



Outline of Financial Results for the Fiscal Year Ended March 2024 and "Mid-Term Business Plan 2027"

April 24, 2024

METAWATER Co., Ltd.



- I Financial Highlights for the Fiscal Year Ended March 2024,
and Full-year Forecast of Financial Results and Dividend for the
Fiscal Year Ending March 2025

- II Review of “Mid-Term Business Plan 2023” (FYE 3/’22 - FYE 3/’24),
and Outline of “Mid-Term Business Plan 2027” (FYE 3/’25 - FYE 3/’28)

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Financial Highlights for FYE 3/'24 (consolidated)

* Orders

- **Order inflows and order backlogs reached new record highs** due to strong performance in the EPC and International Businesses, as well as in service subsidiaries.

[Order Backlog: 275.1bn yen as of End of FY 3/'24 (+46.4bn yen YoY)]

* Net Sales & Income

- **Sales and Income both reached new highs*** due to strong growth in International Business and O&M Business.

(*Based on core business excluding the impact of the sale of retirement benefit stock in FYE 3/'21)

- **Operating income was largely in line with the forecast**, despite the recording of M&A-related research expenses.

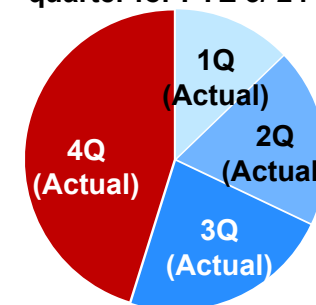
- Ordinary income and net income exceeded both the forecast and YoY levels.

Ordinary income includes a FX gain of 600mn yen due to the impact of yen depreciation.

* Dividend

- Based on the stable dividend policy, the annual **dividend was raised** to 46 yen (interim 22 yen and **year-end 24 yen***).

Sales breakdown by quarter for FYE 3/'24



(Billion Yen)

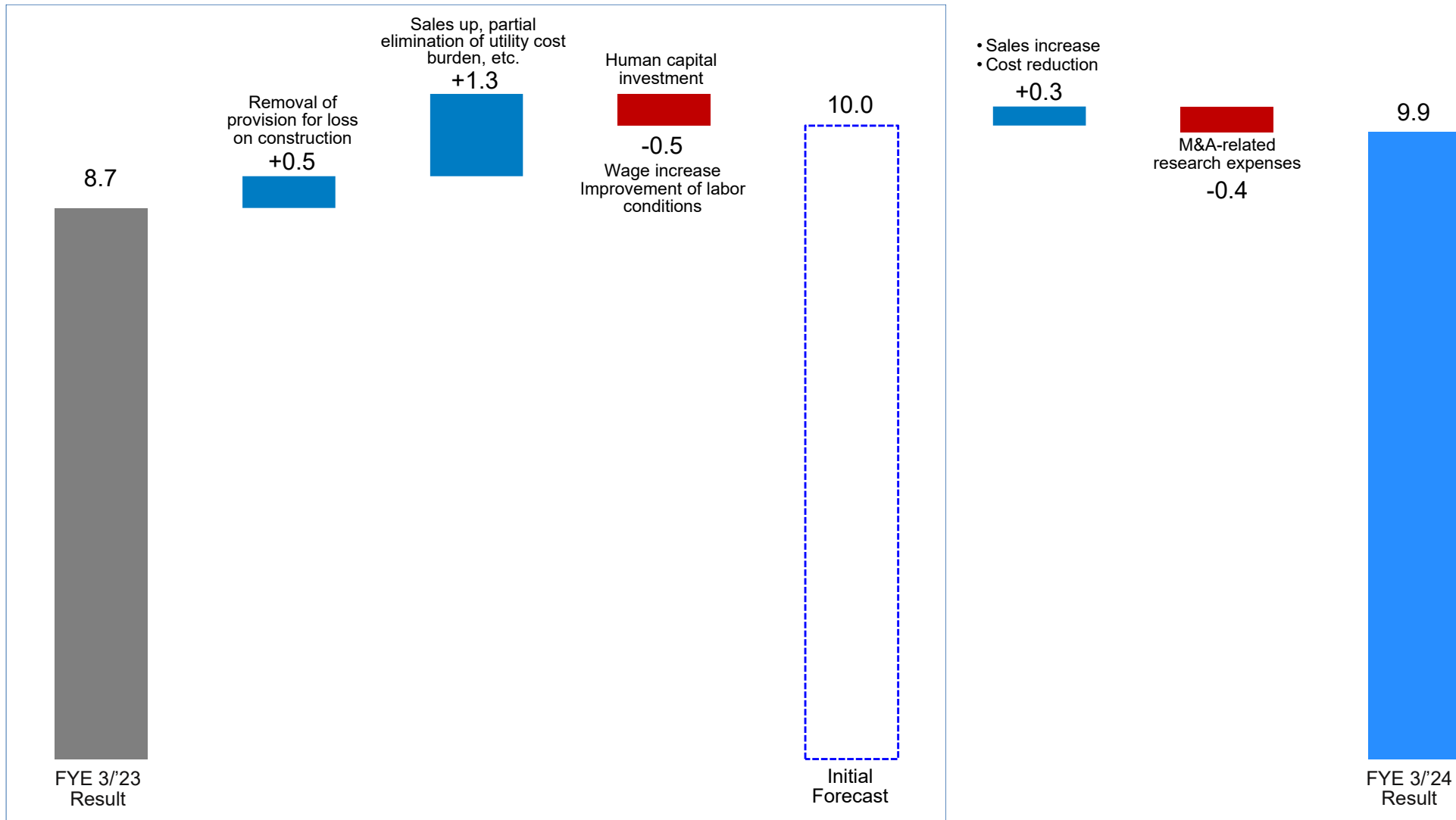
	Orders Received	Net Sales	Operating Income	Ordinary Income	Net Income	DPS (Yen)	
						Interim	Year-End
FYE3/'24 Results	211.9	165.6	9.9	10.5	6.9	22	Scheduled for resolution in May* 24 vs Forecast: +2
	vs Forecast: +51.9	vs Forecast: +10.6	vs Forecast: -0.1	vs Forecast : +1.0	vs Forecast: +0.5		
	YoY+18.5 +9.6%	YoY: +14.8 +9.9%	YoY: +1.2 +14.0%	YoY: +1.4 +15.7%	YoY: +0.6 +10.0%		
FYE3/'24 Forecast (As of April 26, 2023)	160.0	155.0	10.0	9.5	6.4	22	22
FYE3/'23 Results	193.4	150.7	8.7	9.1	6.3	20	22

* Figures are rounded to the nearest 10 million yen (same applies to the results hereafter)

Factors for the changes in operating income (FYE 3/'23 vs FYE 3/'24)

Operating income was largely in line with the forecast, thanks to increased sales and cost reductions, despite the recording of M&A-related research expenses.

Announced on April 26, 2023



Consolidated Statement of Income



(Billion Yen)

	FYE 3/23	FYE 3/24	Change
Net Sales	150.7	165.6	+14.8
Operating Income	8.7	9.9	+1.2
(Operating Margin %)	5.8%	6.0%	+0.2%
Ordinary Income	9.1	10.5	+1.4
Net Income attributable to owners of parent	6.3	6.9	+0.6

Figures are rounded to the nearest 10 million yen (same applies to the results hereafter)

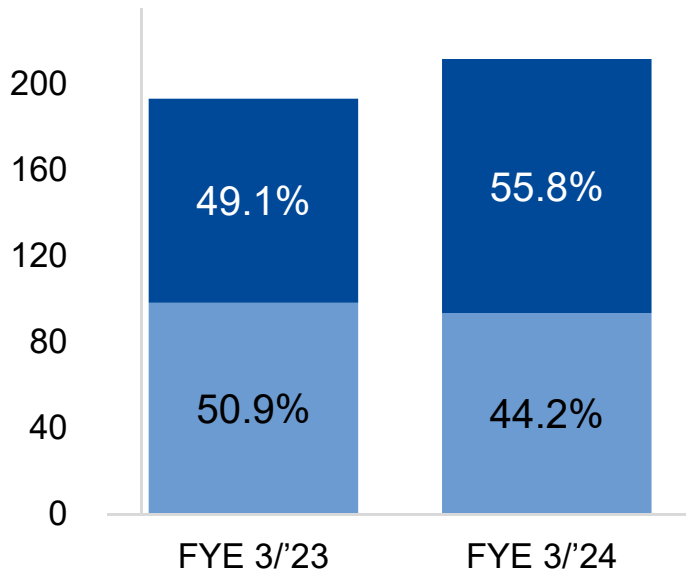
Segment Information (Consolidated)

(Billion Yen)

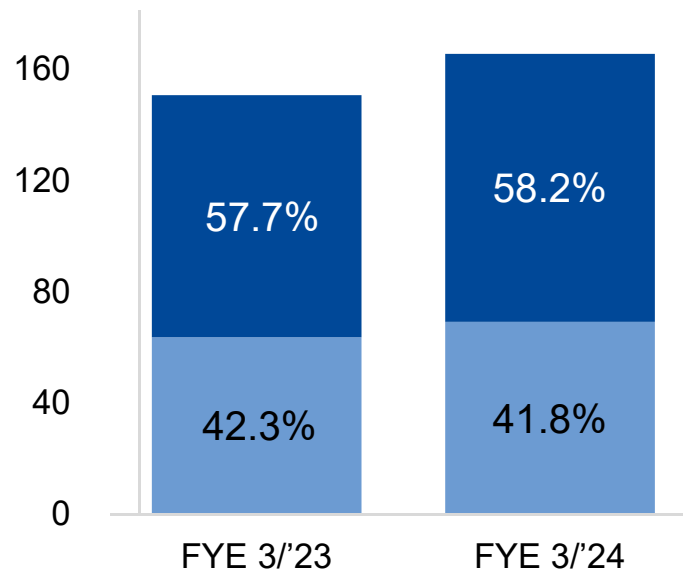
	Orders Received			Net Sales			Operating Income		
	FYE 3/'23	FYE 3/'24	Change	FYE 3/'23	FYE 3/'24	Change	FYE 3/'23	FYE 3/'24	Change
Plant Engineering Business	94.9	118.2	+23.3	87.0	96.3	+9.3	4.0	1.4	-2.6
Service Solution Business	98.5	93.7	-4.8	63.7	69.3	+5.5	4.7	8.5	+3.8
Total	193.4	211.9	+18.5	150.7	165.6	+14.8	8.7	9.9	+1.2

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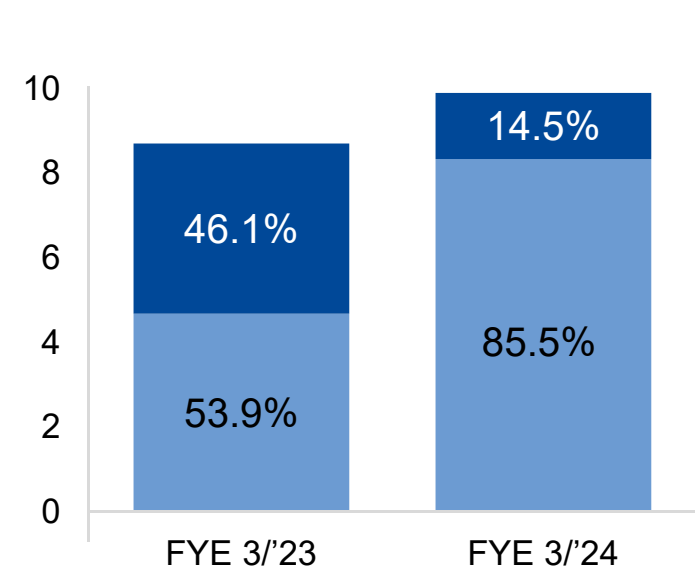
Orders Received



Net Sales



Operating Income



Consolidated Balance Sheets



(Billion Yen)

	End of FYE 3/23	End of FYE 3/24	Change
Cash and deposits	11.7	14.9	+3.2
Trade receivable and contract assets	87.2	103.1	+15.9
Inventories	9.9	13.7	+3.8
Others	3.8	4.4	+0.7
Total current assets	112.6	136.1	+23.4
Tangible fixed assets	5.2	5.8	+0.6
Intangible fixed assets	12.5	16.1	+3.6
Deferred Tax assets	2.7	2.3	-0.5
Others *3	9.6	8.7	-0.9
Total fixed assets	30.1	32.8	+2.7
Total assets	142.7	168.8	+26.1

	End of FYE 3/23	End of FYE 3/24	Change
Accounts payable- trade	35.6	32.3	-3.3
Short-term loans payable	*1 (0.9) 3.3	(0.7) 4.3	+1.0
Contract liabilities	7.1	10.6	+3.4
Others	13.2	17.3	+4.1
Total current liabilities	59.2	64.5	+5.3
Bonds payable/ long-term loans	*2 (11.1) 11.1	(12.7) 22.7	+11.6
Others	5.7	5.9	+0.3
Total fixed liabilities	16.8	28.7	+11.9
Total liabilities	76.1	93.2	+17.1
Total net assets	66.6	75.7	+9.0
Total liabilities & net assets	142.7	168.8	+26.1

*1 *2: The figures in parentheses are the amounts of project finance loan for PFI, etc.

*3: including deferred assets

Consolidated Cash Flows

(Billion Yen)

	FYE 3/23	FYE 3/24	Change
Cash and cash equivalents at the end of previous FY	20.6	11.1	-9.5
Operating cash flow	-4.3	-5.5	-1.1
Investing cash flow	-6.5	-3.1	+3.4
Free cash flow	-10.8	-8.6	+2.2
Financing cash flow	0.7	11.3	+10.6
Effect of exchange rate changes on cash and cash equivalents	0.5	0.4	-0.2
Cash flow	-9.5	3.1	+12.7
Cash and cash equivalents at the end of current FY	11.1	14.2	+3.1

Consolidated earnings and Dividend forecast for FYE 3/25



*Orders

- Although orders are expected to fall below the previous year's level, the long-term growth trend (3-year average) will be maintained.

*Net Sales & Income

- Orders have been favorable, and the order backlog is steadily growing, which is expected to contribute to sales in the current fiscal year and beyond.
We will continue to engage in rationalization, cost reduction, and other measures to enhance profitability.
- In FYE 3/25, we expect higher sales and lower profits due to **upfront investments in human resources (base increase) and DX investments, etc.**, to accomplish the company's long-term vision.

*Dividend

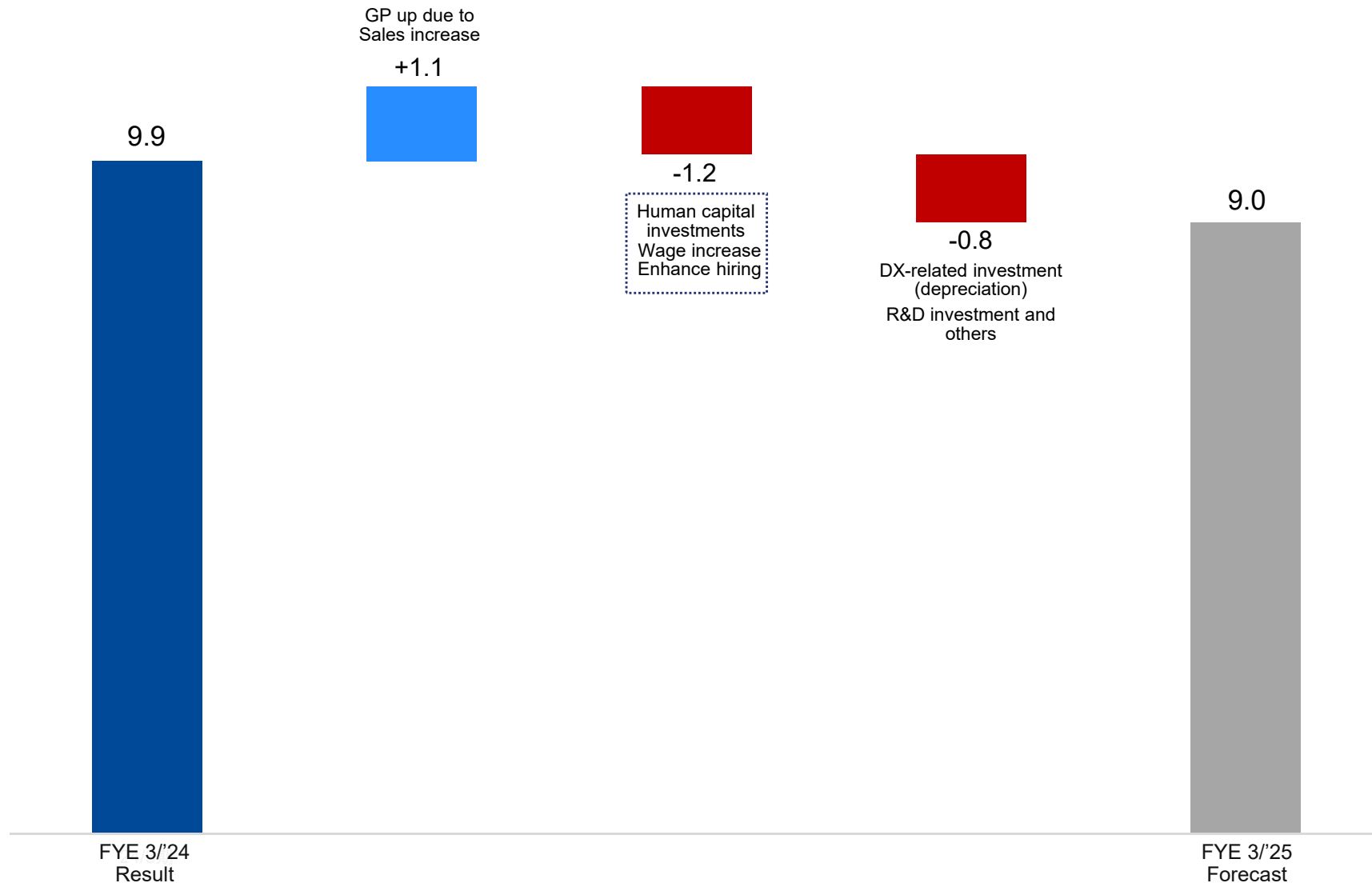
- The annual dividend is planned **to be raised** to 48 yen (24 yen for the interim and 24 yen for the year-end).

(Billion Yen)

	Orders Received	Net Sales	Operating Income	Ordinary Income	Net Income	DPS (Yen)	
						Interim	Year-End
FYE 3/25 Forecast	190.0 YoY: -21.9 -10.3%	170.0 YoY: +4.4 +2.7%	9.0 YoY: -0.9 -9.1%	8.7 YoY: -1.8 -17.1%	6.1 YoY: -0.8 -11.3%	24	24
	—	—	% of sales: 5.3%	% of sales: 5.1%	% of sales: 3.6%	—	
FYE 3/24 Results	211.9	165.6	9.9	10.5	6.9	22	24
	—	—	% of sales: 6.0%	% of sales: 6.3%	% of sales: 4.1%	—	

Factors for the changes in operating income (FYE 3/24 Result vs FYE 3/25 Forecast)

Expect higher sales and lower profits in FYE3/25, due to **upfront investments in human resources (base increase) and DX investments, etc.**, to accomplish the company's long-term vision.



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Review of “Mid-Term Business Plan 2023” - in figures

Orders Received Significantly Increased Due to Favorable Domestic EPC and Other Businesses

Operating income fell slightly short of the forecast, but **both net sales and operating income reached record highs**

(Billion Yen)

	FYE 3/'22 Result	FYE 3/'23 Result	FYE 3/'24 Result	FYE 3/'24 Announcement	Change
Orders Received	152.3	193.4	211.9	160.0	+51.9
Net Sales	135.6	150.7	165.6	155.0	+10.6
Operating Income (% of sales)	8.1 (6.0%)	8.7 (5.8%)	9.9 (6.0%)	10.0 (6.5%)	-0.1 (-0.5%)
Net Income	6.2	6.3	6.9	6.4	+0.5
ROE	11.1%	10.1%	10.0%	≥ 10.0%	—

reference

Cost of Equity	5.6%	5.6%	5.7%
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I Enhancement of Foundation Field and expansion of Growth Field

EPC Business

- Improve design quality, cost competitiveness, and increase orders by introducing engineering systems*
*system that integrates existing data and enables smoother information
- Received orders for "Ozone Accelerated Oxidation Process (AOP) Technology" for both drinking water and industrial applications.

O&M Business

- Strengthened our business through an absorption-type merger with Toriden Shoji Co., Ltd., a company that takes charge of upkeep, inspection, repair, operation, and maintenance of electrical equipment for water and sewage facilities.
- **Enhanced recovery of utility costs affected by Covid-19 impact**

PPP Business

- Started Japan's first concession-based industrial waterworks project, the "Kumamoto Prefectural Ariake/Yatsushiro Industrial Waterworks Operation Project".
- **Commenced the "the Miyagi Prefecture integrated water supply, industrial waterworks, and sewerage public-private partnership management project" (Miyagi-style management and operation method).**
- Started aquaponics business in Ofunato City, Iwate Prefecture
- Received a large order for the construction and operation of a sewage treatment plant in Osaka City.

International Business

- **Business growth of the Aqua-Aerobic Systems Group, our U.S. subsidiary**
- Received order of the first public sewage treatment facility the capital city of Phnom Penh, Kingdom of Cambodia.
- Received order for ceramic membranes for Hampton Loade Water Treatment Plant in England (the world's largest ceramic membrane filtration water treatment plant).
- First use in Japan of "disk-type special deep pile cloth filtration equipment" (Cloth Media Filter from the U.S. subsidiary)

II R&D investment expansion

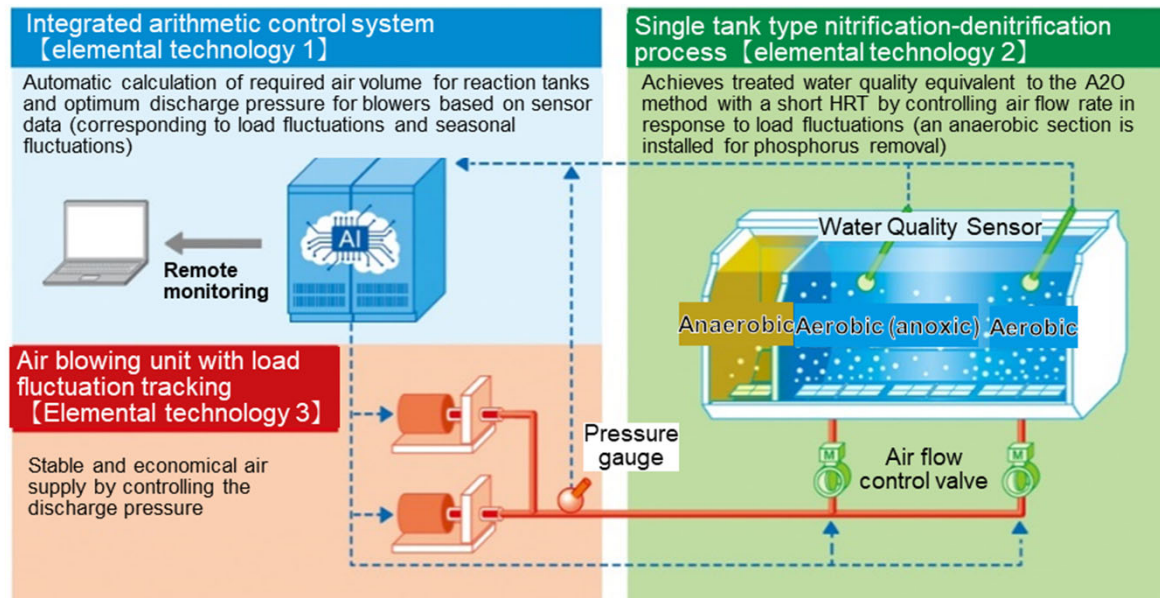
- (1) Further reinforcement of strong fields
Develop products and systems that comply with environmental regulations
- (2) Creation of mechanical/electrical fusion technology
Development of combinations of treatment processes and advanced treatment technologies*
- (3) Value creation by utilizing information chain
Develop data linkage systems to improve efficiency in design, construction, and operation and maintenance

Industry-government collaboration - Examples of practical applications

Adopted in FY2019 B-DASH Project "Advanced Treatment Technology by ICT and AI Control of Single Tank Nitrification-Denitrification Process" for Practical Use

Implemented by: METAWATER, Japan Sewage Works Agency, and Machida City Joint Research Body

Research commissioned by the National Institute for Land and Infrastructure Management, Ministry of Land, Infrastructure, Transport and Tourism



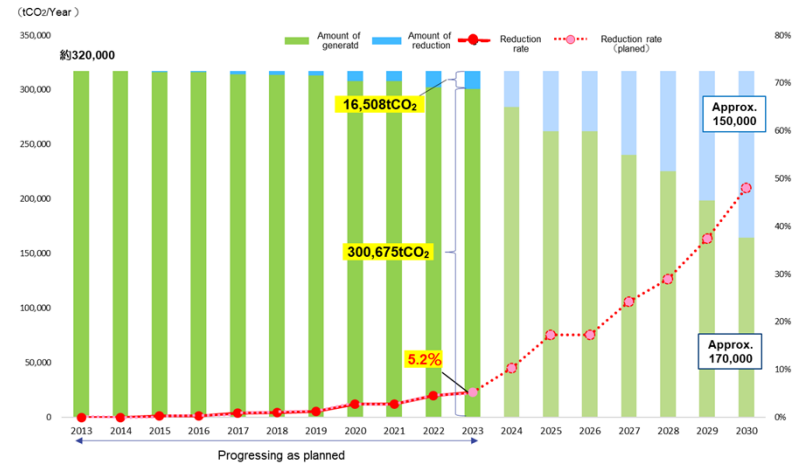
The main themes in (1) through (3) will continue to be addressed in the " Mid-Term Business Plan 2027 ".

III Sustainable ESG Initiatives

Environmental

Contributing to the environment through business

- Establishment of GHG emission targets
 Scope1.2: 70% reduction by 2030, net Zero by 2050
 Clients* : 50% reduction from product and system implementation by 2030
Delivery station (sewage)
- Utilization of non-fossil fuel certificates
 Started introduction of virtually 100% renewable energy for electricity consumption at all 52 domestic offices and construction site offices
- Funding of 10bn Yen through the issuance of blue bonds
 Use: sustainable water treatment business (concession projects and investments and financing)



Promoting environmental contribution conservation

- Conservation Activities for Water Source Forests (Sendai, Okutama, Doshi, Hirakata , etc.)

Social

Contributing to society through business

- Creation of employment at each consigned plant
- Formulation of Business Continuity Plans (BCP) at each consigned plant
 Disaster Recovery Support (Voluntary Aid)
- Emergency troubleshooting through a nationwide service network of 34 locations

- “Visiting Classes“ education for children in various locations throughout Japan
- Renewal of the water and environmental learning site “Metawaterland”

Further promotion of work style reform

- Enabling work styles that are not restricted by age or location, as well as side job
- Establishment of telework

Governance

- Introduce a share remuneration plan with restriction on transfer for Directors
- Compliance with the CG Code (establishment of basic policy on sustainability, management with awareness of cost of capital, etc.)

- **Domestic issues (declining population, aging society, financial difficulties and shortage of engineers) to accelerate**
Current population of 124 mn ⇒ will fall below 100 mn in 2056, and 87 mn in 2070
- **Environmental issues (climate change, catastrophic disasters, biodiversity, resource scarcity) becoming more serious**
Global warming, marine pollution/microplastics, water resources and scarce resources
- **Introduction of a new public-private partnership method, "Water PPP"**
Water PPP target (2022-2031): 100 water supply projects, 100 sewage projects, 25 industrial water supply projects
- **Measure against domestic inflation (to respond to employee wage increase)**
Intensifying competition for acquiring talent / Improvement of employee compensation / 2030 problem (arrival of the aging society era)
- **DX investment for higher productivity and competitiveness**
Engineering Reforms (improving efficiency and reducing manpower)

The direction we aim to take

Contribute to the realization of sustainable water and environmental infrastructure through collaboration with local communities and provision of optimal technologies and services to solve environmental and social issues.

Frequent, severe disasters

Aging facilities and equipment

Decline in water utility revenues

Shortage of technical staff in municipalities

- **Water and resource circulation**
Water circulation and reuse / Effective use of resources
- **Human circulation**
Rural to Urban ↔ Urban to Rural

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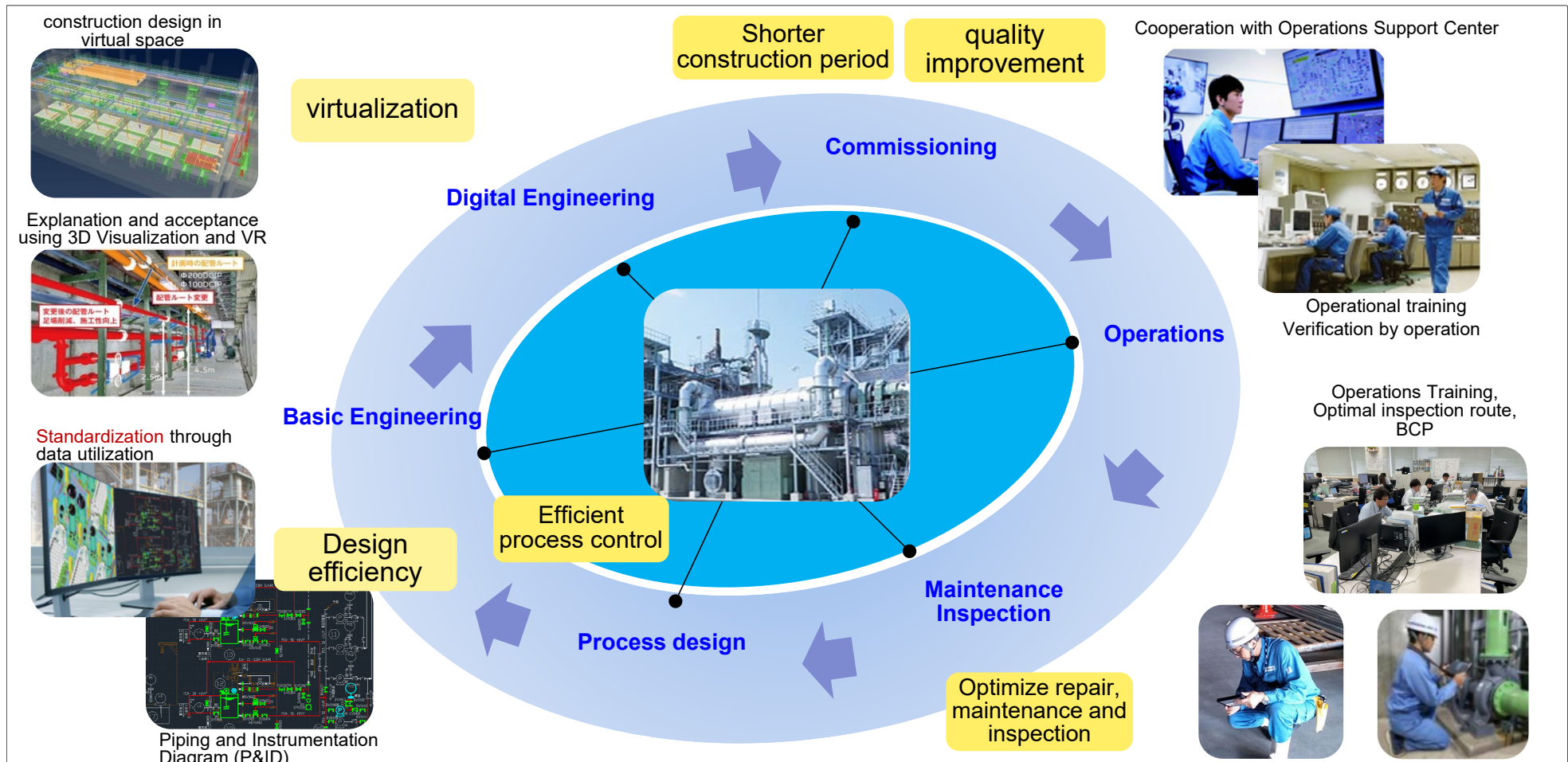
The direction we aim to take

(Proposal from operation and maintenance perspective)

Establish optimal engineering methods by linking and utilizing data from each business process.

Establish engineering methods to formulate optimal repair and renewal plans through asset management of facilities, equipment, and other assets, so that optimal life cycle costs (LCC) can be achieved by improving efficiency and quality in design, construction, maintenance, and management.

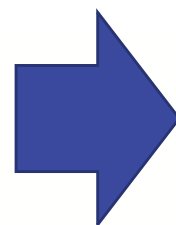
Image: Optimal platform through data linkage and asset utilization throughout the process



“Mid-Term Business Plan 2027” - Targets

In the fiscal year ending March 2028, which marks the 20th anniversary of our establishment, we aim to achieve our long-term vision of 200 billion yen in net sales, and operating income of 13 billion yen or higher.

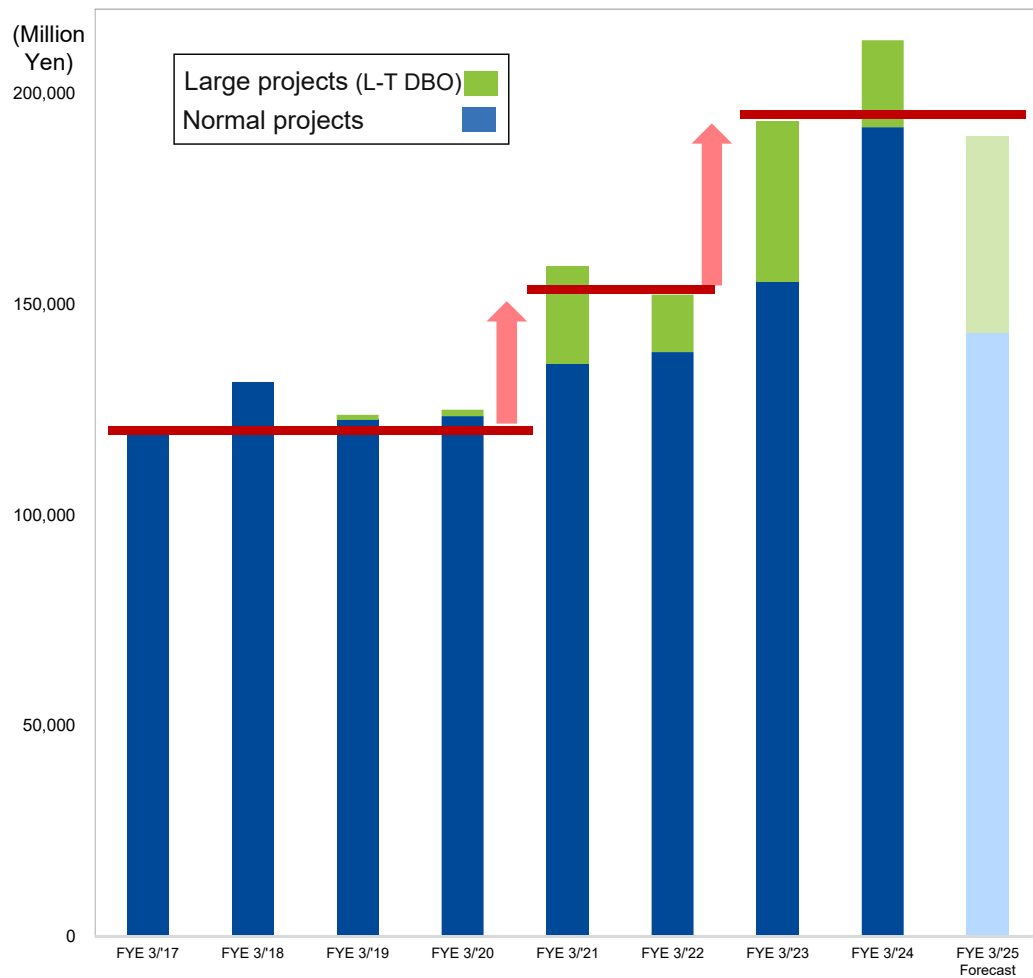
(Consolidated)		(Billion Yen)	
		First year FYE 3/'25 Forecast	Final Year FYE 3/'28 Target
Orders Received	190.0	200.0 or higher	+10.0 or higher
Net Sales	170.0	200.0	+30.0
Operating Income (% of Sales)	9.0 (5.3%)	13.0 (6.5%)	+4.0
Net Income	6.1	8.5	+2.4
ROE	≥ 8%	≥ 10%	—



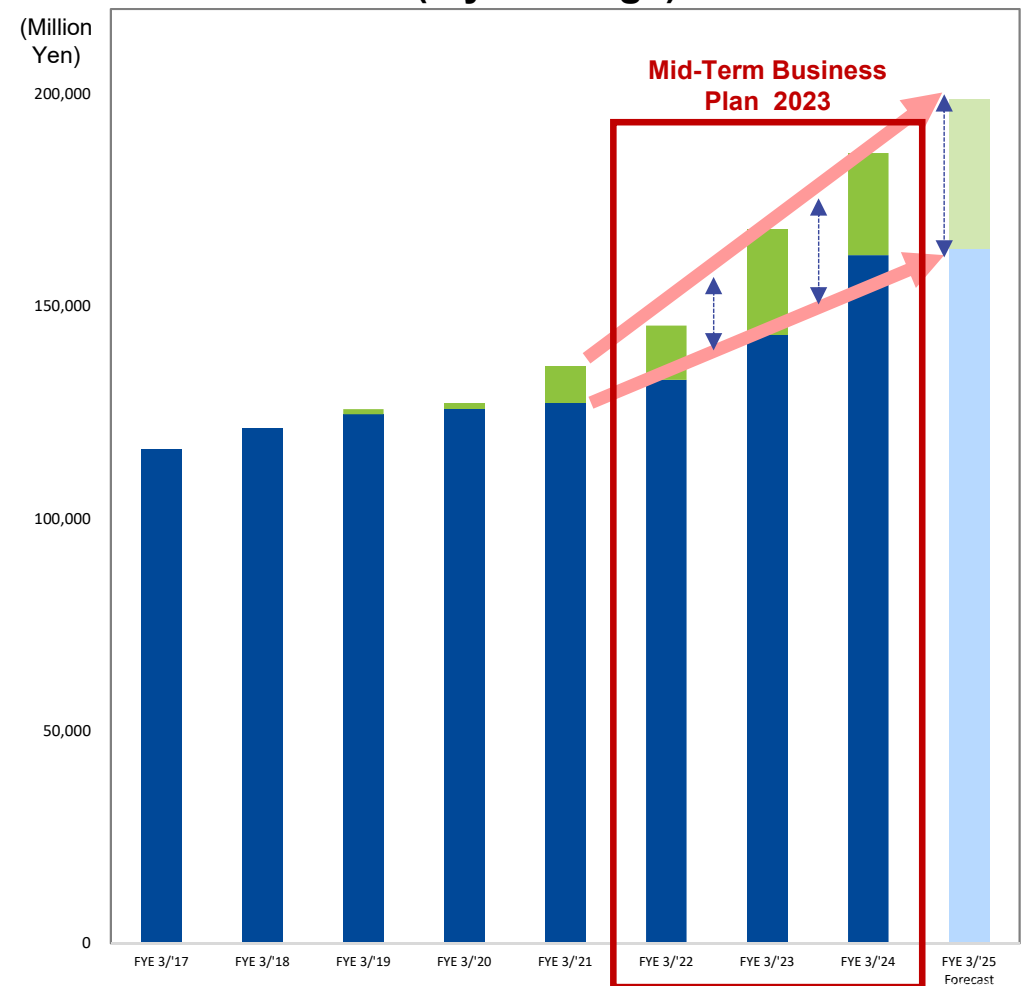
Verification of Orders Received (Consolidated) Normal vs. Large-scale Projects

Large-scale projects (Long-Term DBO, etc.) are increasing year after year, and **consolidated orders received will reach the 200bn yen level.**

Consolidated Orders Received



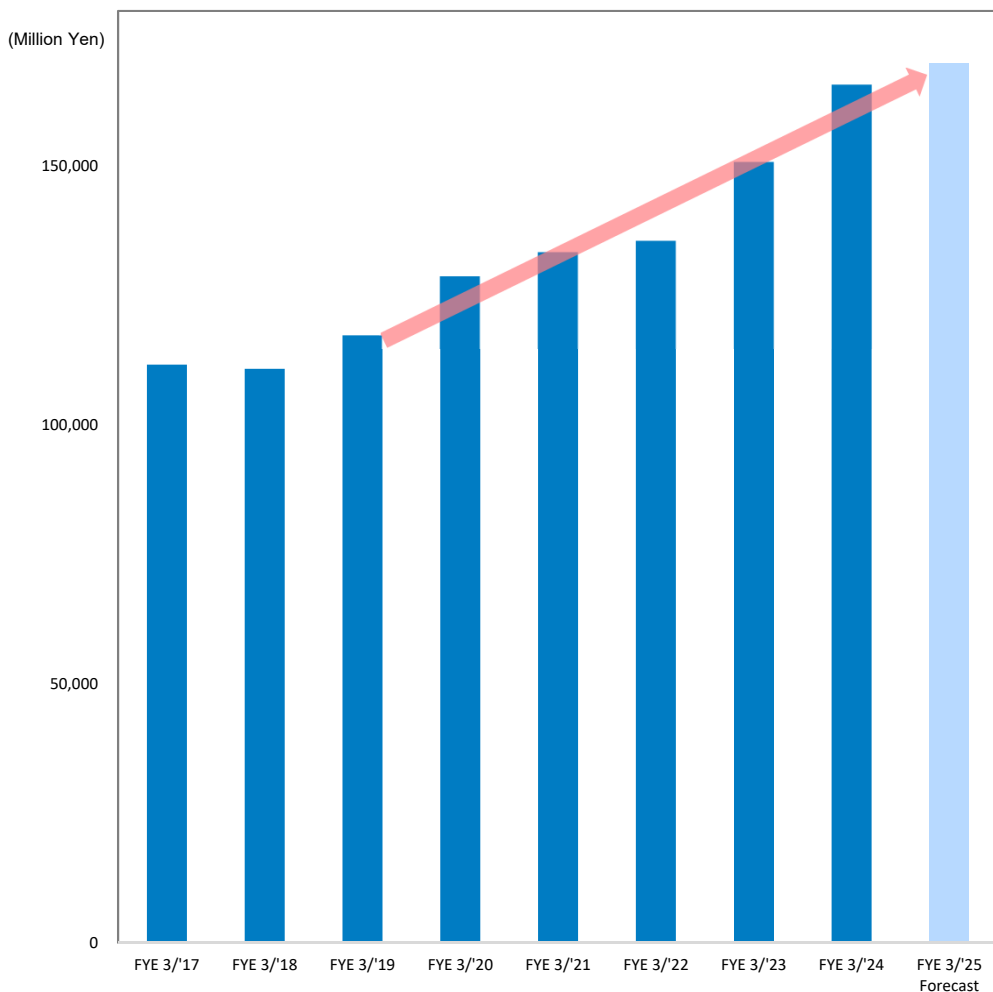
Consolidated Orders Received (3-yr average)



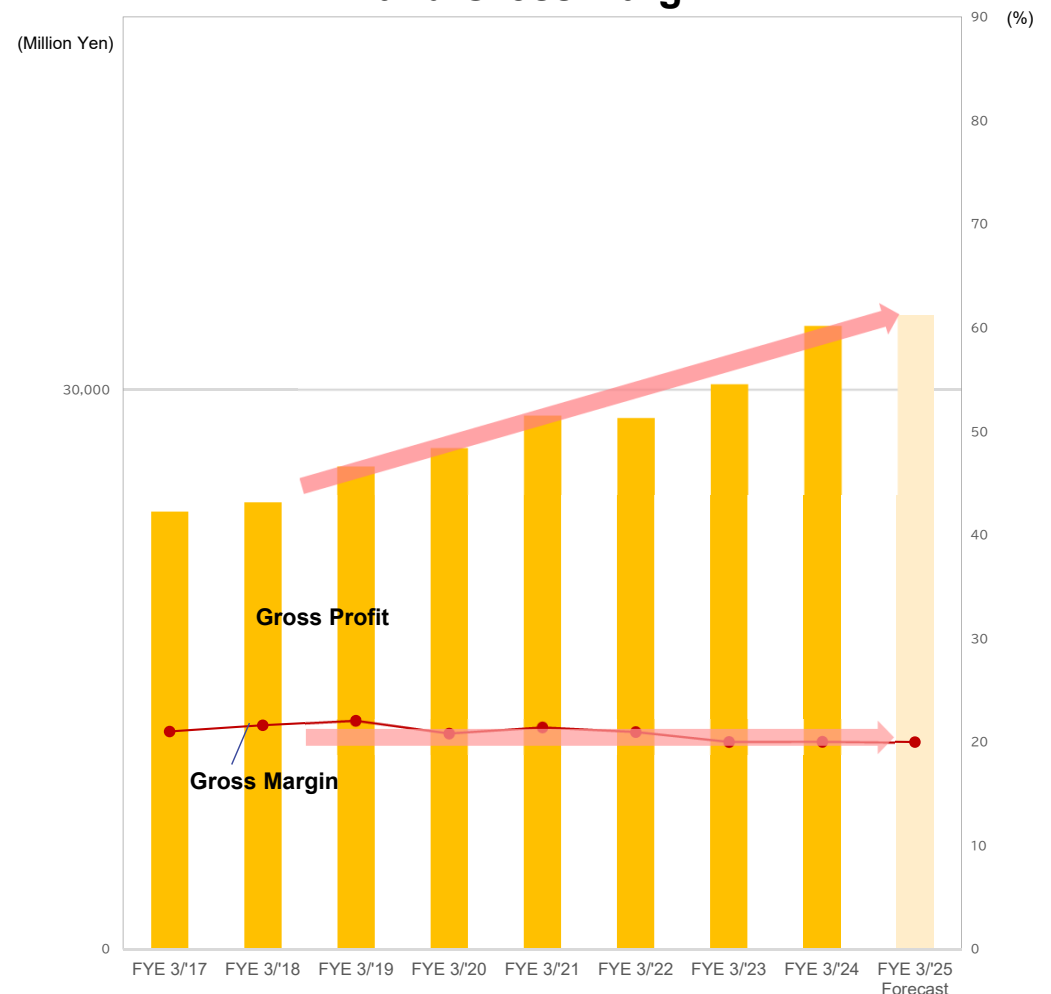
Verification of business profit/loss (gross profit and margin) METAWATER

Gross profit grew every term. Gross margin has remained stable despite the recent impact of soaring prices and labor costs ⇒ **The core business's earning capacity is intact.**

Sales



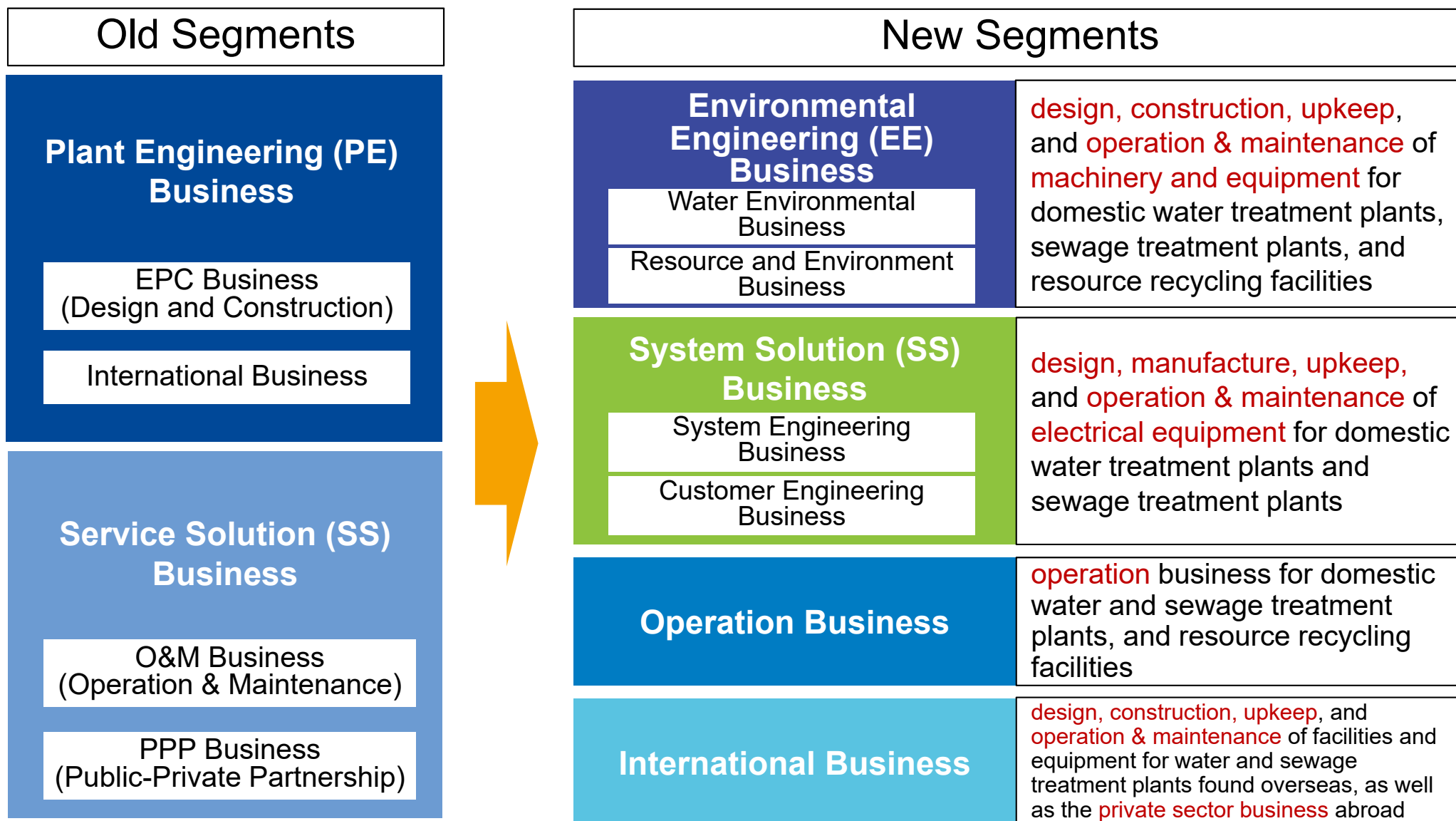
Gross Profit and Gross Margin



*Based on core business excluding the effect of the sale of shares in the employee retirement benefit trust.

Change of Reporting Segments (from 1Q of FYE 3/'25)

From the perspective of the management approach, changes to reporting segments are made to **enhance business efficiency and strengthen proposal capabilities** by appropriately implementing decision-making related to the allocation of management resources and performance management, etc.



Environmental Engineering Business (EE)

Creating **integrated systems for design, construction, inspection, maintenance, and repair** to provide optimum LCCs

【Water Environmental Business】

Development, introduction, maintenance and upkeep of products and systems that contribute to reducing greenhouse gas emissions from water and sewage facilities

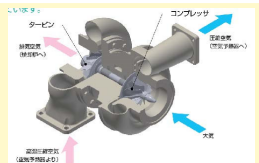
Launching new products and technologies into the market

- Enhancing strong areas (ceramic membranes, incineration systems, etc.)
- Strengthen synergies with overseas subsidiaries (Cloth media filter, Ozonizer, etc.)

Contribution to decarbonization (CN) through business

Fluidizing turbine system

Power consumption is reduced by ~40% for sludge incinerations compared to using the fluidizing blower

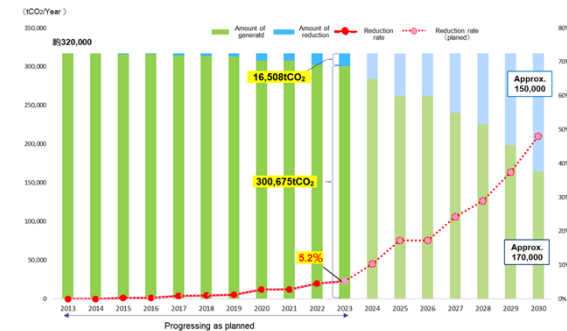


Multi-layer fluidized incinerator

Reduces the N₂O generation by ~50% while requiring lower fuel consumption



GHG reduction amount and rate of thermal operation related products and systems at our existing plants



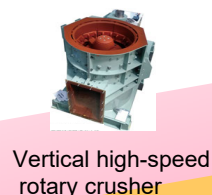
【Resource and Environment Business】

Promotion of resource recycling facilities from design and construction to maintenance and management

Improve recycling rate of general waste

Increase in aging projects, etc.

Life extension of existing facilities
Renewal needs



Development and improvement of new products and systems

Enhance collaboration with partners

Strengthen Responsiveness to DBO Business



Business Scale Expansion

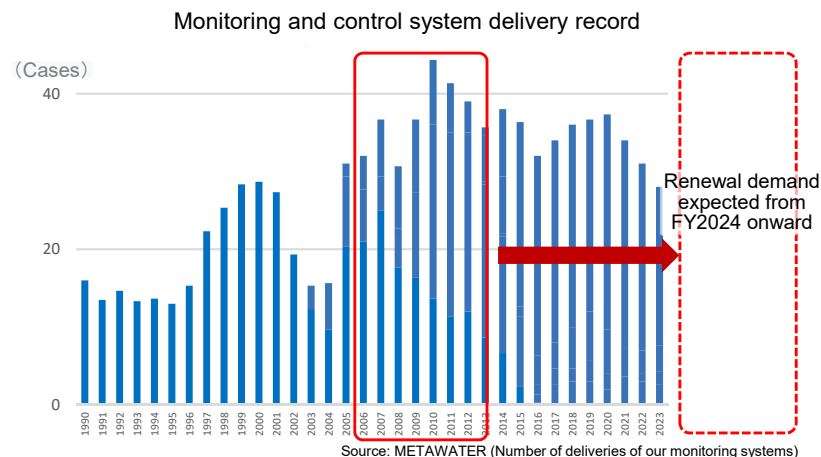
System Solution Business (SS)

Creating **integrated systems for design, construction, inspection, maintenance, and repair** to provide optimum LCCs. **Enhance proposals for renewal** of existing facilities where our products have been installed.

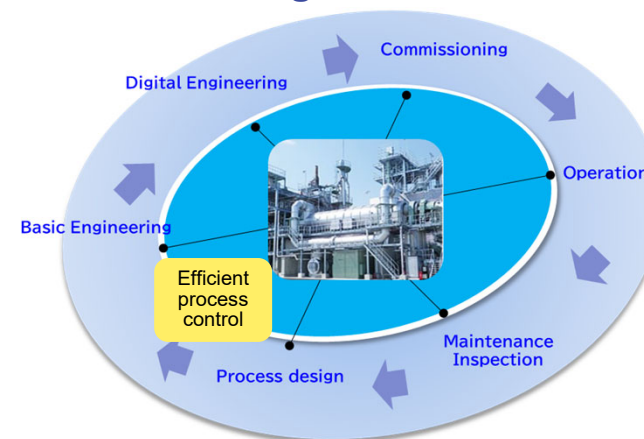
【System Engineering Business】

Design and construction of electrical facilities for domestic water treatment plants and sewage treatment plants

Promote migration and development investment in response to demand for renewal of monitoring and control systems



Improving operational efficiency by engineering method innovation
Centralized data management and standardization



【Customer Engineering Business】

Upkeep, repair, operation and maintenance of electrical equipment for domestic water treatment plants and sewage treatment plants

Strengthen proposal capabilities by leveraging track record and know-how in maintenance inspections and repair work

Acquire new customers and through expansion of sales and utilization of Water Business Cloud (WBC)

Continuous acquisition of maintenance inspection and repair work



Challenges of water PPP, strengthening responsiveness

The Group has participated in many water, industrial water, and wastewater projects, including concessions and operation and management contracts in Miyagi and Kumamoto Prefectures.



Jun '23 Gov't announcement

Water PPP target (to 2031)	
Water Supply	100
Sewage System	100
Industrial Water	25

optimal solutions to customers

Track record and know-how

- Strengthen responsiveness to performance orders (personnel training and design skill improvement)
- Proposal of optimal LCC through an integrated system from design and construction to maintenance, inspection, and repair
- Handling the 2nd phase of projects after the expiration of the 1st phase of the projects contract period.

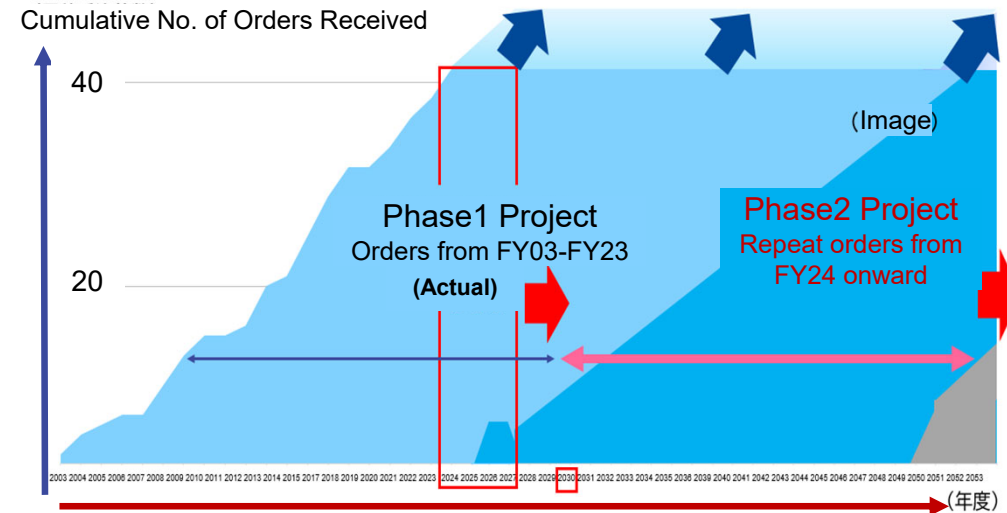
Improve efficiency and profitability

Establishment of Operation Support Center

Efficiency and manpower saving

Contribute to stable and efficient operation and management of water supply and sewage projects where human resources are in short supply

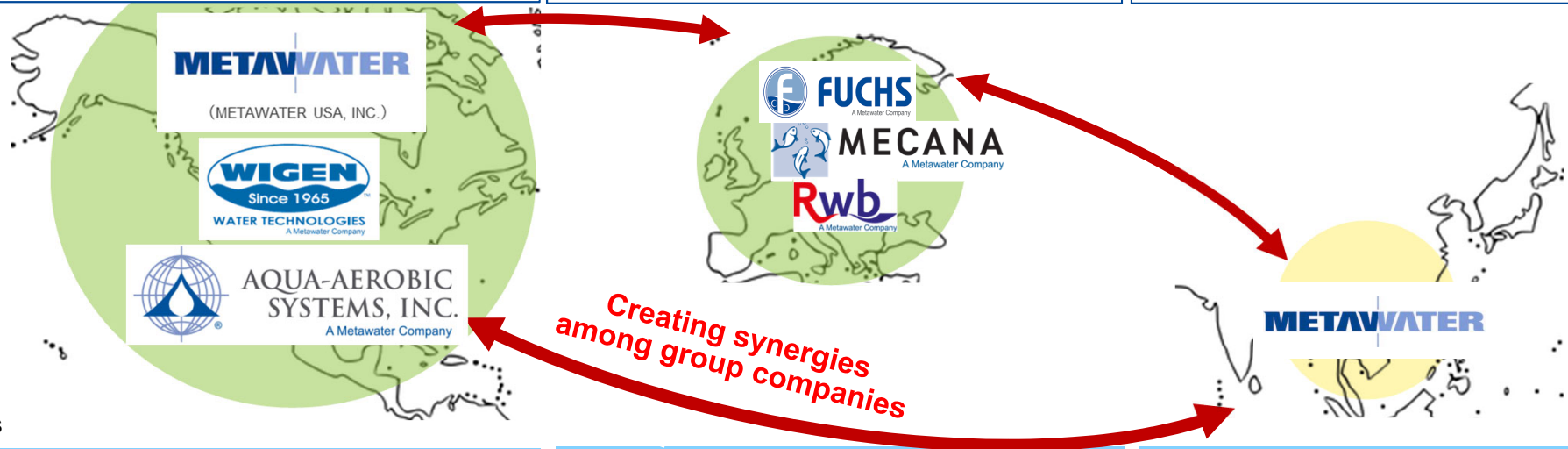
Support for Phase 2 Project



International Business

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

	North America			Europe			Asia and Others
Needs	water shortages	Aging	Sophisticated treatment demand	Stricter regulations	Aging	Sophisticated treatment demand	Increasing infrastructure investment associated with population growth
Solutions	<ul style="list-style-type: none"> Enhance strong product line and after-market business Entry into recycled water market 			<ul style="list-style-type: none"> Entry into trace contaminant treatment Entry into private sector demand (nitrate contamination) 			<ul style="list-style-type: none"> Enhance Collaboration with Partners Expand sales of ozone and ceramic membranes, focus on ODA



Main Technologies

Water treatment	 WIGEN Since 1965 WATER TECHNOLOGIES A Metawater Company	 AQUA-AEROBIC SYSTEMS, INC. A Metawater Company	 Rwb A Metawater Company	 Ozonizor	 Ceramic Membrane Filtration	
Waste water treatment	 AQUA-AEROBIC SYSTEMS, INC. A Metawater Company Nereda	 AQUA-AEROBIC SYSTEMS, INC. A Metawater Company Cloth media filter	 FUCHS Aerator (slanted shaft)	 MECANA Cloth media filter	 FUCHS Pre-treated Trickling Filter System	 FUCHS Aerator (slanted shaft)

【Reference】 Development example of ceramic membrane application

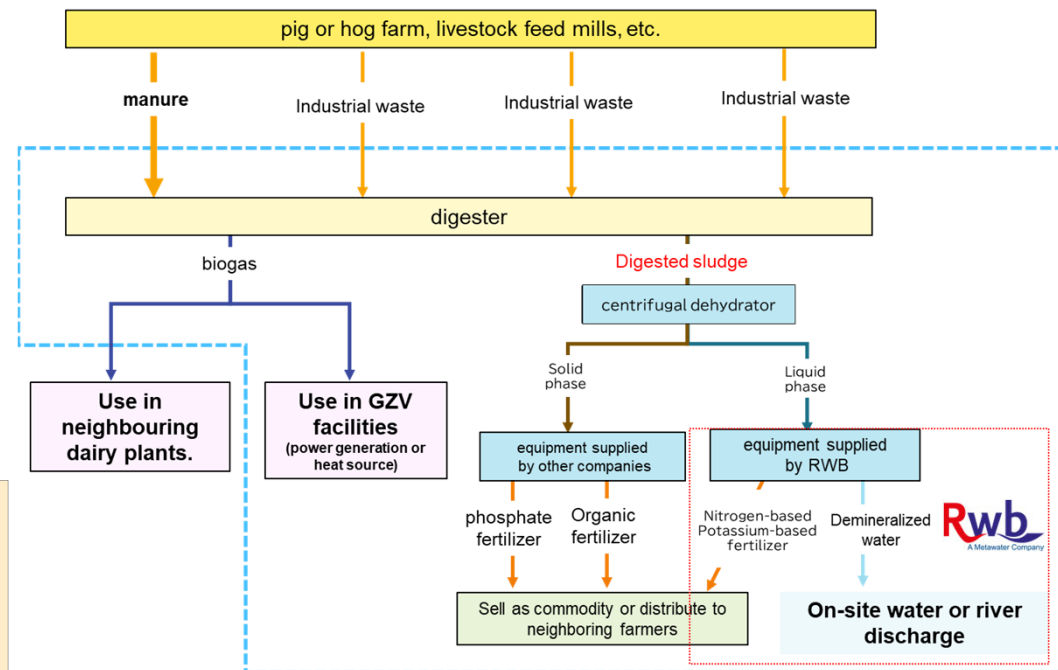
Issue: In the EU, excessive application of nitrogen-based fertilizers from dairy farms (e.g., livestock manure digestion sludge) contaminates groundwater and surface water.

In 1991, the EU Council of Ministers Directive on the prevention of pollution of groundwater and surface water by nitrates of agricultural origin (**Nitrates Directive**) established regulatory and effort targets. However, member countries have not been able to meet these targets.

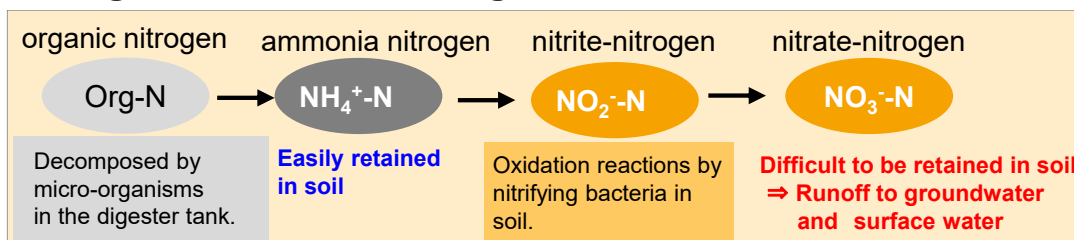
Digested sludge + livestock manure 223Mt/year in Germany (European total is 1,180Mt, about 5x as much)

Proper treatment of livestock manure digested sludge is necessary

Our consolidated subsidiary **RWB** developed a system to recover demineralized water and nutrients using ceramic membranes.



Nitrogen forms and changes



Cash Allocation*

* FYE 3/25 to FYE 3/28 (Cumulative)

Investments for Growth	R&D, Investment & Financing 40bn Yen <ul style="list-style-type: none"> • R&D • M&A investment • Water PPP
Investment for Base	HR & DX Investment 5bn Yen
Shareholder Return	Capital, Share Price & Dividends 20bn Yen <ul style="list-style-type: none"> • Stable and progressive growth in dividend with no reduction (Payout ratio targeted at 30-40%) • Agile share repurchase

Capital efficiency and stability

As a company responsible for social infrastructure, we simultaneously monitor “safety” and “capital efficiency” such as ROE and ROIC.

ROE, Equity Ratio	ROIC, D/E Ratio
ROE $\geq 10\%$	ROIC $\text{ROIC} > \text{WACC}$
Equity Ratio $\geq 40\%$ & $< 50\%$	D/E ratio $< 0.8X$

Setting a purpose and positioning in the corporate philosophy system

In conjunction with the formulation of the "Medium-Term Management Plan 2027," **we establish a "purpose"**, which indicates the meaning of the company's existence in society and conduct business activities that are closely tied with local communities and society.

Continue, to make it sustainable.

We continue to be sincere in what we do. We work on problems earnestly and strive to provide solutions.
 We continue to collaborate with our partners. We respect our partners and work to achieve with diverse knowledges, technologies and cultures.
 We continue to innovate for the future.
 We experiment in new ideas and take challenges.
 To make sustainable what is truly important.

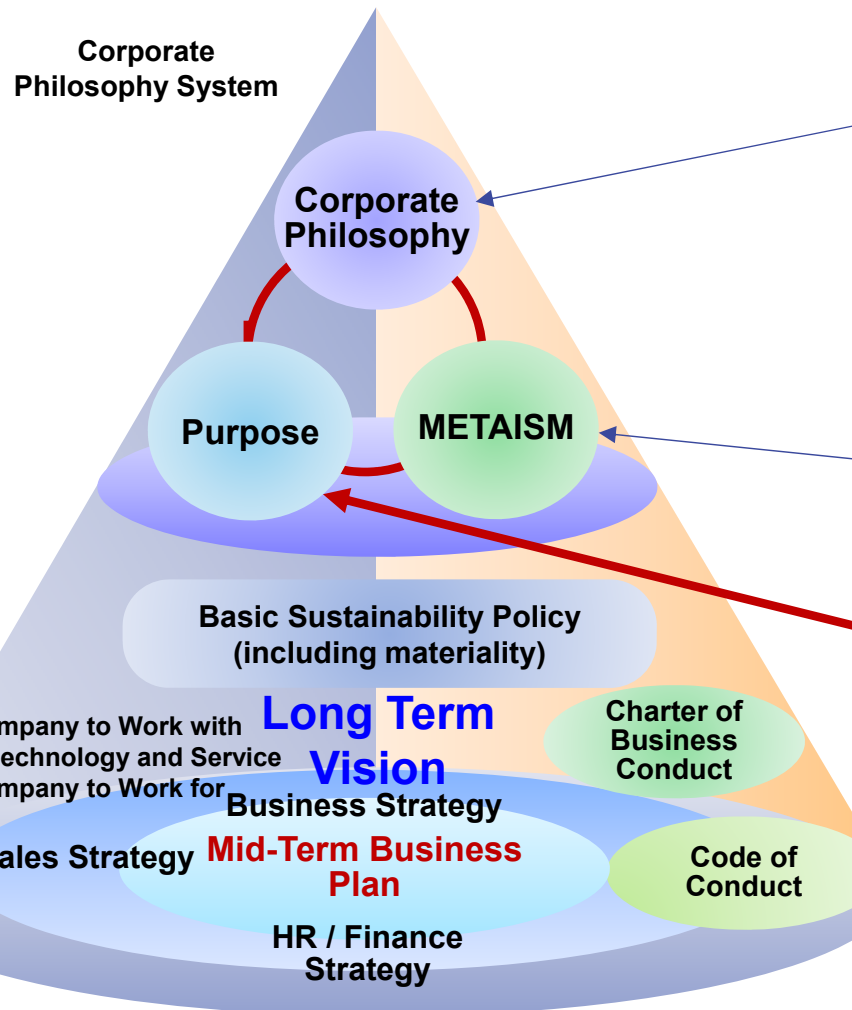
METAISM

Change: Professional personnel who aim for self-improvement
 Challenge: Individuals who can take on the challenge of change without being bound by past experiences or customs.
 Diversity: People who can recognize diverse individuals and create value as a team.

Our Purpose

Coexist with the local community, protect water and environmental cycles, and support people's lives

We are committed to being a part of our community and society.
 Protecting water and environmental cycles leads to everyone's health, safety, and secure living.
 It also leads to solutions to issues such as climate change and resource scarcity.
 We support people's lives for the sustainable future.



- No. 1 Company to Work with
- No.1 in Technology and Service
- No. 1 Company to Work for

【Reference】 Sustainability Initiatives to Achieve Purpose METAWATER

Six key issues (materiality) are addressed for the realization of purpose

Our Purpose

Coexist with the local community, protect water and environmental cycles, and support people's lives









We are committed to being a part of our community and society.

Protecting water and environmental cycles leads to everyone's health, safety, and secure living.

It also leads to solutions to issues such as climate change and resource scarcity.

We support people's lives for the sustainable future.

 <p>Water environment</p>	<p>We will contribute to ensuring safe water quality and the recycling and conservation of the water environment by providing the optimal technologies and services in the construction, operation, and maintenance of water supply and sewage works facilities, essential lifelines for people's lives.</p>	
 <p>Recycling-oriented society</p>	<p>We will contribute to the creation of a recycling-oriented society by effectively using limited resources, in order to continue protecting the rich natural environment.</p>	E
 <p>Reduction of greenhouse gas emissions</p>	<p>We will contribute to the reduction of greenhouse gas (GHG) emissions through our business activities in response to issues such as rising sea levels and abnormal weather patterns caused by global warming.</p>	
 <p>Local communities</p>	<p>In order to achieve a sustainable society, it is important that we cooperate with customers, local communities, and business partners, and we will contribute to local communities through our business activities</p>	S
 <p>Human resources</p>	<p>We will recognize diversity, create a variety of work styles, and develop an environment where employees can work comfortably. We will also take into consideration health and safety in operations at our offices and work sites to prevent accidents and injuries.</p>	
 <p>Governance</p>	<p>We will engage in corporate management with a high level of transparency and reliability and strengthen compliance promotion and internal control functions, as we strive to achieve the best corporate governance to achieve the sustainable enhancement of corporate value.</p>	G

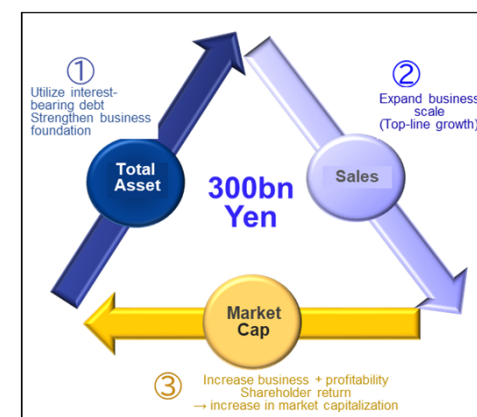
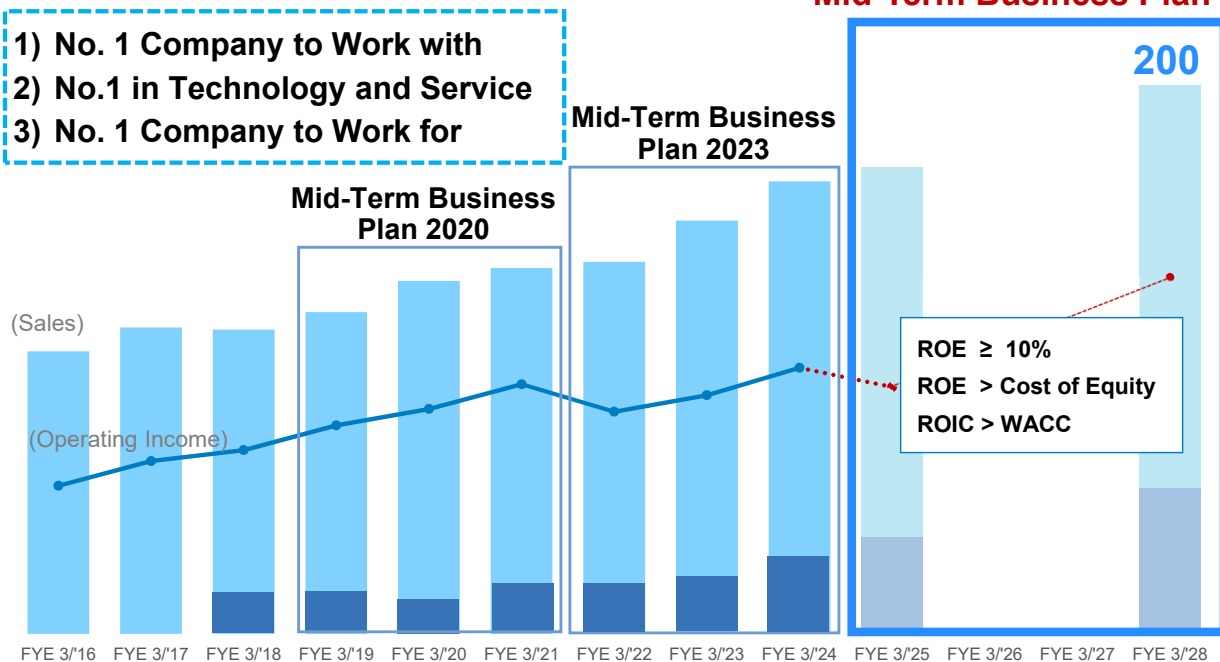
Long-Term Vision (Temporary name) **Next 2037**

Aiming for the next stage by further expanding business and strengthening profitability to solve environmental and social issues (Billion Yen)

Our Purpose

Coexist with the local community, protect water and environmental cycles, and support people's lives

Mid-Term Business Plan 2027

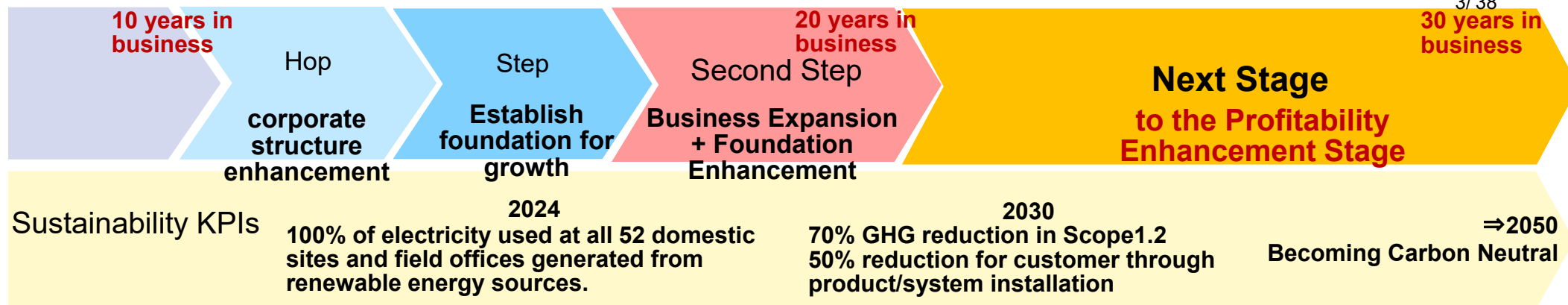


Domestic

International

FYE 3/38

30 years in business



Dec '14
IPO

Disclosure Policy

1. Basic Policy

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

2. Basics of information disclosure

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

3. Method of information disclosure

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

4. Communication after information is disclosed

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

5. Silent Period

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

6. Forward-looking statements

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

7. Establishment of Internal Structure

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



Contact regarding this document

Corporate Communications Department, Corporate Strategy Office, METAWATER Co., Ltd.

E-mail: pr@metawater.co.jp

【Reference】 Segment Information (Consolidated)

(Billion Yen)

	Orders Received			Net Sales			Operating Income		
	FYE 3/'23	FYE 3/'24	Change	FYE 3/'23	FYE 3/'24	Change	FYE 3/'23	FYE 3/'24	Change
Plant Engineering Business	94.9	118.2	+23.3	87.0	96.3	+9.3	4.0	1.4	-2.6
Service Solution Business	98.5	93.7	-4.8	63.7	69.3	+5.5	4.7	8.5	+3.8
Total	193.4	211.9	+18.5	150.7	165.6	+14.8	8.7	9.9	+1.2

Plant Engineering Business	<p>【Orders Received & Order Backlog】</p> <ul style="list-style-type: none"> • Orders received significantly increased YoY due to strong performance in the EPC business and International business • Order Backlog: +21.9bn yen YoY (121.0bn yen at the end of FYE 3/'23 ⇒ 142.9bn yen at the end of FYE 3/'24) <p>【Net Sales & Operating Income】</p> <ul style="list-style-type: none"> • EPC business: sales increased YoY, but OP fell YoY, mainly due to the postponement of construction schedules and increased costs resulting from rising prices • International business: both sales and OP increased YoY, mainly due to the strong performance of the North American subsidiary
Service Solution Business	<p>【Orders Received & Order Backlog】</p> <ul style="list-style-type: none"> • Orders received were lower YoY, despite strong sales in the resource recycling field • Order Backlog: +24.4bn yen YoY (107.7bn yen at the end of FYE 3/'23 ⇒ 132.2bn yen at the end of FYE 3/'24) <p>【Net Sales & Operating Income】</p> <ul style="list-style-type: none"> • O&M business: both sales and OP increased YoY, mainly due to an increase in repair work. • PPP business: both net sales and OP increased YoY, mainly due to the strong performance of subsidiaries

【Reference】 R&D / Capex / Depreciation expenses

(Billion Yen)

	FYE 3/23	FYE 3/24	Change
Research and Development expenses	2.1	2.1	+0.1
Capital Investment	2.6	6.0	+3.4
Depreciation expenses	1.6	2.1	+0.5

【Reference】 Sales by region

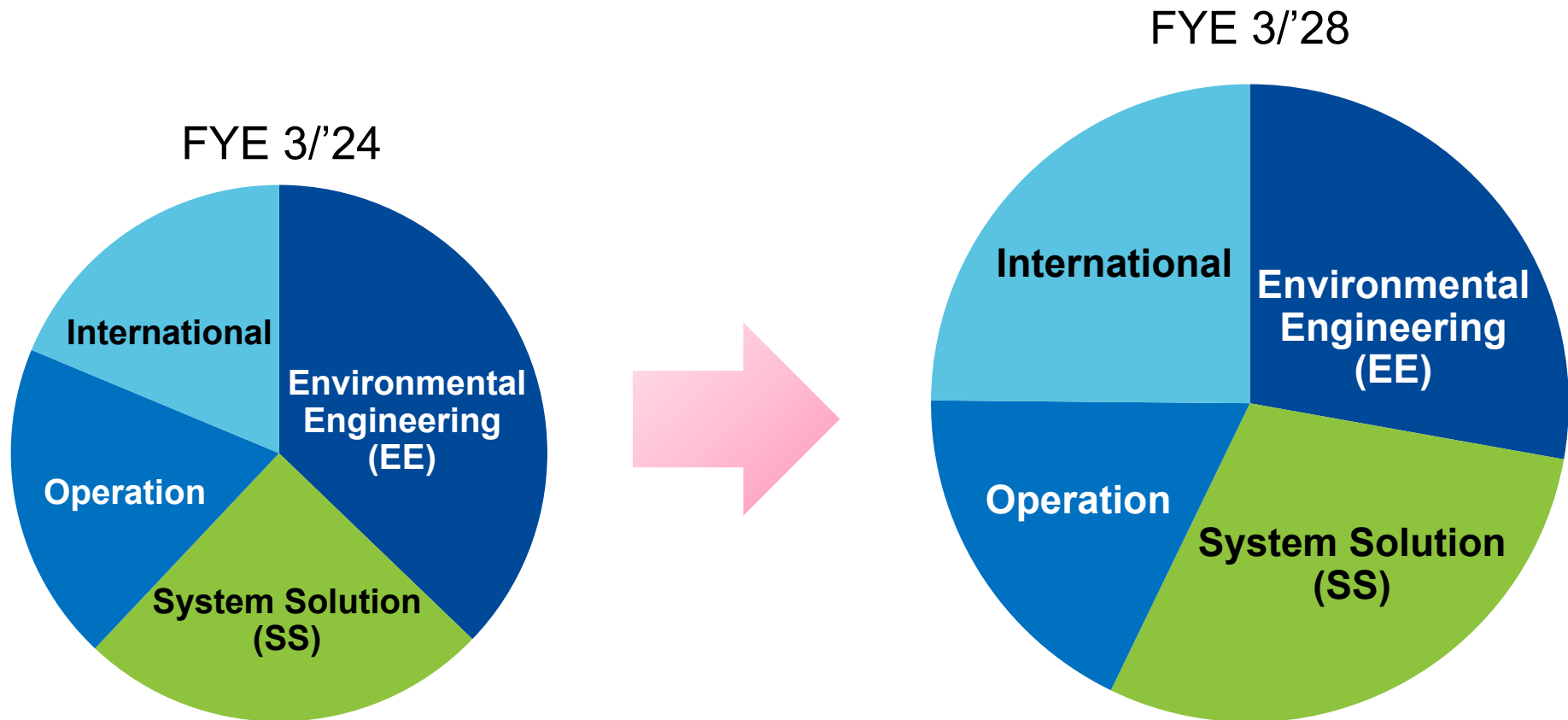
(Billion Yen)

	FYE 3'23	FYE 3'24	Change	Change Excluding exchange rate effects
Japan	125.1	134.9	+9.7	+9.7
International	25.6	30.7	+5.1	+1.7
North America	18.6	22.2	+3.6	+2.3
Europe	6.8	8.5	+1.7	-0.4
Asia	0.2	0.0	-0.2	-0.2
Total	150.7	165.6	+14.8	+11.4

【Reference】 Sales composition by new segment (image)

Environmental Engineering Business segment and System Solution Business segment account for 60% of total sales

Revenue growth is driven by International Business segment and Operation Business segment





METAWATER

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