will lead the development and control of AI infrastructure on a company-wide scale.

*AI-CoE (Center of Excellence): A specialized task force to promote and oversee the use and introduction of artificial intelligence (AI) across all departments company-wide.



Launching Project GENESIS, an AI-Driven Work Style Reform Project

In April 2026, we launched Project GENESIS, a new AI-driven work style reform project. Members selected from the DX Promotion Office, the various business divisions, and corporate divisions have come together under this project to develop new workflows based on the use of AI agents.

The Decision to Transform How We Work Through AI

AI is not a threat.
It is the ultimate partner for harnessing human experience and extending our capabilities.

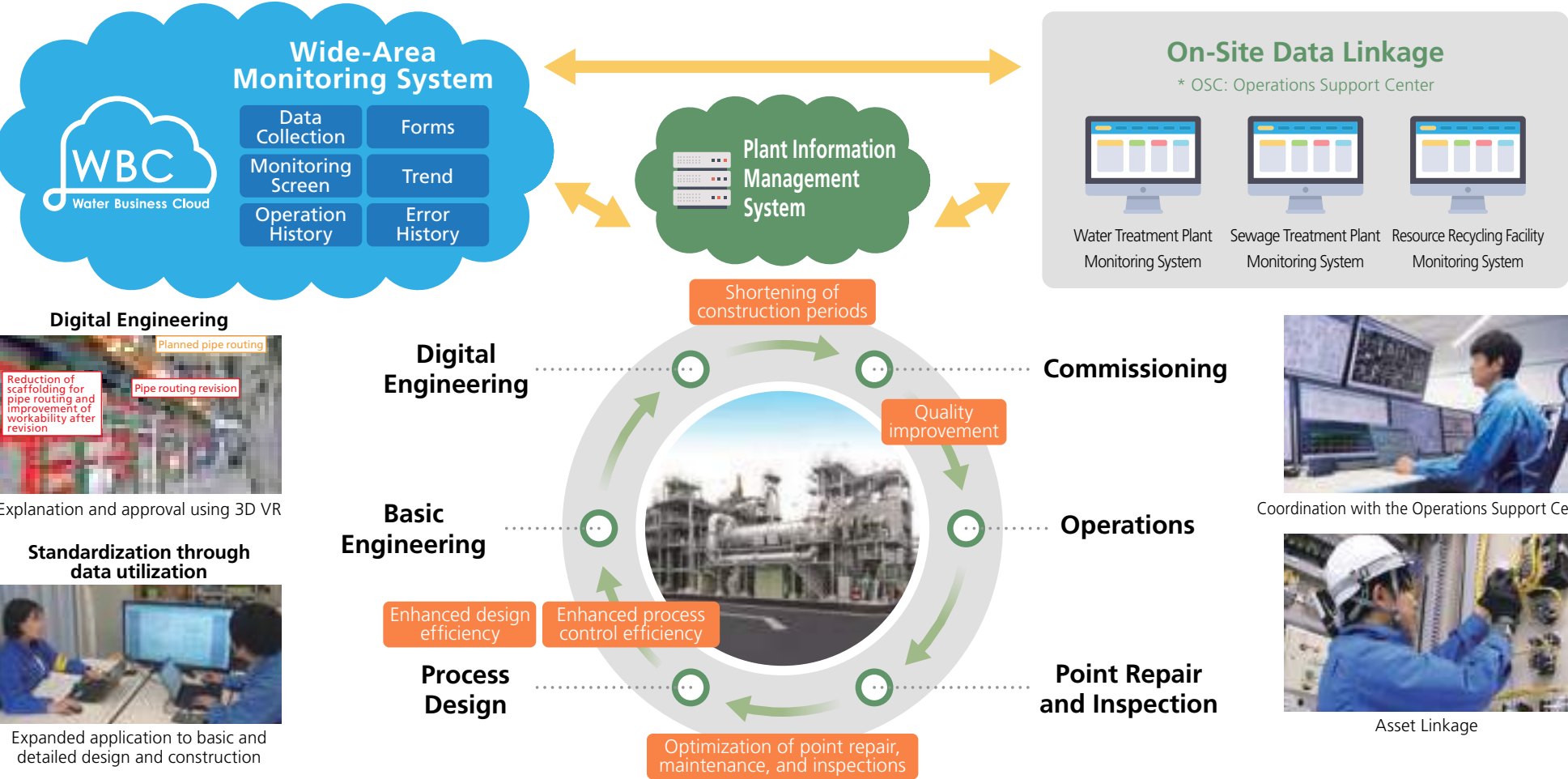
We will entrust as much work as possible to AI, giving people the leeway to focus on value creation as professionals through LCC optimization proposals and decision-making.
We will work together as one company to create a fulfilling and dignified work style by FY2030.

Integrating DX Promotion and AI

Among the DX initiatives we are working on, we are promoting the integration of AI in Engineering DX, Business DX, and Common Platform Enhancement.

Engineering DX — Innovation in Design, Construction and Operation

We are working to promote centralized management of information, centered on our proprietary Plant Information Management system, PIM, to accelerate improvements in quality and safety during the design and construction phases. We are promoting detailed construction and driving simulations using digital twins, as well as the introduction of a driver assistance system linked to our proprietary information and communication platform, Water Business Cloud (WBC). By implementing such innovations in design, construction, and operations, we are safely accumulating and passing on the valuable know-how of our skilled engineers as organizational knowledge, while steadily reducing human error, stabilizing operational management, and lowering on-site staffing requirements.



Strengthening of the Common Platform for Business DX and AI — Furthering Work Style Reform

We will let AI handle routine tasks and data processing, creating an environment where employees can focus on essential professional tasks. This is not just for the sake of convenience, but also a way for us to advance a roadmap for welcoming AI into the organization as part of its workforce by progressing from generative AI work assistants to multi-agent automation of routine tasks and then to collaboration with AI on non-routine and specialized work. Based on appropriate risk control through AI-CoE, we will expand the capabilities of all employees, creating fulfilling and dignified work styles.

Secure by Design — Convergence of Robust Security Foundation

The DX Promotion Office works closely with the Information Security Management Department, which was newly established as a specialized division under the direct supervision of the President, to strengthen defense capabilities against increasingly sophisticated cyber threats and to respond to economic security issues. Through a functioning system of checks and balances with the IT Divisions, we promote company-wide innovation by presenting solutions on how to use advanced technologies safely rather than restricting them. Based on the concept of "Secure by Design," we will strengthen the common foundation that enables all employees to shift to new working styles together with our customers in a safe and secure manner.

▶ See "Initiatives to Strengthen Information Security" on page 80.

Outlook for the Future

Building on our track record of being the first in the water industry to obtain certification as a DX Certified Business Operator*, we will promote advanced business process transformation centered on AI and build an organizational culture where all employees can focus on their work as professionals. Through the integration of DX promotion and AI, we will accelerate the process to become “the number one company to work for” for all employees and “the number one company in technology and services” for customers.

*In February 2025, we obtained certification as a Certified DX Business Operator under the DX certification system established by the Ministry of Economy, Trade and Industry.



Chapter 05
Sustainability

Our Group’s Sustainability Initiatives

Material Issues

As part of our aim to fulfill our Basic Policy on Sustainability, our Group has identified material issues that are not only closely related to our business, but are also important to society and stakeholders.

ESG	Material Issues	Goals	Contribution to the SDGs
E	Water Environment	■ Contribution to Sustainable Water and Wastewater Facilities ■ Contribution to Water Environments Overseas ■ Conservation of Water Source Forests	6 CLEAN WATER AND SANITATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 15 LIFE ON LAND 17 PARTNERSHIPS FOR THE GOALS
	Recycling-Oriented Society	■ Contribution to Sustainable Recycling Facilities ■ Reduction of Industrial Waste and Promotion of Reuse ■ Reduction of Environmental Impact	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER
	Reduction of Greenhouse Gas Emissions	■ Reduction of GHG Emissions at Water and Wastewater Facilities ■ Reduction of Supply Chain Emissions (CO₂)	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION
S	Local Communities	■ Revitalization of Local Communities and the Economy ■ Support Response in the Event of a Disaster ■ Social Contribution Activities	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS
	Human Capital	■ Creation of a Rewarding Workplace Environment ■ Educational Support for Employees ■ Improvement of Occupational Safety and Health	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
G	Governance	■ Enhancement of Corporate Governance ■ Promotion of Compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS



Environmental Policy

Environmental Policy

Basic Policy

We are committed to sustaining water and environmental infrastructure by engaging in business activities, reducing environmental impact, and contributing to local communities, thereby continuously contributing to the realization of a sustainable society.

Goals

- Reduction of Environmental Impact in Corporate Activities
- Active Participation in Social and Local Community Contribution Activities
- Activities to Prevent Environmental Accidents and Contamination
- Compliance with Environmental Laws and Regulations and Other Requirements
- Continuous Provision of Products and Services that Contribute to Reducing Environmental Impact

Code of Conduct

Key Principle: Each individual takes personal responsibility

- 1 Each individual will continue to consider ways to reduce environmental impact and contribute to the environment in all corporate activities.
- 2 We will promote sound and sustainable organizational management in accordance with ISO14001.

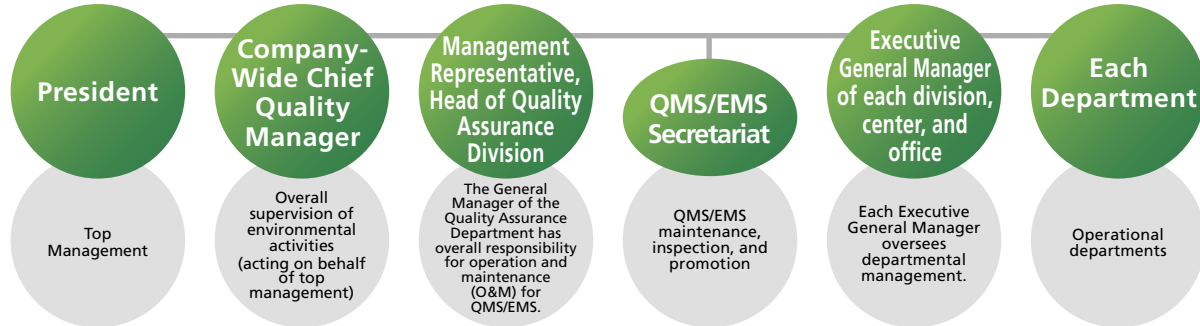
Key Strategies

- 1 Reducing environmental impact and contributing to the environment in all corporate activities (creation of environmental PIs) (“corporate activities” refers to development, provision of products and services, and other overall daily operations)
 - Addressing issues by identifying and evaluating risks, opportunities, and environmental aspects*¹ *¹ Climate change, biodiversity, the resource environment, etc.
 - Considering the life cycle perspective and designing for resource and energy saving
 - Promoting environmental awareness activities to raise environmental consciousness
 - Expanding community contribution activities
- 2 Promotion of operational efficiency (work style reform)
 - Improving productivity and business processes
 - Improving transparency regarding business issues, solving them through digital innovation, and creating new added value
- 3 Implementation of compliance
 - Proper treatment and reuse through strengthened management of waste treatment (industrial waste and municipal waste), and promotion of commissioned recycling
 - Reaffirming compliance requirements for environmental laws and regulations, responding to revisions, and ensuring thorough awareness
- 4 Strengthening response capabilities for business continuity
 - Improving response capabilities in the event of an emergency (resilience)

Environmental Activities at METAWATER (Environmental Management Structure)

We promote environmental activities with commitment to the continuous improvement of our environmental management system (EMS) in line with ISO14001*².

*2 ISO14001: A standard for environmental management systems (EMSs) established by the ISO (International Organization for Standardization). It certifies organizations that have established systems to continuously reduce environmental impact with consideration for the environment.



Disclosure of Climate Change Information Based on TCFD

Our group regards the reduction of greenhouse gas emissions as one of its material issues in its Basic Policy on Sustainability. As specific measures, the group discloses information analyzed and evaluated based on climate-related scenarios regarding "Indicators and Targets for GHG Emissions" and "Addressing Climate-Related Risks and Opportunities," in line with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

► This section is an excerpt. For details, please refer to the sustainability page on our official website.

Indicators and Targets for GHG Emissions

Our group sets individual indicators and targets for greenhouse gas (GHG) emissions for both the domestic group and customers (municipalities), thereby promoting reductions.

The Group's Indicators and Targets for GHG Emissions

Items	Scope	Base Year	Target Year	Target Details	Actual Value
GHG emissions (Scope 1 & 2)	Consolidated Subsidiaries*	2020	2030	Reduction by 70%	5,750 t-CO ₂ (FY2025)
			2050	Net zero	
Reduction of GHG emissions by customers (municipalities)	Domestic sewage works (thermal operations)	2013	2030	50% reduction through the introduction of products and systems	207,724 t-CO ₂ (FY2025)

*The following companies are included, with the domestic period from April to the following March, and the overseas period from January to December. Domestic: Our company, METAWATER SERVICE Co., Ltd. Overseas: METAWATER USA, INC.; Aqua-Aerobic Systems, Inc.; Mecana AG; FUCHS Enprotec GmbH; Wigen Companies, Inc.; Rood Wit Blauw Water B.V.; Schwing Bioset, Inc.; Revinu, Inc.; E&P Anlagenbau GmbH

Current Initiatives

- Reduction of office electricity consumption through work style reform, etc.
- Introduction of renewable energy and power generation at contracted operation facilities
- Utilization of renewable energy (non-fossil certificates)
- Development and proposal of products and services that contribute to reductions in customers' GHG emissions

Future Initiatives

- Electrification of facilities/equipment and company vehicles
- Promotion of energy saving activities through operational improvements
- Further contribution toward reducing customers' GHG emissions

Addressing Climate-Related Risks and Opportunities

In line with the recommendations of the TCFD, the group has identified responses to climate-related risks and opportunities in its business domains and presents the impacts evaluated from the perspectives of financial impact and urgency.

Overview of the World Surrounding the Company Under the Selected Scenario

Scenario Overview	Overview of the World Surrounding the Company
Scenario: Below 1.5°C A scenario in which strict regulations and technological innovation keep the temperature rise below 1.5°C	● Increased costs for compliance with decarbonization policies ● Greater impact on stock prices due to decarbonization and climate change measures ● Increase in business opportunities that contribute to GHG reductions
Scenario: 4°C A scenario in which there is little change from current measures, and the temperature rises by more than 4°C	● No progress in decarbonization trends ● Urgent need to address risks such as disasters ● Increase in business opportunities for disaster prevention and mitigation technologies

Policy for Responding to Particularly Important Risks/Opportunities

Keywords	Main Content	Scenario		Main Policy Response
		Less than 1.5°C	4°C	
Carbon regulations (such as carbon taxes) and low-carbon technologies	Increase in construction costs due to materials, equipment, and construction affected by carbon regulations	Large	Small	Early development and introduction of next-generation technologies
Energy saving, renewable energy, and energy creation	Market expansion for energy saving, renewable energy, and energy creation (the same applies to measures for water and sludge)	Large	Small	Collaboration with suppliers and partner companies, and expansion and transactions of existing off-site power sources
Heat stress	Increase in construction costs and longer construction periods due to declining labor productivity Market expansion for products and services that address rising temperatures	Medium	Large	Introduction of technologies and systems to shorten on-site construction periods
Disaster response and resilience enhancement	Increased demand for disaster recovery and resilience, and increased order opportunities	Small	Large	Promotion of unmanned operations, automation, and remote monitoring and operation. Thorough Implementation of BCP

In any of the above scenarios, our group considers the possibility of increased costs (risk items) including carbon taxes, and is working to achieve growth through technology development and sales expansion to meet climate-related needs, maintaining sufficient resilience.

 Environment

Reduction of Environmental Impact

To contribute to the realization of a sustainable environment and society, the entire company is working to reduce environmental impact, led by the Environmental Subcommittee established under the Sustainability Committee. The subcommittee is responsible for planning promotion strategies, monitoring progress, and reporting to management. As a key measure for FY2025, we started tracking the electricity consumption of overseas subsidiaries from April 2025.

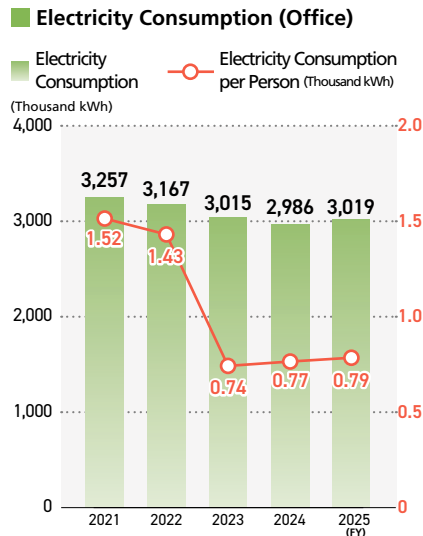
[Other Measures]

- Transition to virtually 100% renewable energy for electricity used at all domestic sites (from April 2023)
- Calculating greenhouse gas emissions
- Reduction of domestic office electricity consumption
- Tracking and recycling industrial waste in Japan
- Going paperless by expanding the use of electronic manifests

Continuous Promotion of the Reduction of Office Electricity Consumption

We continue to promote efforts to reduce office electricity consumption with the goal of achieving a 1% cut compared to the previous fiscal year. To achieve this, we are employing a multi-faceted approach. For example, in addition to turning off lights on each floor during lunch breaks, we instruct employees to turn off PC monitors when away from the desk (which is also a part of information security measures) and encourage them to leave work on time; and furthermore, we are improving operational efficiency by introducing free address seating and ABW (Activity Based Working*). In FY2025, due to factors such as record-breaking heat and an increase in floor area used due to the relocation of site offices, our office electricity consumption increased by 1% year-on-year.

*1 ABW (Activity Based Working): A work style in which employees can freely choose the time and place according to the content of their work.



Transitioned to 100% Virtually Renewable Electricity Use

To successfully address the material issue of reducing greenhouse gas emissions (GHG emissions reduction), from fiscal 2023, all 50 domestic sites, including the head office and construction site offices, have introduced 100% virtually renewable energy for electricity use (renewable electricity ratio) by utilizing tracked non-fossil certificates*. As a result of this initiative, approximately 5.18 million kWh of annual electricity use, equivalent to a reduction of about 2,300 t-CO₂ in GHG emissions, has been switched to virtually renewable energy. We also began tracking electricity use at nine overseas subsidiaries in FY2025. In one year, we recorded total electricity consumption of approximately 2.5 million kWh and greenhouse gas (GHG) emissions of approximately 880 t-CO₂.

*2 Non-fossil certificates are certificates that represent the “non-fossil value” of electricity generated from non-fossil power sources, such as solar, wind, and biomass. These certificates include tracking information such as the type of power source and the location of the power plant.

Initiatives for Industrial Waste

To fulfill our responsibility as a generator of industrial waste in our business activities, we are strengthening the management of industrial waste treatment through departmental training and ensuring proper treatment. To promote industrial waste reuse for purposes such as environmental conservation and the effective use of resources, we have established target recycling rates based on total waste generated and outsource disposal to contractors equipped with recycling facilities. In FY2025, the recycling rate for total waste generated was 95.4%, and the recycling rate for waste plastic generated was 99.2%.

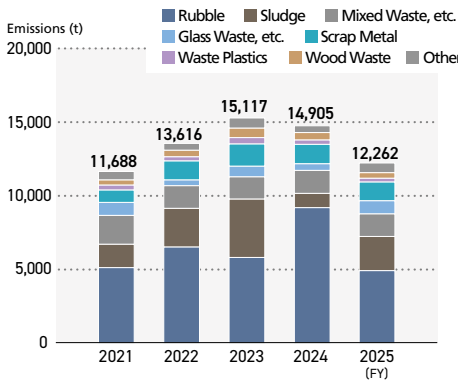
Expanding the Adoption of Electronic Manifests

To improve transparency regarding industrial waste treatment, we are improving the selection process to favor companies that support electronic manifests, and when using paper manifests, we monitor them through prior application. In FY2025, the electronic manifest coverage greatly exceeded the national average (67.9%) and improved to 99.9%, a 0.6% increase year-on-year (FY2024: 99.3%).

Setting Targets for Waste Recycling Rates

Recycling Rate Target for Total Waste Generated	Recycling Rate (Domestic)	95 % or Higher
Recycling Rate Target for Waste Plastic Generated	Recycling Rate (Domestic)	99 % or Higher

Trends in Industrial Waste Generated (by Type, Domestic)



Water Source Forest Conservation

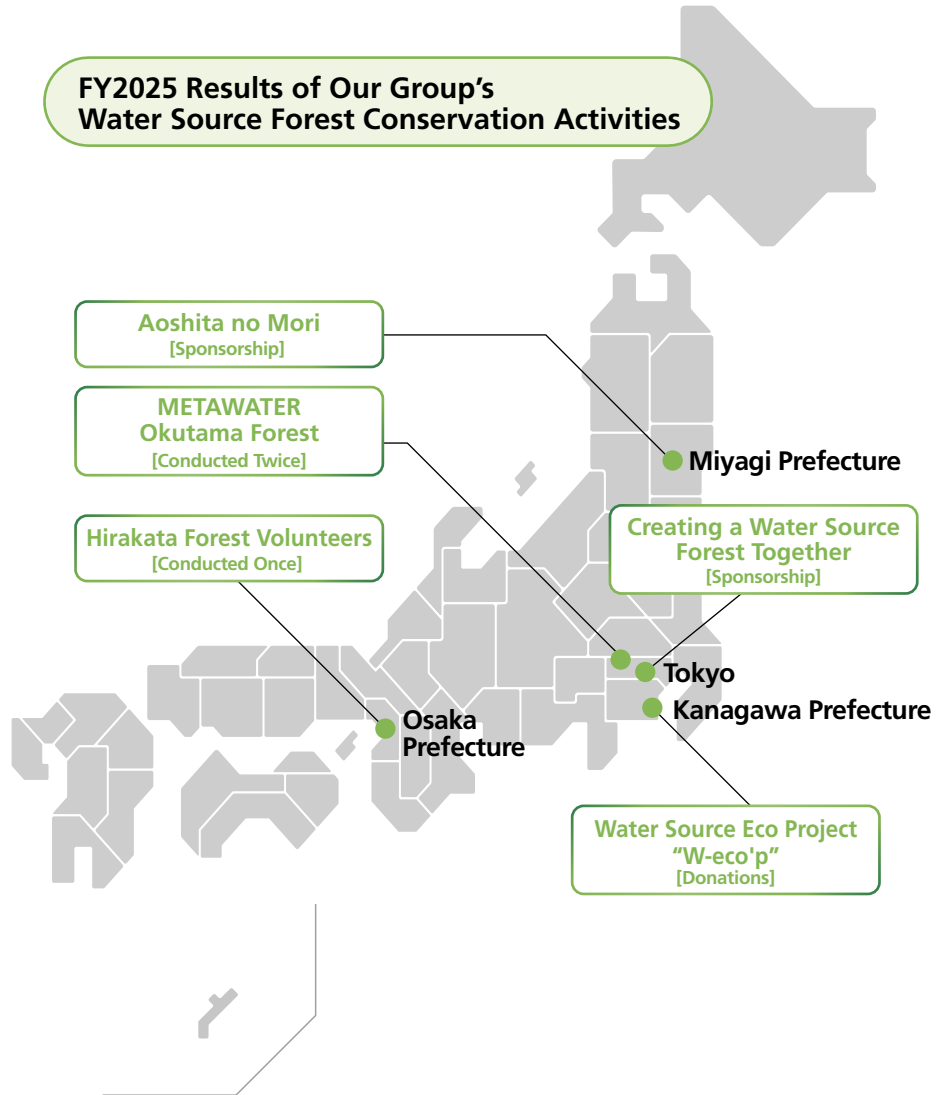
As a company involved in water and environmental infrastructure, our group considers it its mission to maintain water recirculation and secure stable water sources. As such, we are advancing company-wide water source forest conservation efforts. Key activities include tree planting and grass cutting at the METAWATER Okutama Forest (Okutama Town, Nishitama District, Tokyo Metropolis), which we have continuously conducted since FY2010, and bamboo grove maintenance through participation as volunteers in forest conservation in Hirakata City, Osaka Prefecture, among others. In FY2025, we conducted a total of six activities in four prefectures (Miyagi Prefecture, Tokyo Metropolis, Kanagawa Prefecture, and Osaka Prefecture), including on-site tree planting and thinning, forest and bamboo grove conservation, and support through donations and sponsorship, among others. These activities also lead to increased employee awareness regarding protecting ecosystems and the global environment.



Forest Conservation Activities Conducted by Hirakata Forest Volunteers (Osaka Prefecture)



Undergrowth Cutting Conducted at METAWATER Okutama Forest (Tokyo)





Human Capital Management

Our group, which regards people as its greatest asset, aims to develop human capital that contributes to the realization of a sustainable environment and society. In line with the concept of human capital management, which seeks to enhance sustainable corporate value by enabling employees to fully demonstrate their individuality and abilities, we invest in people through four initiatives: Safety, Security, and Health; Pursuit of a Comfortable Working Environment; Respect for Diversity; and Support for Growth and Challenges.

Strategies for the Future: Work Styles and Health

Based on the concept of human capital management, the group actively promotes work style reform and health and productivity management, aiming to enhance sustainable corporate value. The aim of our work style reform efforts is to become the number one company to work for, emphasizing life-work balance* and implementing measures such as the telework system, satellite office establishment, four-day workweek system, remote work system, and "workations" to enable employees to work in ways that suit their individual lifestyles. In addition, from April 2025, we shortened prescribed working hours to seven hours. In FY2026, we will establish our own leave system (named MW Tsunagari Leave) aimed at fostering a sense of unity in the workplace. We also launched Project GENESIS, a project that aims to not only improve the efficiency of routine tasks using AI, but also to review business processes and build a system that enables employees to engage in more creative work. Through these efforts, we are striving to create an even better working environment to improve productivity.

As for health and productivity management, we support a safe and secure workplace environment and the promotion of employee health, in line with our human resources philosophy, which regards people as our greatest asset. In addition to formulating company-wide safety and health and productivity management policies, establishing health management centers, holding walking events, and providing mental health care education, we have positioned health management as a key corporate strategy. With top management serving as the chief officer, we have formulated a strategy map based on three pillars: Maintaining and Improving Labor Productivity, Recruitment Strategy and Retention of Human Capital, and Response to Human Capital Management. Accordingly, we are implementing various measures to improve employees' lifestyle habits.

Going forward, the group will continue to actively develop a comfortable workplace environment and invest in people, striving to ensure that each employee can continue to work in good health and with vitality.

*Based on the philosophy that a fulfilling life leads to good work, our group uses its own term, "life-work balance."

Human Resources Philosophy

Aiming to realize a sustainable environment and society, our group regards people as our greatest asset, and:

- Prioritizes safety, security, and health
- Fosters a challenging and creative corporate culture that can adapt to change
- Respects independent individuals who continue to take on the challenges of transformation, and builds a vibrant organization where diverse individuals collaborate
- Provides opportunities fairly and impartially, and actively appoints and utilizes motivated and capable human capital
- Supports professional human capital with a desire for self-growth and actively provides opportunities for skill development



Executive Officer
Executive General Manager,
HR & General Affairs Planning Office,
Corporate Strategy Planning Division

Shinichi Nagano

Safety, Security, and Health ▶P63-65

Under a safety-first framework, we are promoting the prevention of occupational accidents and safe driving management for vehicles. In addition, we are particularly focused on health and productivity management in order to thoroughly maintain the mental and physical health of employees and create a comfortable working environment. Led by the top management, we have placed health management centers at major sites and established a system in which occupational physicians and counselors promptly follow up with employees. Furthermore, we are promoting measures to maintain and improve health by providing education on gender differences and holding the My Health Declaration event, as well as conducting tier-based care training to prevent mental health problems and promote life-work balance, among other efforts. As a result, we have been certified as a Health and Productivity Management Outstanding Organization (Large Enterprise Category) for two consecutive years since FY2025.

Indices and Targets*1

Occupational Accident Frequency Rate
0.5%

Stress Checks
Percentage of High-Stress Individuals: **8.3%**

Health Management Cost per Employee
52,400 yen

Pursuit of a Comfortable Working Environment ▶P66

With the aim of becoming the "number one company people want to work for," we are building an environment that respects diverse work styles. In addition to implementing seven-hour work days, full flex work arrangements, and four-day work weeks, we aim to raise awareness company-wide by holding the Operational Efficiency Idea Contest for all employees, and we have maintained a turnover rate of less than 2%. We also promote location-independent working styles, including the remote location work system, which allows employees with childcare or caregiving responsibilities to work remotely by default (as of May 2026, 36 employees are using the system); "workcations," which give employees an opportunity to recharge, and relaxed restrictions on the choice of work base for on-site employees who must undertake long-term business trips. These measures are intended to enhance productivity and support a fulfilling life-work balance.

Indices and Targets*1

Third-Year Retention Rate for New Graduate and Mid-Career Hires
New graduate hires: **84.0%** Mid-career hires: **84.6%**

Cumulative Number of Job Returnees (System Introduced in FY2018)
18 people

Turnover Rate
1.8%

*1 Results at our company. *2 Calculated based on the percentage of childcare leave and childcare purpose leave taken, as stipulated in Article 71-6, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members.

Respect for Diversity ▶P67

We focus on creating an environment in which diverse human resources can thrive, and notably, as a measure to support the advancement of women in the workplace, we have set a target of 30% for the proportion of women among new graduate hires, introduced flexible work arrangements such as split shifts and full flex working hours, and promoted the appointment of women to managerial positions (FY2025 result: 4.3%). We have also maintained a 100% maternity and childcare leave and return-to-work rate among women, achieved an 84.8% childcare leave uptake rate among men (average of 74.8 days), and maintained our L-boshi (three stars) and Kurumin certifications. We are also working to strengthen our support systems for balancing work and nursing care, actively pursuing mid-career recruitment (approximately 50% of all hires and 20% of all managers), and expanding the scope of employment for foreign nationals and people with disabilities (3.0%). We are promoting D&I efforts across the entire company.

Indices and Targets*1

Percentage of Female Employees in Management Positions
4.3%

Percentage of Male Employees Taking Childcare Leave
84.8%^{*2}

Percentage of Employees with Disabilities
3.0%

Support for Growth and Challenges ▶P68

We have established a skill development framework to enable training tailored to the growth of each employee, and the annual training cost per employee is approximately 93,000 yen, a high level even among listed companies. In FY2025, a cumulative total of 929 people participated in elective training, which offers more than 200 curricula. In addition, training and individual counseling are provided to encourage new graduates and career recruits to settle in and become effective employees at an early stage. We also regard the acquisition of national and public qualifications such as Professional Engineer and Construction Management Engineer certifications as a management priority, providing relevant exam guidance, financial support, and award systems. In FY2025, 50 people obtained the relevant qualifications. In this way, we are creating an environment in which employees can proactively take on challenges.

Indices and Targets*1

Training Cost per Employee
93,000 yen

Number of Participants in Elective (Self-Development) Training
929 people

Number of Employees with Award-Eligible Qualifications
50 people



Safety, Security, and Health

Safety and Health

Formulation of the Company-Wide Safety and Health Management Policy Each Fiscal Year

Based on the philosophy of "not allowing or causing anyone to get injured," the group formulates a Company-Wide Safety and Health Management Policy each year and, together with partner companies, promotes compliance with relevant laws and internal regulations, prevention of occupational accidents, and the creation of a healthy and comfortable working environment.



Establishing Safety and Health Management Systems Company-Wide, at Each Business Site, and at Each Worksite

To promote safety management, systems are established at the company-wide, business site, and worksite levels. At the company-wide level, the Company-Wide Safety and Health Committee is established directly under the officer in charge of safety and health. At each business site, a general safety and health manager is appointed, and a Safety and Health Committee is established. A chief safety and health officer or person in charge is assigned at each site. In addition, outside the company, a Local Safety and Health Cooperation Association has been established by volunteers from partner companies.

Development and Operation of Local Occupational Health and Safety Guidelines

The group has developed its own Local Occupational Health and Safety Guidelines as a definitive guide to safety. Prepared based on various safety and health laws and regulations while incorporating our extensive experience, these practical guidelines are utilized at a wide range of work sites, including construction sites.



Initiatives that Prioritize On-Site Safety

► Thorough risk assessment of accident risks and standardization of work manuals

Preventing accident risks before work begins is essential for eliminating occupational accidents. At construction sites, together with partner companies, we thoroughly implement risk assessment and safety measures at the planning stage and confirm implementation of the measures during actual work. In addition, at operation and maintenance sites, we standardize work manuals to ensure safety.

► Implementation of a licensing system for construction supervisors

The group provides its own safety training for construction supervisors of partner companies and grants licenses to those who complete the training. For on-site construction projects of a certain scale or larger, management by licensed supervisors is required.

Our Accident Occurrence Index	Comparison with the National Index	Frequency Rate	Severity Rate	"Frequency rate" refers to the frequency of accidents (number of casualties per one million total working hours). "Severity rate" refers to the degree of seriousness of accidents (number of lost workdays per 1,000 total working hours). *1 Source: Ministry of Health, Labour and Welfare, "2024 Survey on Trends in Industrial Accidents" *2 FY2025 Results
	All-Industry Average*1	2.01	0.09	
	METAWATER*2	0.50	0.95	

Promotion of Safe Driving Management for Company Vehicles

► Implementation of an Internal Driver's License System

To promote safe driving of company vehicles, the group has introduced its own internal driver's license system. The license is granted to drivers based on their safe driving performance. In FY2025, 1,537 employees obtained this license.

► Providing Education on Safe Driving to Drivers and Management Representatives

We provide education on safe driving tailored to each driver's actual vehicle use. Video content and training materials are updated annually to continuously reinforce awareness regarding safe driving not only among drivers but also among supervisory managers.

Health and Productivity Management

Health and Productivity Management Initiatives

The group promotes health management based on the belief that each employee maintaining both physical and mental health and continuing to work with a sense of purpose is the embodiment of our purpose and leads to future enhancement of corporate value.

Core Concepts of Health Management

- ① Maintaining and Improving Labor Productivity (in Anticipation of the 100-Year Life Era)
- ② Recruitment Strategy and Retention of Human Resources
- ③ Response to Human Capital Management (Corporate Value Improvement)

METAWATER Health Declaration

At METAWATER, we believe that the vitality of our employees' lives and the driving force behind the sound and sustainable development of the company come from each employee being healthy in mind and body, and from being motivated to work while maximizing their individuality and abilities. To achieve such optimal conditions, we will promote efforts aimed at maintaining and improving the health of our employees and aim to achieve the following goals so that we can become **the number one company to work for**.

- Promoting employee health and fostering and instilling health awareness in anticipation of the 100-year life era
- Life-work balance (fulfillment of both personal and professional life)
- Maintaining health and protecting oneself from occupational accidents

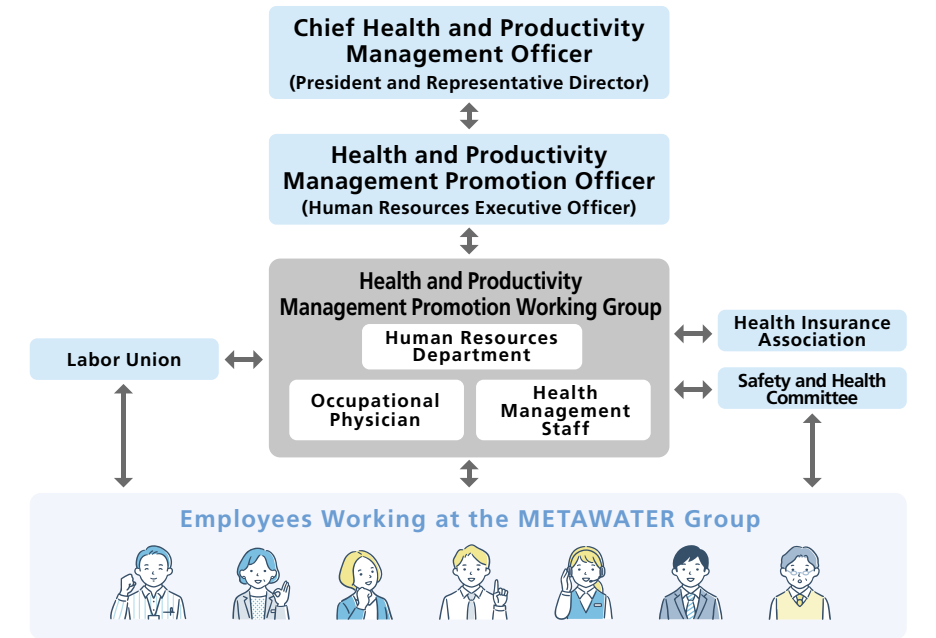
METAWATER will continue to be a company that is close to the community and cherished by citizens, customers, and partner companies by fostering teams that experience high levels of job satisfaction and highly supportive work environments.

Kenji Yamaguchi, President and Representative Director

Health Management System

With top management serving as the chief officer, the human resources department and occupational health staff take the lead, working in cooperation with the labor union and health insurance association to maintain and improve the health of each employee. In addition, health management centers are established at the head office and three key locations, creating a system in which occupational physicians, health management staff, and psychological counselors can provide prompt support to employees at any time.

Health and Productivity Management Promotion Structure



Health Maintenance and Promotion Initiatives

To promote better lifestyle habits, we implement various health initiatives under the concept of “Engage, Continue, Involve.” These include daily morning radio calisthenics, walking events, and health literacy education. In conjunction with the promotion of women’s advancement, we provide education on gender differences and promote mutual understanding in the workplace. In addition, we implemented our original program, “My Health Declaration,” in which participants declare their own goals and present the results of their efforts. In addition, at meetings of the Health and Productivity Management Working Group, each region shares information on its own activities with the others.

▶▶▶ Mental Health Care

To prevent mental health problems, we provide line care training for managers and self-care training for all employees. To create a comfortable workplace environment as part of our work style reform efforts, we believe that reduction of commuting stress and life-work balance should also be regarded as facets of mental health care.

Obtained Certification as a Certified Health and Productivity Management Organization

After launching full-scale health management in fiscal 2024, our group has developed systems, implemented various initiatives, and verified their effectiveness. As a result, we have been certified as a Health & Productivity Management Outstanding Organization (Large Enterprise Category) for two consecutive years in 2025 and 2026, granted by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



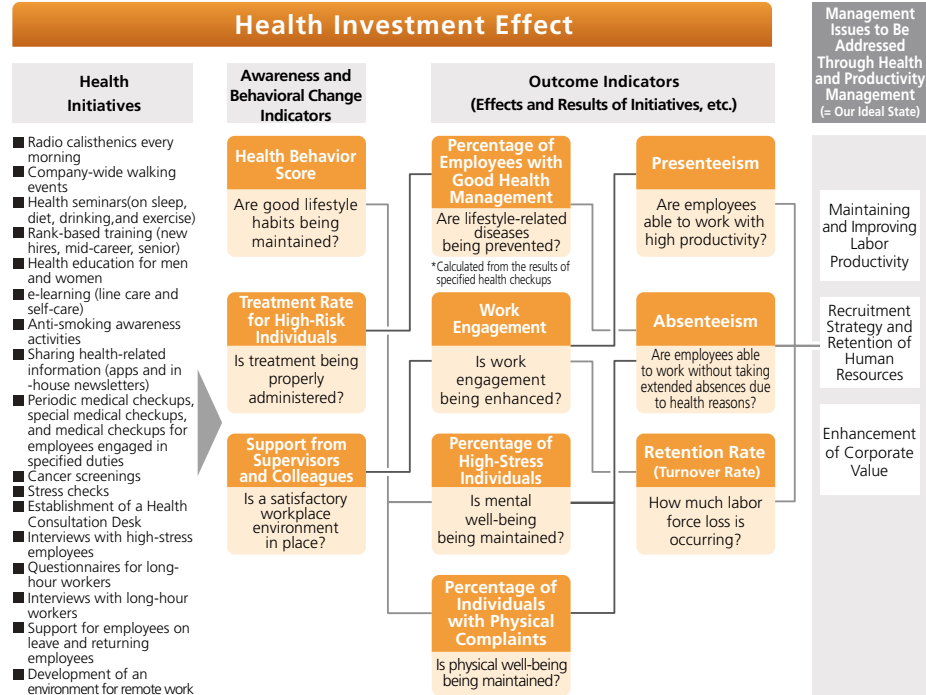
[Engage]
Initiatives that can attract the interest of those who are indifferent



[Continue]
Initiatives that lead to continuous efforts and behavioral change



[Involve]
Initiatives that make people want to encourage those around them



▶▶▶ Health Indicators (Example)

To promote health and productivity management, indicators have been established, and the effectiveness of health initiatives is regularly evaluated.

Items	FY2023	FY2024	FY2025
Health behavior score*3	3.34	3.32	3.37
Percentage of employees undergoing health checkups	100%	100%	100%
Percentage of employees undergoing stress checks	97%	97%	97%
Number of walking event participants	1,370 people	1,391 people	1,427 people
Percentage of high-stress individuals	8.2%	8.2%	8.3%
Presenteeism	77.3%	82.6%	83%
Absenteeism	1.8 days	3.4 days	3.2 days
Work engagement	3.1	2.64	2.65

*3 The Health Behavior Score is calculated by evaluating the extent to which healthy behaviors are practiced in the areas of exercise, diet, sleep, alcohol consumption, and smoking, based on questionnaire results, with each area scored from 0 to 1 point, for a total possible score of 5 points.

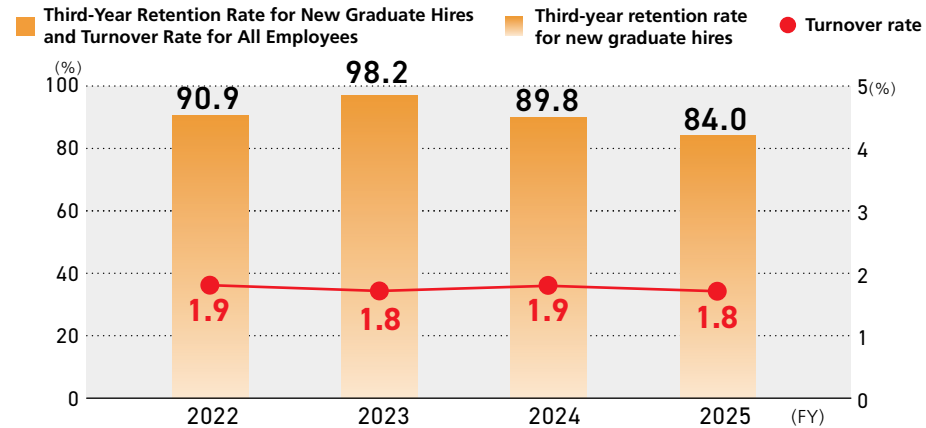
Pursuit of a Comfortable Working Environment

Building a Workplace Environment that Respects Diverse Work Styles and Enables Flexible Working

For our company, which aims to be the "No. 1 company people want to work for," building a workplace environment that respects diverse work styles is a key priority. As such, we have advanced measures that enable employees to work flexibly according to work progress and lifestyle. As an example, the prescribed working hours have been gradually reduced, and since fiscal 2025, the standard working day has been defined as seven hours. Furthermore, to ensure that this initiative goes beyond simply reducing working hours and leads to higher productivity and a better life-work balance, we held the Operational Efficiency Idea Contest from August to September 2025 together with the labor union to solicit initiatives and ideas that contribute to operational efficiency, aiming to raise awareness across the company. In addition, measures such as the “full-flex” system with no core time and the four-day workweek system have been introduced, and an environment has been created where employees can work flexibly according to the progress of their work and their private life, as long as the prescribed monthly working hours are met.

Turnover Rate for All Employees Is 2% or Less Through Promotion of Work Style Reform

The group continuously promotes work style reform, aiming to create a workplace environment where each employee can work in their own way and where employees mutually respect diverse values and work styles. As a result, the turnover rate for all employees has continued to be 2% or less, and retention of human resources across the organization as a whole is steadily improving.



Enabling Work Styles Not Limited by Location

▶▶▶ A remote work system that allows employees to work remotely while raising children or caring for family members

We have introduced a remote work system that allows employees with special circumstances, such as childcare, nursing care, or the job transfer of a spouse, to work remotely without being restricted by work location. As of May 2026, 36 employees are using the system.

▶▶▶ A new work style that balances work and vacation: "workation"

To maximize each employee's creativity and achieve a fulfilling life-work balance, we have had a "workation" system in place since April 2025. By enabling a work style that allows employees to take vacations and work remotely from resort areas and other locations, we encourage greater creativity and new ideas. Employees who have used the system have responded with positive feedback, commenting that it helped them recharge or allowed them to balance work and rest. In this way, it has begun to take hold as a new way to work.



▶▶▶ Relaxed restrictions on the choice of work base for employees who undertake long-term business trips

Employees involved in on-site work for large-scale projects, such as plant construction, often undertake long-term business trips of several months or more. In order to enable such employees to engage in their work while ensuring time for their personal lives, we have introduced relaxed work base selection and support measures for long-term business travelers.

Respect for Diversity

Initiatives to support the advancement of female employees

To ensure a diverse workforce, we aim for women to make up 30% of new graduate hires, as well as support flexible work styles by introducing systems such as a four-day workweek, hourly annual leave, full-flexible work hours, and divided work hours*¹. In addition, we continue to promote initiatives that support the balance between work and childcare—such as a dedicated support website and roundtable discussions—along with e-learning programs to raise awareness regarding diversity and inclusion (D&I) and the appointment of women to management positions (4.3% in FY2025), thereby further supporting the active participation of female employees.

*1: A system that allows employees to work different scheduled hours each day.

Acquisition of Kurumin and L-boshi (three stars) certification under the Minister of Health, Labour and Welfare certification system

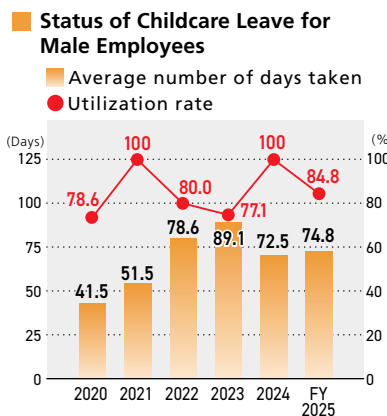
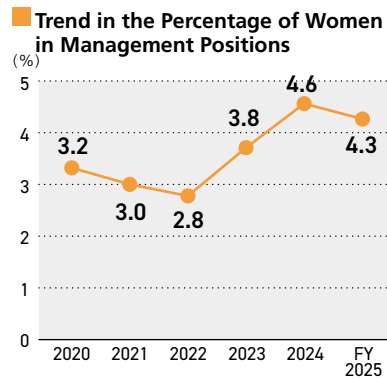
We maintained our Kurumin certification under the new, stricter criteria, which include more stringent requirements for areas such as the uptake of childcare leave among male employees, in recognition of our initiatives to support the development of the next generation. We have also continued to receive L-boshi certification (three stars), which recognizes our efforts to promote the advancement of women in the workplace.



Improving childbirth and childcare leave utilization rates

As a result of our efforts to create a more supportive workplace for employees, the percentage of male employees taking childcare leave remained high at 84.8%*² in FY2025. (100% of female employees continue to take childbirth and childcare leave and return to work.) The average number of days taken off for childbirth and childcare leave was 74.8 days, which we consider a significant achievement resulting from our efforts to reform the way we work. We will continue to provide further support going forward.

*2: From FY2023, the method of calculating childcare leave has been changed to include both childcare leave and leave taken for childcare purposes.



Promoting an environment conducive to balancing work and nursing care

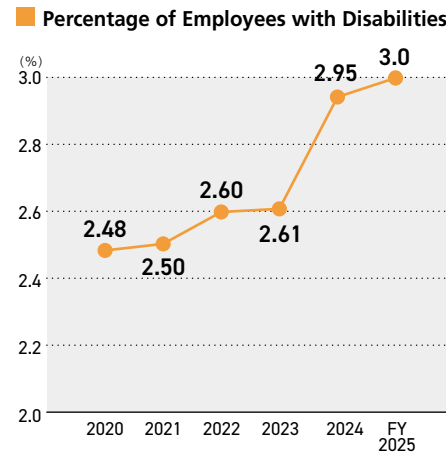
To further promote the creation of an environment in which employees can balance work and caregiving, we strengthened various support frameworks in FY2025. In terms of concrete initiatives, we hold online caregiving seminars and conduct internal awareness activities through email newsletters and awareness posters. Going forward, we also plan to hold more practical in-person seminars. We will continue providing company-wide support so that employees can balance their responsibilities with peace of mind.

Active recruitment of mid-career professionals with diverse skills and experience

We are actively recruiting mid-career professionals with diverse skills and experience. As a result, mid-career hires now account for approximately 50% of all hires (over the past three years) and approximately 20% of all management positions. In recent years, we have also been actively recruiting foreign students and other foreign nationals to support the expansion of our overseas business.

Becoming a company where people with disabilities can play increasingly active roles

We are continuously working to build inclusive environments where people with disabilities can actively contribute and thrive. We have been expanding the scope of the work entrusted to employees with disabilities to include a wide variety of tasks across multiple departments within the company. Their contributions are highly valued within the company. In particular, the task of converting internal documents into PDF format has played a key role in promoting telework, an important initiative in our work style reform efforts. Recently, we have also been actively participating in social contribution activities together with internal stakeholders.



Support for Growth and Challenges

Capacity development system tailored to employee growth

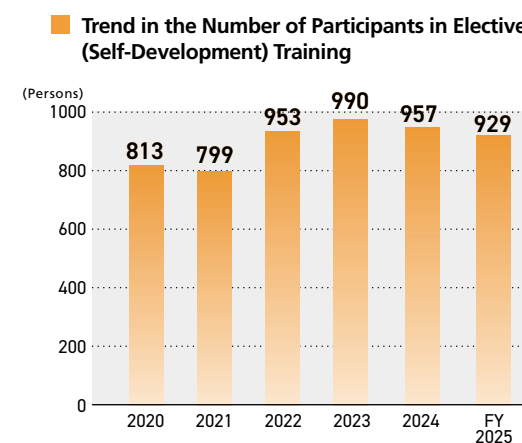
We offer a variety of training programs tailored to the different stages of employee growth. We provide a range of training programs, including rank-based training, elective training programs that promote self-directed and proactive learning, specialized training tailored to job functions, and workplace-specific sessions. Our group invests approximately 93,000 yen per employee annually in training, maintaining a level that exceeds the average among listed companies.

Capacity Development System Chart

	Rank-based training	Nominated training	Elective training	Job function/ workplace-speci training
Executives	Training for executives		External group training Internal group training Correspondence education	Planned and implemented by job type/workplace
General managers	Training for general managers, training upon promotion	General manager selection training		
Managers	Training for managers, training upon promotion	Selected training for supervisors to mid-level employees		
Supervisors and mid-level employees	Training for supervisors, training upon promotion	Training for mentors for new employees		
Young employees	Follow-up training			
New employees	Training for new employees			

Over 200 training programs offered

Our elective training (self-development training) allows employees to freely choose and attend courses. We offer more than 200 programs, including group training and correspondence courses. In the most recent four years, nearly 1,000 employees in total have taken the courses each fiscal year.



Extensive training programs to help new employees quickly build capabilities after joining

We offer extensive training programs for new graduates and mid-career hires, aimed at helping them settle in and quickly become capable contributors after joining the company. New graduate employees receive training in business etiquette and essential skills, along with specialized knowledge required for their assigned roles. Meanwhile, training for mid-career hires includes follow-up training on themes such as management policy, ESG, compliance, and mental health, as well as individual counseling. Mental health courses help employees manage stress caused by changes in their environment, while personal counseling supports their smooth integration into the workplace.

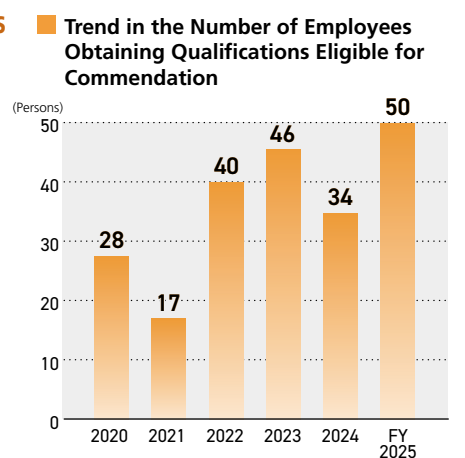


Themes of follow-up training for mid-career hires (examples)

- Mental Health
- Mid - Term Business Plan and Corporate Philosophy
- Intellectual Property
- Employee Inventions Regulations
- Internal Controls
- Social Contribution
- ESG
- Antimonopoly Act
- National Public Service Ethics Act
- Human Rights Awareness
- Information Security
- Accounting Systems, etc

Establishing an environment that supports employees in taking qualification exams

We consider the acquisition of national and public qualifications—including those essential for business operations, such as professional engineer and construction management engineer qualifications—to be a key management priority. To support this, we have established an environment that enables employees to proactively take on the challenge of sitting qualification exams. For example, we provide guidance for taking qualification examinations, financial support, and recognition of those who obtain qualifications, among other initiatives. As a result, in FY2025, 50 employees obtained qualifications eligible for commendation.



Contribution to Local Communities

As a group that handles "water", an essential resource for local life and industry, we believe that continuing to support water and environmental infrastructure is our mission for society. By collaborating with local stakeholders, including customers, partner companies, and civic organizations, and providing products and services that address challenges they face in their respective regions, we contribute to the realization of sustainable local societies.

Contributing to the Revitalization of Local Communities and Economies through Business

For local governments that manage water and environmental infrastructure, frequent natural disasters, financial strain due to population decline, and increasingly severe labor shortages are urgent challenges that need to be addressed. To tackle these challenges, our group proposes and implements crisis response measures based on business continuity management (BCM), operational efficiency through the use of ICT and wide-area collaboration, recruitment and development of local human capital and reliable technology transfer, and collaboration with local companies. Through our business, we will revitalize local society and the economy and contribute to sustainable community development.

Implementing Community-Based Emergency Response Measures with the Mission to "Keep the Water Flowing"

Our group has built a service network of 34 sites nationwide. Under the unwavering mission to "keep the water flowing at all times", each site continues to protect the stable supply of water through a community-based framework that provides everything from prompt emergency response in the event of disasters, failures, and other issues, to consultations regarding day-to-day operation and maintenance (O&M) of facilities and equipment. In particular, for projects involving contracted operations, we are focused on strengthening asset management and the establishment of business continuity management (BCM), thereby contributing to the realization of a sustainable water supply business.

TOPIC

Expand the Foundation of Water Infrastructure in Preparation for Public-Private Partnerships for Water (Water PPP) — Making the Fukuchiyama Water and Wastewater Service Center Part of the Group

In March 2026, we acquired shares of Fukuchiyama Water and Wastewater Service Center Co., Ltd. (Head Office: Fukuchiyama City, Kyoto Prefecture; hereinafter "FWSC") and made it a subsidiary. FWSC has a strong track record in operation and maintenance (O&M) and management of water and wastewater infrastructure, including point repair and construction of water service connections and inspections of drainage facility construction work. In Japan's water and wastewater business, amid worsening local government financial difficulties and engineer shortages due to population decline, addressing deterioration of facilities and equipment developed during the period of high economic growth has become an urgent challenge, along with responding to increasingly severe natural disasters. In particular, while planned point repair and renewal of equipment that has exceeded its statutory serviceable life is required for water infrastructure operated by local governments, responses are often delayed due to the heavy investment burden, and the risk of deterioration across entire infrastructure networks is increasing. Our group will acquire FWSC's abundant experience and practical know-how in community-based operation and maintenance (O&M) and maintenance cultivated over many years, and strengthen our capabilities in public-private partnership projects. Since its establishment as a third-sector organization supporting the local water and wastewater business, FWSC has developed its business for more than 30 years by leveraging a high level of expertise and a strong network with local companies. Going forward, we will continue to contribute to solutions to water infrastructure issues facing local communities by inheriting the company's community-based business platform and combining it with our comprehensive capabilities.



Fukuchiyama Water and Wastewater Service Center



Water Service Connection Point Repair

Social Contribution

As a company that sustains water and environmental infrastructure, we carry out social contribution activities such as forest conservation volunteering, participation in local events, and outreach classes where people can learn about water recirculation, thereby raising awareness of the importance of water and the environment.

Environmental Conservation

Conducting Forest Conservation Activities at METAWATER Okutama Forest in Okutama-machi, Tokyo

With the aim of achieving harmony with nature and conserving watershed protection forests, we promote forest conservation activities at the METAWATER Okutama Forest located in Okutama-machi, Nishitama-gun, Tokyo. Under the guidance and cooperation of an NPO corporation, we periodically conduct tree planting in spring and undergrowth cutting in summer and autumn every year. In FY2025, 72 employees participated in tree planting in April, and 34 employees participated in undergrowth cutting in August.



Education and Social Education

Conducting Outreach Classes and Facility Tours for the Children Who Will Lead the Next Generation

We are making use of the technologies and knowledge on water and the environment that we have cultivated through our business activities to help children, who are the next generation's leaders, learn about the water cycle. Specifically, we have continued to hold nationwide outreach classes for easy-to-understand learning about the water cycle, as well as facility tours for experiential learning on the roles and mechanisms of water treatment plants, wastewater treatment plants, and other such facilities, which people have few opportunities to see in daily life. In FY2025, we conducted outreach classes at 33 locations and facility tours at approximately 23 locations.



Contributing to the Community

Participation in Local Events Near Our Business Sites

As part of efforts to build relationships of trust with local communities, we actively participate in local events, including those held at the METAWATER Sewerage Science Museum Aichi.

Uchimizu (Water Sprinkling)

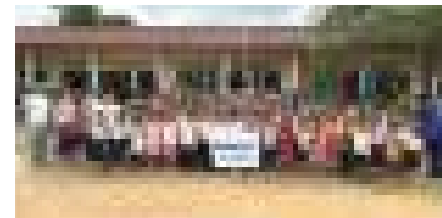
Each year on August 1, we celebrate Water Day by holding the METAWATER Uchimizu Campaign, which brings together the head office, business sites, and contracted water purification plants in an online event to raise environmental awareness.



International Support and Exchange

Conducting Outreach Classes at an Elementary School in Laos

In May 2025, in conjunction with our delivery of the in-vehicle ceramic membrane filtration system in Laos, we conducted outreach classes at a local elementary school to raise awareness about safe water and promote international exchange. It was a valuable opportunity to contribute to the local community by providing educational support for children who will lead the future, as well as to deepen recognition and understanding of our technologies and businesses. Going forward, we will continue promoting sustainability activities linked to our business activities both in Japan and overseas and contribute to resolving issues in global society.





Quality

Our group is committed to delivering quality that earns high customer satisfaction. By providing products and services that meet optimal quality standards based on the company-wide quality policy, we continue to deliver satisfaction and inspiration to customers.

Thorough Prevention of Recurrence and Occurrence of Quality Incidents by Distributing Materials on Quality-Related Topics to All Employees

By compiling lessons learned from past quality incidents, we regularly distribute materials on quality-related topics to all employees to thoroughly prevent recurrence and occurrence of similar incidents. These materials repeatedly feature the company-wide quality policy and the action guideline, "The upstream and downstream processes are our customers,"*1 aiming to raise awareness regarding quality among employees.

*1 Our action guideline, "The upstream and downstream processes are our customers": This concept is especially important for constructing plants that meet customer specifications, emphasizing the impact of each process on those before and after it.

Business Processes in Plant Construction

To protect water and environmental infrastructure over the long term, it is essential to foster human capital that can think and act independently. Our group requires all engineers to understand the Basic Quality Policy established each year and to proactively think and act with the aim of eliminating quality incidents.



*2 Design review

Quality Objectives

Zero Major Quality Incidents

Continuous Quality Improvement

To achieve quality targets, preventing quality incidents before they occur is essential. At each stage of the business process, the group conducts design reviews (DR) and inspections to ensure the reliable incorporation of required quality and the elimination of quality incident risks.



Example of distributed materials on quality-related topics

Sustainable Procurement

Under our basic policy of promoting sustainable procurement, our group is carrying out open procurement, strengthening cooperation with suppliers, and engaging in green procurement. In addition, we are working to ensure thorough legal compliance and promote understanding through education for all employees involved in purchasing.

Basic Policy for Procurement Activities

① Compliance With Laws and Regulations

We will adhere to all applicable Japanese and international laws, regulations, and social norms, acting with integrity in all procurement activities.

② Strengthening Relationships With Business Partners

We will build partnerships based on mutual understanding and trust with business partners, both in Japan and abroad, to achieve mutual prosperity.

③ Promotion of Open Procurement

We will offer a wide range of business opportunities and seek transactions that are superior in quality, price, delivery, service, and environmental friendliness, both in Japan and abroad.

④ Maintaining Sound Business Relationships

We will conduct fair, equitable, and transparent transactions, eliminate the transfer of inappropriate profits, and maintain sound business relationships.

⑤ Establishing Supply Chain BCP (Business Continuity Plan)

We will promote the development of a business continuity system across the entire supply chain to prepare for disasters and unforeseen circumstances, ensuring the safe and stable operation of our facilities.

⑥ Environmental Conservation and Decarbonization

We will prioritize procurement activities that support environmental conservation, decarbonization, effective resource use, and recycling to contribute to a sustainable environment and society.

⑦ Ensuring Information Security

We will protect confidential, personal, and customer information, conducting procurement activities with a strong commitment to information security.

⑧ Respect for Human Rights and Consideration for the Work Environment

We will adhere to international human rights standards and promote procurement activities that consider the labor environment of our suppliers.

⑨ Continuous Promotion of Sustainable Procurement

We will engage in ongoing discussions with our business partners to address environmental and social issues beyond the above eight items, promoting sustainable procurement practices.

Sustainable Procurement

Water Environment / Local Communities

We strive to build and maintain relationships with business partners that support the sustainable construction, operation, and maintenance of facilities, contributing to the revitalization of local communities and economies.

- ① We will contribute to local communities and enhance economic benefits by actively creating and utilizing opportunities to engage with small and medium-sized business partners who are vital to their communities.
- ② We will strive to improve mutual communication with suppliers while promoting sustainable procurement practices.
- ③ We will confirm the status of formulation of BCPs (Business Continuity Plans) by our business partners and promote the establishment of a business continuity system throughout the supply chain.

Recycling-Oriented Society / Reduction of Greenhouse Gas Emissions

Together with our business partners, we promote activities to build a recycling-oriented society that makes effective use of limited resources, taking into consideration environmental contamination and impacts on biodiversity, and working to reduce environmental impact.

- ① We will promote procurement that takes environmental conservation and resource protection into consideration based on the Green Procurement Guidelines.
- ② As an initiative to reduce environmental impact, we will promote paperless operations through EDI with the cooperation of our business partners.
- ③ Together with our business partners, we will monitor energy and water usage, general and hazardous waste output, and greenhouse gas emissions, and promote activities to reduce each of these.

Human Capital / Governance

We will comply with fundamental human rights and laws and work together with our business partners to create a comfortable working environment.

- ① Together with business partners, we will comply with laws and regulations such as the Act on Proper Subcontracting Transactions for Small and Medium Enterprises (hereinafter the "Subcontracting Act") and the Construction Business Act.
- ② We will promote procurement activities that consider the labor environment (preventing forced labor and child labor) and diversity among our business partners.
- ③ Both our company and our business partners will promote the maintenance and improvement of quality and the assurance of information security.

Procurement Activity Topics

Risk Assessment Initiatives Related to Environmental Issues and Social Issues (Human Rights)

1. Surveying the environmental conservation efforts of business partners

As a general practice in promoting green procurement, we ask business partners to conduct a self-assessment of their environmental conservation activities at the start of transactions with us.

Collection rate of environmental conservation activity survey forms

FY2022	FY2023	FY2024	FY2025
60%	91%	73%	80%

2. Promoting procurement activities that consider the labor environment (preventing forced labor and child labor) and diversity among business partners

To further deepen mutual understanding and trust with our business partners, we conduct a survey based on the Supply Chain Code of Conduct, which stipulates respect for fundamental human rights and the creation of a comfortable working environment, aimed at business partners for our branded products.

3. Maintaining and improving quality and ensuring information security together with business partners

Internal Capability Development and Business Partner Support Activities

1. Internal capability development

We provide training on themes such as the Subcontracting Act and procurement in line with the SDGs for all employees in charge of purchasing, and strive to thoroughly ensure compliance with laws and regulations and promote understanding.

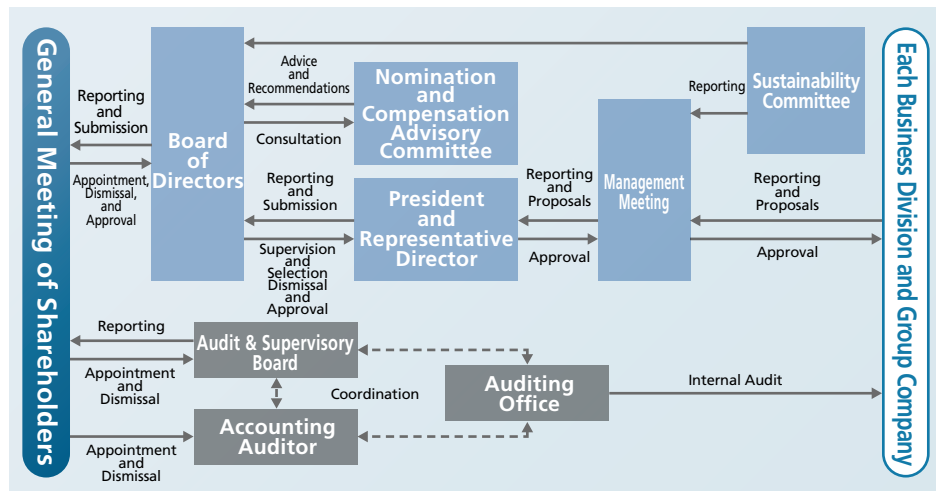
2. Holding safety conferences with business partners

We organize safety conferences to share case studies of accidents and disasters and to provide safety lectures.



Corporate Governance

We have adopted the Audit & Supervisory Board system as our organizational structure under the Companies Act. The Board of Directors is responsible for making important management decisions and supervising business execution, while the Audit & Supervisory Board and its members, who are independent from the Board of Directors, conduct audits of the execution of duties by the directors. In addition, to strengthen the independence, objectivity, and accountability of the Board of Directors in matters such as the nomination of candidates for directors and corporate auditors and the determination of compensation for directors and executive officers, a Nomination and Compensation Advisory Committee has been established under the Board of Directors.



Board of Directors

The Board of Directors convenes once a month or regularly as needed to perform management supervision and decision-making functions. The Board of Directors consists of seven members, including three external directors.

Audit & Supervisory Board

The Audit & Supervisory Board meets once a month and fulfills the function of management auditing. The Audit & Supervisory Board consists of four members, including two External Audit & Supervisory Board members. Audit & Supervisory Board Members are selected based on their expertise and experience in the company's business, law, and finance.

Nomination and Compensation Advisory Committee

A Nomination and Compensation Advisory Committee, which serves as a voluntary advisory body with the functions of both a nomination committee and a compensation committee, has been established under the Board of Directors. The committee is convened as necessary and, in response to consultations from the Board of Directors, deliberates on matters such as the appointment and dismissal of directors, Audit & Supervisory Board members, and executive officers, as well as the compensation of directors and executive officers, and provides advice and recommendations to the Board of Directors.

Executive Officer System

The Executive Officer System has been introduced to accelerate management decision-making, strengthen supervision over business execution, and clarify responsibilities.

Management Meeting

The Management Meeting is attended by 16 executive officers and, in principle, is held twice a month. At this meeting, important management matters stipulated in the company's Regulations for Official Authority are deliberated and reported.

Sustainability Committee

The Sustainability Committee meets twice a year and is responsible for examining and promoting the company's sustainability initiatives in response to environmental and social issues and changes in the business environment surrounding the company. The committee also has three specialized subcommittees under its umbrella.

History of Corporate Governance Enhancement*

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	
Changes in the Corporate Governance Code and other developments		● Establishment of the Corporate Governance Code												
					● Revision of the Corporate Governance Code									
								● Revision of the Corporate Governance Code						
										● Establishment of sustainability disclosure in securities reports				
Strengthening of supervisory functions	● Appointment of an Independent External Director (one person)													
		● Increase in Independent External Directors from one to two												
			● Increase in Independent External Directors from two to three (including one woman)											
Initiatives to enhance corporate governance	● Listing on the Tokyo Stock Exchange First Section (now the Prime Market)													
		● Introduction of the Executive Officer System												
		● Establishment of the Basic Policy on Corporate Governance												
			● Start of Board of Directors effectiveness evaluations											
				● Review of Corporate Philosophy										
								● Establishment of a Basic Policy on Sustainability						
								● Reorganization of the CSR Committee into the Sustainability Committee						
								● Full compliance with the Corporate Governance Code						
									● Formulation of the Corporate Purpose					
Development of systems for director nomination and compensation					● Establishment of the Nomination and Compensation Advisory Committee									
								● Revision of policy on determining executive compensation, etc.						
								● Introduction of a Restricted Stock Compensation Plan						

* This timeline shows developments since the company's listing in the First Section of the Tokyo Stock Exchange in December 2014.

Governance

Skill Matrix for Directors and Audit & Supervisory Board Members

All of the company’s officers, both internal and external, make the most of their specialized perspectives and expertise in each field in the management of the company. The experience and expertise of each officer are as follows.

Name	Position	Experience and Expertise						Nomination and Compensation Advisory Committee
		Management Strategy	Marketing, Technology, and Development	Finance and Accounting	Global Management	Human Resources and Diversity	Governance	
Director	Kenji Yamaguchi	●	●	●		●	●	○
	Michio Fujii	●				●	●	
	Hajime Ito	●	●					
	Kazuhiko Aoki	●	●					
	Fumiko Kosao			●		●	●	◎
	Tsuneo Tauchi	●	●		●		●	○
	Takahisa Matsumoto	●				●	●	○
Audit & Supervisory Board Member	Akihiro Teranishi						●	
	Michiko Tanji					●	●	
	Taku Fukui						●	○
	Masaki Kusunoki			●				○

●: Experience/Expertise ◎: Chair, Nomination and Compensation Advisory Committee ○: Member, Nomination and Compensation Advisory Committee

Expected Roles of External Officers

- 1
- Drawing on their expertise, they provide advice and supervise the execution of business operations to promote the company’s sustainable growth and enhance its medium- to long-term corporate value.
- 2
- From an independent standpoint, they ensure that the opinions of stakeholders, including minority shareholders, are appropriately reflected in the Board of Directors.
- 3
- They utilize their internal and external knowledge and experience to appropriately address risks, including conflicts of interest that may arise in the course of business execution.

Activities of External Officers

They play a key role in strengthening the management supervision and audit functions of the group and in ensuring the validity, appropriateness, and legality of important decision-making.

Name		Number of Attendances (Attendance Rate)		Summary of Main Statements and Duties Performed in Relation to Expected Roles
		Board of Directors	Audit & Supervisory Board	
External Director	Fumiko Kosao	17 /17 times (100%)	—	With specialized knowledge in taxation, deep insight into corporate accounting, and extensive experience as an external director at other companies, she utilizes a broad perspective not limited to industries related to the company and mainly provides advice and recommendations on the company's finance, accounting, and taxation based on her own expertise. In addition, as a member of the Nomination and Compensation Advisory Committee, she attended all committee meetings held during the fiscal year and provided reports in response to consultations from the Board of Directors.
	Tsuneo Tauchi	17 /17 times (100%)	—	Drawing on management experience at Honda Motor Co., Ltd. and Keihin Corporation (now Astemo Co., Ltd.), as well as extensive experience as an external director at other companies, he utilizes a broad perspective not limited to industries related to the company and mainly provides advice and recommendations on the company's management plans and overseas strategies based on his own expertise. In addition, as a member of the Nomination and Compensation Advisory Committee, he attended all committee meetings held during the fiscal year and provided reports in response to consultations from the Board of Directors.
	Takahisa Matsumoto Assumed office on June 23, 2026	—	—	—
External Audit & Supervisory Board Member	Taku Fukui	17 /17 times (100%)	13 /13 times (100%)	As an attorney well-versed in corporate legal affairs, including the Companies Act, and with extensive experience as an outside director at other companies, he utilizes a broad perspective not limited to industries related to the company and provides opinions from an external standpoint as necessary. In addition, as a member of the Nomination and Compensation Advisory Committee, he attended all committee meetings held during the fiscal year and provided reports in response to consultations from the Board of Directors.
	Masaki Kusunoki	17 /17 times (100%)	13 /13 times (100%)	As a certified public accountant with expertise in finance and accounting, he utilizes a broad perspective not limited to industries related to the company and offers opinions from an independent standpoint as needed. In addition, as a member of the Nomination and Compensation Advisory Committee, he attended all committee meetings held during the fiscal year and provided reports in response to consultations from the Board of Directors.



Management Structure (as of the end of June 2026)

External

External directors

Independent

Independent directors

Directors

Kenji Yamaguchi



April 1987 Joined NGK Insulators, Ltd. (now NGK Corporation)

April 2013 Deputy Executive General Manager, Business Strategy Division, METAWATER Co., Ltd.

April 2015 Executive General Manager, Business Strategy Division, METAWATER Co., Ltd.

June 2015 Executive Officer, METAWATER Co., Ltd.

June 2019 Director, METAWATER Co., Ltd.

June 2021 President and Representative Director, METAWATER Co., Ltd. (Current)

President & Chief Executive Officer, METAWATER Co., Ltd. (Current)

Michio Fujii



April 1990 Joined Fuji Electric Co., Ltd.

April 2010 General Manager, Human Resources and General Affairs Department, Administration Division, METAWATER Co., Ltd.

July 2012 General Manager, Human Resources Planning Department, Corporate Strategy Planning Division, METAWATER Co., Ltd.

April 2016 Executive Officer, METAWATER Co., Ltd.

June 2016 Deputy Executive General Manager, Corporate Strategy Planning Division, METAWATER Co., Ltd.

April 2020 Chief of Export Management Office, METAWATER Co., Ltd. (Current)

June 2022 Director, METAWATER Co., Ltd. (Current)

April 2023 Executive General Manager, Corporate Strategy Planning Division, METAWATER Co., Ltd. (Current)

April 2024 Senior Executive Officer, METAWATER Co., Ltd. (Current)

Hajime Ito



April 1995 Joined Fuji Electric Co., Ltd.

April 2014 General Manager, GENESEED Technology Department, Plant Engineering Division, METAWATER Co., Ltd.

April 2016 General Manager, Electrical Engineering Department I, Plant Engineering Division, METAWATER Co., Ltd.

April 2020 Deputy Executive General Manager, Plant Engineering Division, METAWATER Co., Ltd.

April 2021 Executive Officer, METAWATER Co., Ltd. (Current)

April 2024 Executive General Manager, System Solutions Division, METAWATER Co., Ltd. (Current)

June 2024 Director, METAWATER Co., Ltd. (Current)

Kazuhiko Aoki



April 1992 Joined NGK Insulators, Ltd. (now NGK Corporation)

April 2014 General Manager, Engineering Planning Department, Plant Engineering Division, METAWATER Co., Ltd.

April 2016 General Manager, Waterworks Engineering Department, Plant Engineering Division, METAWATER Co., Ltd.

April 2019 General Manager, Procurement Department, Procurement Center, METAWATER Co., Ltd.

April 2021 Executive General Manager, Cost Engineering Center, METAWATER Co., Ltd. (Current)

April 2022 Executive Officer, METAWATER Co., Ltd. (Current)

June 2026 Director, METAWATER Co., Ltd. (Current)

Fumiko Kosao

External

Independent



April 1973 Joined National Tax Agency

July 2014 Director, Nihonbashi Tax Office, Tokyo Regional Taxation Bureau

August 2015 Tax Accountant, Fumiko Kosao Certified Public Tax Accountant Office (Current)

June 2016 External Audit & Supervisory Board Member, Tobishima Corporation

March 2017 External Director, CTI Engineering Co., Ltd. (Current)

June 2017 External Director, METAWATER Co., Ltd. (Current)

July 2020 External Director and Audit & Supervisory Committee Member, TOELL Co., Ltd.

June 2023 External Director, Nippon Road Co., Ltd.

June 2026 External Audit & Supervisory Board Member, Tekscend Photomask Corp. (Current)

Tsuneo Tanai

External

Independent



April 1981 Joined Honda Motor Co., Ltd.

June 2009 Director, Honda Motor Co., Ltd.

April 2011 Director and Executive Officer, Honda Motor Co., Ltd.

June 2011 President and Representative Director, Keihin Corporation (now Astemo, Ltd.)

June 2016 Corporate Advisor, Honda Motor Co., Ltd. (Current)

June 2019 External Director, IWASAKI ELECTRIC CO., LTD.

June 2021 External Director, METAWATER Co., Ltd. (Current)

February 2024 External Director, Izawa Towel Co., Ltd.

Takahisa Matsumoto

External

Independent



April 1988 Joined the Ministry of Construction (now the Ministry of Land, Infrastructure, Transport and Tourism (MLIT))

July 2015 Counselor (Tax System), Minister's Secretariat, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

June 2016 Manager, Housing Comprehensive Development Division, Housing Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

July 2017 Manager, General Affairs Division, Housing Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

July 2018 Deputy Director-General, Minister's Secretariat, Ministry of Health, Labour and Welfare (in charge of workers' accident compensation and the construction and motor transport fields)

August 2020 Deputy Director-General, Minister's Secretariat, Cabinet Office (in charge of economic and social systems)

July 2021 Director-General for Policy Coordination, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

June 2022 Retired from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

October 2022 Advisor, Tokyu Research Institute, Inc. (Current)

June 2026 External Director, METAWATER Co., Ltd. (Current)

Audit & Supervisory Board Member

Akihiro Teranishi March 1985 NGK Insulators, Ltd. (now NGK Corporation) Joined April 2008 METAWATER Co., Ltd.; Deputy General Manager, Corporate Planning Department, Corporate Strategy Office April 2013 General Manager, Corporate Management Department, Corporate Strategy Planning Division, METAWATER Co., Ltd. December 2021 General Manager, Legal Department, Corporate Strategy Planning Division, METAWATER Co., Ltd. April 2022 Senior General Manager, Corporate Strategy Office, METAWATER Co., Ltd. June 2023 Full-Time Audit & Supervisory Board Member, METAWATER Co., Ltd. (Current)	Michiko Tanji April 1987 Joined Mitsubishi Corporation October 2013 General Manager, Human Resources Department, Mitsubishi Corporation RtM Japan Ltd. April 2017 Human Resources Manager and Compliance Officer, Metals Group, Mitsubishi Corporation April 2020 Deputy General Manager, Human Resource Development Department, HR & General Affairs Planning Office, Corporate Strategy Planning Division, METAWATER Co., Ltd. October 2020 General Manager, Human Resource Development Department, HR & General Affairs Planning Office, Corporate Strategy Planning Division, METAWATER Co., Ltd. July 2023 Executive General Manager, HR & General Affairs Planning Office, Corporate Strategy Planning Division, METAWATER Co., Ltd. June 2025 Full-Time Audit & Supervisory Board Member, METAWATER Co., Ltd. (Current)
Taku Fukui External Independent April 1987 Registered as an attorney (Daini Tokyo Bar Association); joined Kashiwagi General Law Office April 2004 Professor, Graduate School of Law, Keio University June 2005 External Audit & Supervisory Board Member, Shin-Etsu Chemical Co., Ltd. January 2009 Managing Partner, Kashiwagi Sogo Law Office (Current) June 2017 External Director, Yamaha Corporation June 2021 External Audit & Supervisory Board Member, METAWATER Co., Ltd. (Current) December 2024 External Audit & Supervisory Board Member, Mynavi Corporation (Current)	Masami Kusunoki External Independent October 1988 Joined Sanwa Tohmatsu Aoki Audit Corporation (now Deloitte Touche Tohmatsu LLC) August 1994 Registered as Certified Public Accountant March 2004 Assistant General Manager, Tokyo Chamber of Commerce and Industry, Tokyo Small and Medium Enterprise Revitalization Support Council (now Tokyo Small and Medium Enterprise Revitalization Council) June 2007 General Manager, Headquarters for Small Business Restructuring Support (now National Headquarters for Small Business Revitalization), Organization for Small & Medium Enterprises and Regional Innovation April 2009 Certified Public Accountant, Kusunoki CPA Office (Current) June 2022 External Audit & Supervisory Board Member, METAWATER Co., Ltd. (Current)

Executive Officer*

President & Chief Executive Officer	Kenji Yamaguchi	Chief Operating Officer
Senior Executive Officer	Michio Fujii	Executive General Manager, Corporate Strategy Planning Division In charge of the Legal and Intellectual Property Office, Corporate Strategy Planning Division In charge of the DX Promotion Office and Information Security Supervisory Department Chief of Export Management Office
Executive Officer	Koichi Yamaguchi	Executive General Manager, Plant Construction Division
	Ken Akikawa	Executive General Manager, International Business Division
	Tatsuo Kato	Executive General Manager, Quality, Safety, and Health Promotion Division
	Hajime Ito	Executive General Manager, System Solutions Division
	Kazuhiko Aoki	Executive General Manager, Cost Engineering Center; in charge of R&D Center
	Kenji Kojima	Executive General Manager, Sales & Marketing Division
	Tomoyuki Takase	Executive General Manager, Accounting & Finance Planning Office, Corporate Strategy Planning Division
	Hiroyuki Ishizaki	Deputy Executive General Manager, Sales & Marketing Division
	Shingo Nishimura	Executive General Manager, Corporate Planning Office, Corporate Strategy Planning Division
	Jun Nakano	President and Representative Director, METAWATER SERVICE Co., Ltd.
	Takeshi Kuroda	Deputy Executive General Manager, System Solutions Division
	Shinichi Nagano	Executive General Manager, HR & General Affairs Planning Office, Corporate Strategy Planning Division
	Daisuke Ochiai	Executive General Manager, Environmental Engineering Division
	Masaaki Takahashi	Executive General Manager, Public-Private Partnership (PPP) Division; in charge of the Innovation Promotion Office

* Executive positions held at domestic and overseas group companies have been omitted.

Governance

Risk Management and Compliance

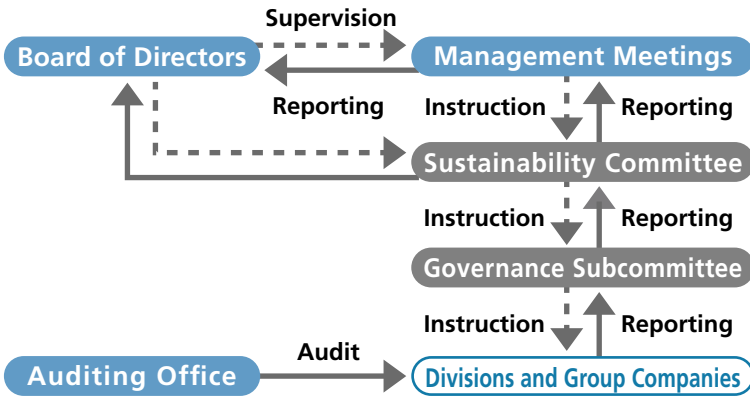
The group has established the METAWATER Group Risk Management Regulations and the Risk Management Implementation Procedures (collectively, the "Risk Management Regulations") to appropriately manage risks that may affect management. These regulations are intended to prevent the occurrence of risks and minimize losses in the event of an occurrence, with the aim of maintaining and enhancing the group's corporate value.

Risk Management System

Risk Classification	Risks that have a significant impact on management are classified into "external environment" (6 categories) and "business environment" (17 categories).
Evaluation Criteria	The degree of impact (three levels) is evaluated for each of the three key items, and countermeasures are considered based on the combination with the frequency of occurrence (three levels).

Operation and Governance

Risk Assessment	At the beginning of the fiscal year, each department and subsidiary identifies risks, evaluates their impact and frequency of occurrence, and considers countermeasures. At the end of the first half and at the end of the fiscal year, interim and full-year risk assessments are conducted, and the results are disclosed internally.
Governance	The Governance Subcommittee consolidates the risks and countermeasures identified and evaluated by each department and subsidiary from a group-wide perspective and reports and discusses them with the Sustainability Committee. The details are reported as appropriate to the Management Meeting and the Board of Directors, and a systematic risk management system is established to ensure thorough risk management throughout the group. In this way, we will strive to maintain and enhance corporate value.



Promotion of Business Continuity Management (BCM)

As a company supporting the social infrastructure of water and wastewater, our group promotes BCM*¹ (business continuity management). Moreover, to further strengthen BCM and ensure that we can continue operations even during emergencies, we aim to improve effectiveness through the continuous implementation of various drills, in addition to formulating and updating BCP*² (business continuity plan).

*1 BCM: Business Continuity Management *2 BCP: Business Continuity Plan

Initiatives to Strengthen BCM

Formulating and Updating the BCP

We formulate BCPs tailored to business characteristics. In addition, through regularly held BCM Promotion Subcommittee meetings, efforts are made to prevent the content from becoming outdated and to improve effectiveness.

Enhancement of Disaster and Emergency Response Capabilities

In order to respond to damage caused by disasters, such as earthquake, wind, and flood damage, various training programs are continuously conducted for different organizations and personnel, including initial BCP response drills, information gathering and reporting drills by the CMT*³ (Crisis Management Team), drills for emergency response headquarters personnel, and expanded self-defense fire brigade training for a wider range of personnel and regions. We also provide education using video materials and review reporting and information-sharing tools in the event of risk occurrence as appropriate.

*3 CMT: Crisis Management Team

Initiatives to Ensure Employee Safety

In addition to introducing AED at all domestic sites, we are working to ensure employee safety in the event of disasters by, for example, systematically promoting the deployment as well as the management and operation of helmets and disaster stockpiles.

Outlook

From FY2026 onward, we will further strengthen initiatives and aim to disseminate and deepen familiarity with BCP and improve effectiveness. To fulfill our social mission of sustaining water and environmental infrastructure, our group promotes business continuity management (BCM) to ensure business continuity even in the event of any kind of emergency.



BCP Initial Response Drills



AED Drills

Initiatives to Strengthen Information Security

Effective use of ICT is essential for advancing work style reform, improving operational efficiency, and enhancing convenience. As the information society accelerates, information security risks, such as leakage of confidential information and personal information and cyberattacks, are increasing day by day. Our group is undertaking a variety of initiatives to address information security risks.

Establishment of the Information Security Supervisory Department

In recent years, the use of AI and digitalization in business has increased dramatically. As these technologies become increasingly widespread in society, cyberattacks are also growing more sophisticated by the day, making the protection of information assets more important than ever. In light of these social conditions, our company established the Information Security Supervisory Department in April 2026, a specialized division under the direct supervision of the President, integrating strengthened cyber defense capabilities into management. In addition to preventing incidents before they occur, the department operates on the premise that cyberattacks cannot be completely prevented, working to maximize cyber resilience by ensuring business continuity in the event of an incident or restoring operations as quickly as possible. In addition, we position security not as a brake to prevent endeavors with new technologies, but as an accelerator to ensure safe use, and foster an autonomous security culture that enables employees to assess risks and promptly share any abnormalities with each other. Furthermore, in FY2026, we will incorporate defensive measures based on the concept of "zero trust," under which the security of all communications is verified each time, promote the acquisition of certification by external organizations, and build a reliable foundation of trust that will ensure we continue to be chosen throughout the supply chain.

Strengthening Security Governance of Group Companies in Line with M&A Expansion

As part of our growth strategy, we are actively promoting M&A, leading to an increase in group subsidiaries both in Japan and abroad. Accordingly, we are also strengthening the information security structure across the entire group. For companies newly joining the group, we check the IT environment and identify risks at the preliminary investigation stage, and after they join the group, we promptly implement measures. Furthermore, we continuously work to prevent cyberattacks originating from existing subsidiaries before they occur through initiatives such as targeted attack email drills, employee education, and support for system operations. As new cyber threats such as convincing phishing emails increase due to the development of generative AI, we will keep pace with the latest technological trends and increasingly sophisticated attack methods to develop highly effective defense measures tailored to real-world threats. Going forward, by supporting group companies in implementing optimal measures, we will raise the overall security level and build a safer global governance structure.

Establishment of the Information Security Supervisory Department

Specialized Security Department Reporting Directly to the President

Background to the Establishment

Business DX through the use of AI
Response to increasingly sophisticated security threats

Future Initiatives

Promoting safe use of AI and DX
Rapid response when incidents occur and acquisition of external certification
Strengthening of the company-wide security structure

Compliance

Our group places importance on compliance to foster sustainable growth and a sound corporate culture. Various internal regulations have been established to translate these principles into concrete actions, and thorough compliance with laws and internal rules is enforced.

Pillars of Compliance Promotion

- Corporate Action Charter
- Employee Code of Conduct
- Compliance Regulations

Governance Subcommittee

The Governance Subcommittee has been established as a specialized subcommittee of the Sustainability Committee. The Legal Department serves as the secretariat for the subcommittee, which has established three working groups composed of the heads of five compliance-related divisions, thereby promoting compliance.

Compliance Education

The group ensures thorough compliance by providing company-wide e-learning, as well as training by position, level, and job function, both in-person and online.

FY2025 E-Learning Training Results

Total 12 sessions; 36,003 people

Chapter

06

Financial Information

10-Year Financial Summary	FYE 2017/3	FYE 2018/3	FYE 2019/3	FYE 2020/3	FYE 2021/3	FYE 2022/3	FYE 2023/3	FYE 2024/3	FYE 2025/3	FYE 2026/3
Overview of Business Performance (Millions of yen)										
Orders received	119,631	131,589	123,807	125,011	159,124	152,279	193,404	211,914	222,724	274,532
Net sales	111,688	110,895	117,342	128,723	133,355	135,557	150,716	165,561	179,094	209,844
Gross profit	23,471	23,970	25,899	26,877	29,619	28,491	30,287	34,403	38,713	47,051
Operating income	6,328	6,745	7,607	8,223	10,863	8,146	8,688	9,903	10,626	12,879
Ordinary income	6,251	6,465	7,624	8,132	11,053	8,751	9,068	10,490	9,951	13,175
Profit attributable to owners of parent	4,742	3,931	5,170	5,677	6,542	6,245	6,252	6,875	6,852	9,136
Capital expenditures	699	757	891	794	1,617	2,907	3,174	5,790	4,052	6,868
Depreciation expenses	1,099	1,441	1,348	1,098	1,247	1,469	1,625	2,142	2,601	3,443
Research and development expenses	1,619	1,706	1,908	2,374	2,100	2,015	2,070	2,129	2,352	2,307
Cash flows from operating activities	7,769	5,175	6,236	3,521	10,404	6,635	(4,340)	(5,486)	13,316	15,132
Cash flows from investing activities	(1,531)	(868)	(805)	(1,380)	(3,252)	(3,846)	(6,452)	(3,098)	(4,094)	(17,027)
Cash flows from financing activities	(2,697)	(2,619)	(2,617)	(17,072)	(2,103)	(628)	717	11,338	12,005	(7,165)
Cash and cash equivalents at March 31	23,352	24,977	27,796	12,876	18,044	20,613	11,085	14,219	35,683	26,736
Financial indicators (millions of yen)										
Total assets	120,961	122,991	132,620	119,469	131,194	133,065	142,695	168,843	196,783	220,292
Net assets	52,260	55,042	59,031	49,592	53,432	59,548	66,639	75,676	85,350	94,150
Interest-bearing debt	15,929	14,703	13,733	12,520	11,677	12,407	14,398	27,014	40,425	39,611
Per share information (yen)										
Earnings per share (EPS)	183.0	151.7	199.5	115.8	150.5	143.4	143.5	157.7	157.1	209.3
Book value per share (BPS)	2,011.4	2,118.0	2,271.7	1,138.0	1,223.5	1,360.0	1,495.5	1,672.2	1,863.1	2,050.4
Dividend	29.0	29.0	31.0	35.5	40.0	40.0	42.0	46.0	50.0	70.0
Management Indicators (%)										
Gross profit ratio	21.0	21.6	22.1	20.9	22.2	21.0	20.1	20.8	21.6	22.4
Operating profit margin	5.7	6.1	6.5	6.4	8.1	6.0	5.8	6.0	5.9	6.1
Capital adequacy ratio	43.1	44.6	44.4	41.4	40.6	44.5	45.7	43.2	41.3	40.6
Return on equity (ROE)	9.5	7.3	9.1	10.5	12.7	11.1	10.1	10.0	8.9	10.7
Return on assets (ROA)	3.9	3.2	3.9	4.8	5.0	4.7	4.4	4.1	3.5	4.1
Price earnings ratio (PER; times)	15.8	21.9	15.6	16.7	14.7	14.0	12.0	14.5	12.2	16.2
Price/book ratio (PBR; times)	1.4	1.6	1.4	1.7	1.8	1.5	1.2	1.4	1.0	1.7
Dividend ratio	31.7	38.2	31.1	30.7	26.6	27.9	29.3	29.2	31.8	33.4
Number of employees	2,889	2,961	2,977	3,082	3,340	3,496	3,565	3,685	3,883	4,228

Consolidated Financial Statements

Consolidated Balance Sheets

	Millions of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Assets		
Current assets		
Cash and deposits	36,278	27,266
Notes receivable, accounts receivable, and contract assets	109,214	109,932
Work in process	1,497	2,070
Supplies	9,501	12,244
Other current assets	3,685	11,640
Total current assets	160,178	163,154
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,636	2,958
Machinery and equipment, net	1,922	3,814
Tools, furniture and fixtures, net	572	736
Construction in progress	538	3,040
Other property, plant and equipment, net	1,005	3,284
Total property, plant and equipment	6,674	13,835
Intangible assets		
Software	2,860	2,621
Software in progress	639	368
Goodwill	2,255	3,890
Customer-related assets	4,446	6,389
Right to operate public facilities	850	800
Other intangible assets	6,654	8,727
Total intangible assets	17,706	22,798
Investments and other assets		
Investment securities	2,319	8,538
Long-term loans receivable	664	598
Guarantee deposits	1,205	1,302
Assets for retirement benefits	4,910	5,969
Deferred tax assets, non-current	2,622	3,149
Other non-current assets	413	878
Total investments and other assets	12,135	20,436
Total non-current assets	36,516	57,070
Deferred assets		
Bond issuance costs	88	67
Total deferred assets	88	67
Total assets	196,783	220,292

	Millions of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Liabilities		
Current liabilities		
Accounts payable, trade	21,988	29,356
Electronically recorded obligations	8,817	8,213
Current portion of PFI	805	711
Other project finance loans		
Income taxes payable	2,414	2,925
Contract liabilities	12,944	19,495
Provision for warranties for completed construction	1,391	2,435
Provision for loss on construction contracts	1,269	1,227
Other current liabilities	16,253	14,893
Total current liabilities	65,885	79,259
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	5,000	5,017
PFI and other project finance loans	14,620	13,883
Liability for retirement benefit	4,753	4,665
Other non-current liabilities	1,174	3,316
Total non-current liabilities	45,547	46,882
Total liabilities	111,433	126,142
Net assets		
Shareholders' equity		
Capital stock	11,946	11,946
Capital surplus	9,406	9,562
Retained earnings	54,733	61,207
Treasury stock	(1,052)	(1,161)
Total shareholders' equity	75,033	81,554
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	151	162
Deferred gains or losses on hedges	83	174
Foreign currency translation adjustment	5,158	6,057
Accumulated remeasurements of defined benefit plans	876	1,569
Total accumulated other comprehensive income	6,270	7,964
Non-controlling interests	4,046	4,631
Total net assets	85,350	94,150
Total liabilities and net assets	196,783	220,292

Consolidated Statement of Income and
Statement of Comprehensive Income
[Consolidated Statement of Income]

	Millions of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	179,094	209,844
Cost of sales	140,380	162,792
Gross profit	38,713	47,051
Selling, general and administrative expenses	28,087	34,171
Operating income	10,626	12,879
Non-operating income		
Interest income	177	278
Dividends income	92	187
Foreign exchange gain	-	621
Share of profit of entities accounted for using equity method	-	74
Miscellaneous income	1	18
Total non-operating income	271	1,179
Non-operating expenses		
Interest expenses	296	513
Share of loss of entities accounted for using equity method	5	-
Commission expenses	10	6
Loss on valuation of investment securities	235	290
Loss on disposal of non-current assets	104	31
Foreign exchange loss	147	-
Commission for syndicated loans	37	-
Miscellaneous loss	109	40
Total non-operating expenses	946	883
Ordinary income	9,951	13,175
Extraordinary income		
Gain on revision of retirement benefit plan	-	92
Total extraordinary income	-	92
Extraordinary expenses		
Provision of allowance for doubtful accounts	-	60
System migration costs	90	152
Total extraordinary expenses	90	213
Income before income taxes	9,861	13,054
Income taxes, current	3,268	3,976
Income taxes, deferred	(701)	(406)
Total income taxes	2,566	3,570
Net income	7,294	9,484
Profit attributable to non-controlling interests	441	347
Profit attributable to owners of parent	6,852	9,136

Consolidated Statement of
Comprehensive Income

	Millions of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income	7,294	9,484
Other comprehensive income		
Valuation difference on available-for-sale securities	39	10
Deferred gains or losses on hedges	157	259
Foreign currency translation adjustment	2,411	899
Remeasurements of defined benefit plans	1,063	693
Total other comprehensive income	3,671	1,862
Comprehensive income	10,965	11,346
(Details)		
Comprehensive income attributable to owners of parent	10,421	10,830
Comprehensive income attributable to non-controlling interests	543	516

Consolidated Cash Flow Statement

	Millions of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Income before income taxes	9,861	13,054
Depreciation expenses	2,601	3,443
Amortization of goodwill	326	406
Increase/(decrease) in liabilities for retirement benefits	397	194
(Increase)/decrease in assets for retirement benefits	(135)	(182)
Increase/(decrease) in provision for warranties for completed construction	245	637
Increase/(decrease) in provision for loss on construction contracts	32	(42)
Interest income and dividends income	(269)	(465)
Interest expenses	296	513
Foreign exchange (gain)/loss	147	(621)
Loss on disposal of property, plant and equipment	104	31
(Gain)/loss on evaluation of investment securities	239	290
Share of (profit)/loss of entities accounted for using equity method	5	(74)
(Increase)/decrease in notes and accounts receivable and contract assets	(4,920)	4,630
(Increase)/decrease in inventory	3,211	(2,499)
Increase/(decrease) in notes and accounts payable - trade	1,292	2,707
(Increase)/decrease in consumption taxes receivable	3	(2,934)
Increase (decrease) in accrued consumption taxes	1,937	(2,150)
Increase/(decrease) in contract liabilities	2,084	4,774
Other cash flows from operating activities	(357)	(2,750)
Subtotal	17,102	18,963
Interest and dividends income received	269	465
Interest expenses paid	(281)	(520)
Income taxes paid	(3,774)	(3,775)
Cash flows from operating activities	13,316	15,132
Cash flows from investing activities		
Net (increase)/decrease in time deposits	67	65
Purchase of property, plant and equipment	(1,772)	(4,730)
Purchase of intangible assets	(2,422)	(2,423)
Purchase of investment securities	(138)	(6,428)
Proceeds from sales of investment securities	14	3
Purchase of new consolidated subsidiaries	-	(3,577)
Payments of loans receivable	(2)	-
Collection of loans receivable	78	73
Other cash flows from investing activities	80	(9)
Cash flows from investing activities	(4,094)	(17,027)

	Millions of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Proceeds from short-term loans payable	26,319	-
Repayments of short-term loans payable	(29,910)	(3,540)
Proceeds from long-term loans payable	4,962	-
Proceeds from PFI and other project finance loans	2,700	-
Repayments of PFI and other project finance loans	(697)	(831)
Proceeds from issuance of bonds	9,950	-
Cash dividends paid	(2,094)	(2,662)
Proceeds from share issuance to non-controlling interests	759	70
Cash dividends paid to non-controlling interests	(1)	(1)
Other cash flows from financing activities	18	(199)
Cash flows from financing activities	12,005	(7,165)
Effect of exchange rate change on cash and cash equivalents	236	113
Net increase/(decrease) in cash and cash equivalents	21,463	(8,947)
Cash and cash equivalents at April 1	14,219	35,683
Cash and cash equivalents at March 31	35,683	26,736

Company Profile

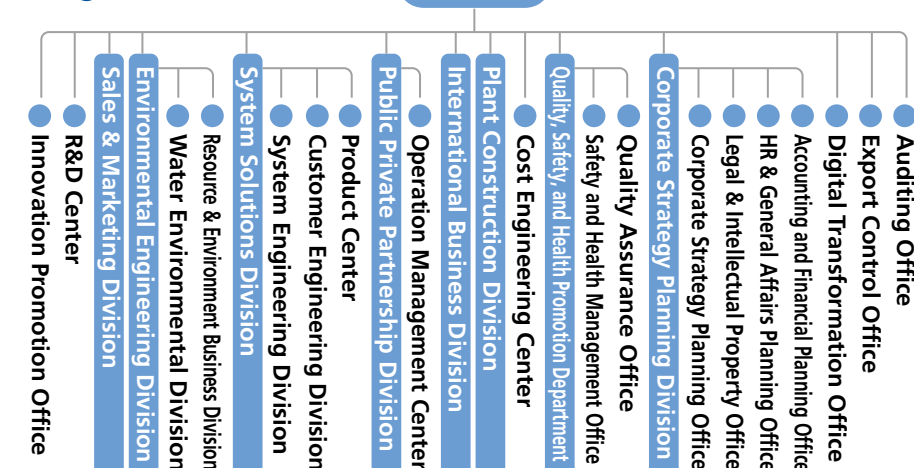
Company Overview

Company Name	METAWATER Co., Ltd.
English Company Name	METAWATER Co., Ltd.
Main Business Activities	We provide a comprehensive range of services, includingthe design and construction of equipment and facilities for water treatment plants, sewage treatment plants, and waste processing facilities; the design, manufacturing, and sales of various types of equipment; repair work; and operation management.
Construction Industry Qualifications	Civil engineering works; building works; electrical works; plumbing works; tile, brick and block works; machine and equipment installation works; telecommunications works; water and sewerage facilities works; and sanitation facilities works
Date of Establishment	April 1, 2008
Representative	Kenji Yamaguchi, President and Representative Director
Number of Employees	4,228 people *Consolidated basis as of March 31, 2026.

Location	Head Office 101-0041 JR Kanda Manseibashi Bldg. 1-25 Kandasuda-cho, Chiyoda-ku, Tokyo Hino Branch 191-0065 3-1-30 Asahigaoka, Hino-shi, Tokyo Nagoya Branch 451-0045 Nagoya Prime Central Tower, 2-27-8 Meieki, Nishi-ku, Nagoya, Aichi Main Sales Bases 451-0045 Tokyo (Head Office), Sapporo, Sendai, Yokohama, Nagoya, Osaka, Hiroshima, Takamatsu, Fukuoka
Development Base (R&D Center)	Handa, Aichi; Ichihara, Chiba; Chiyoda-ku, Tokyo

Main Group Companies	METAWATER SERVICE Co., Ltd.* METAWATER USA, INC.* Aqua-Aerobic Systems, Inc.* Wigen Companies, Inc.* Schwing Biojet, Inc.* Revinu, Inc.* Mecana AG* FUCHS Enprotec GmbH* Rood Wit Blauw Water B.V.* E&P Anlagenbau GmbH* METAWATER TECH Co., Ltd. Akebono Engineering Co. Techno Clean Hokuso Co.* SIC Co., Ltd. Water Next Yokohama Co., Ltd.* Aqua Service Aichi Co.* Santo Co. K. K. Mizumusubi Management Miyagi* Water Nexus OSAKA Co., Ltd.* Fukuchiyama Water and Sewerage Service Center Inc. *Entities subject to consolidation
Overseas Bases	U.S.A., Netherlands, Switzerland, Germany, Vietnam, Cambodia

Organization



Company Profile

Matters Related to Shares as of March 31, 2026

Stock Exchange Listing	Tokyo Stock Exchange Prime Market Industry Classification Code: Electricity and Gas 9551
Total Number of Shares Authorized to Be Issued	140,000,000 shares
Total Number of Shares Issued	44,258,500 shares (including 538,014 shares of treasury stock)
Number of Shareholders	12,242 people

Shareholding by Category



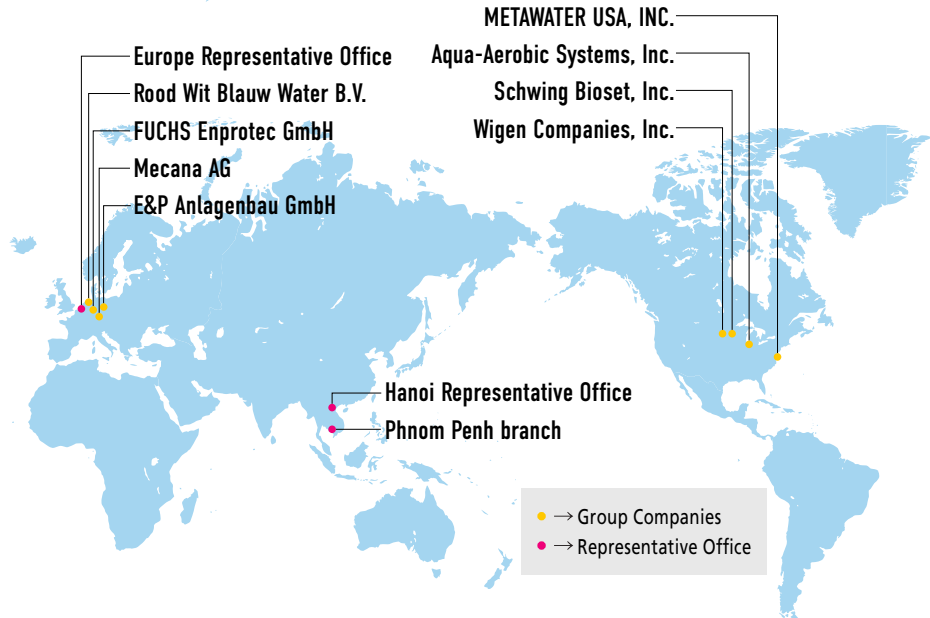
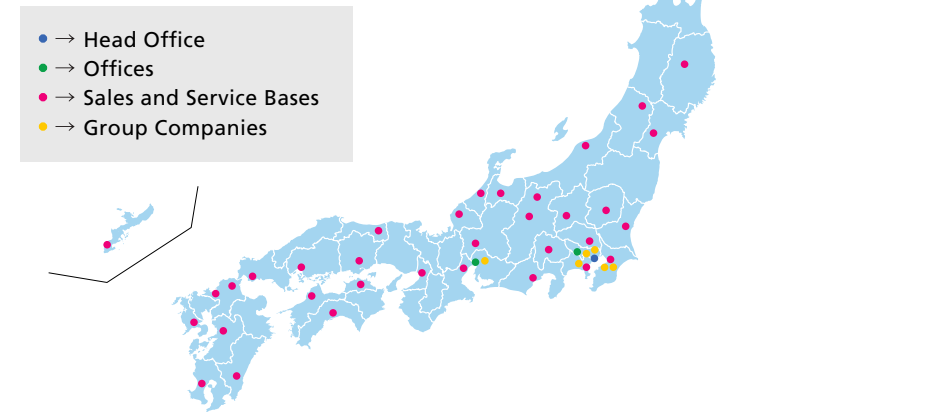
Major Shareholders (Top 10)

Shareholder Name	Number of Shares Held (Thousand Shares)	Shareholding Ratio (%)
Fuji Electric Co., Ltd.	9,100	20.81
NGK Corporation	8,620	19.72
The Master Trust Bank of Japan, Ltd. (trust account)	3,644	8.34
Custody Bank of Japan, Ltd. (trust account)	2,093	4.79
Hikari Tsushin KK Investment Limited Partnership	1,526	3.49
THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	989	2.26
METAWATER Group Employee Stock Ownership Plan	933	2.14
STATE STREET BANK AND TRUST COMPANY 505223	734	1.68
UHPartners2 Investment Limited Partnership	524	1.20
THE BANK OF NEW YORK MELLON 140044	515	1.18

*METAWATER holds 538,014 thousand shares of treasury stock, which are excluded from the above list of major shareholders. Shareholding ratios are calculated excluding treasury stock.

List of Locations as of April 1, 2026

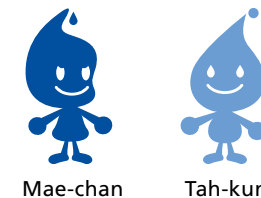
We operate approximately 40 sales and service offices throughout Japan, delivering meticulously tailored services.



The prefix "META" in METAWATER signifies "transcendence" and "transformation." It reflects our commitment to continually evolve as a company, so that we can pass on the irreplaceable resource of water to future generations. The central line in the METAWATER logo symbolizes the role the company is meant to fulfill, along with its advanced technologies and products. In addition, the two shades of blue on either side of the line represent the process of water being purified and regenerated as it flows from left to right.

Corporate mascot characters

They symbolize METAWATER's activities. The image of Mae-chan, representing water in its natural state, and Tah-kun, representing purified water, growing together in harmony, reflects METAWATER's approach of coexisting and evolving with water and the environment.



METAWATER Instagram Official Account

User Name: metawater_official
 Name: METAgram by METAWATER
 URL: https://www.instagram.com/metawater_official/



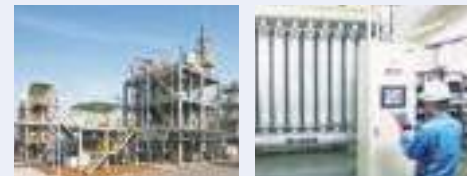
Metawater X Official Account

User Name: metawater_PR
 Name: [Official] METAWATER
 URL: https://x.com/metawater_PR



Our Group's Value Chain

As a total solutions company, the strength of our group lies in its comprehensive value chain that spans engineering, procurement, and construction (EPC), as well as operation and maintenance (O&M).



Development and Engineering

Construction

Engineering, Procurement and Construction (EPC)

Operation and Maintenance (O&M)

On-site staff assigned to sites throughout Japan utilize their abundant experience and technical capabilities to support the safe and stable operation, maintenance, and inspection of water and environmental infrastructure.

Operation (EPC + O&M)

We are expanding our operating business centered on public-private partnership (PPP) projects by leveraging our unique expertise that integrates engineering, procurement, and construction (EPC) with operation and maintenance (O&M).



www.metawater.co.jp

METAWATER Co., Ltd.

JR Kanda Manseibashi Bldg. 1-25 Kandasuda-cho,
Chiyoda-ku, Tokyo 101-0041
TEL.03-6853-7300

