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This report primarily covers the results for fiscal 2024

Integrated Reporting Council (IIRC)

GRI Sustainability Reporting Guidelines

information from periods before and after this timeframe.

(fiscal year ended March 2025), with certain content also including

• International Integrated Reporting Framework by the International

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• Ministry of Economy, Trade and Industry (METI)

• The United Nations Global Compact (Ten Principles)

Guidance for Collaborative Value Creation

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METAWATER Group's Strengths in Numbers

Environmental Engineering Business

Completed facility and equipment design and construction projects



Delivery record for high-speed filtration systems



Delivery record for incineration systems*







System Solutions Business

Number of on-site personnel





Number of prefectures Delivery record for

where water busines cloud systems have been delivered



systems

monitoring and control



(EPC)

Development and Engineering

Construction

Operation and Maintenance (O&M)

Our Group's Value Chain

As a total solutions company, the

comprehensive value chain that spans

strength of the group lies in its

engineering, procurement, and

construction (EPC), as well as

operation and maintenance.

Leveraging our well-established on-site staffing structure at each location, we draw on our extensive experience and know-how to operate and maintain water and environmental infrastructure across Japan.

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).

Operations Business



partnership projects in the domestic water and environmental fields

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



initiatives*

Number of Facilities Contracted for Operation and Maintenance Throughout Our Group*3



locations

projects*2

International Business

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



Delivery record for large-scale ozone generators



local offices

Local offices/partner companies



Reporting Period

Reference Guidelines • SDGs (Sustainable Development Goals)

^{*1} Including gasification and carbonizing facilities.

^{*2} As major projects involving long-term contracts of over 15 years or investment in a special purpose company (SPC), including those that have been liquidated or are planned to be established in the future

^{*3} Total number of water supply, sewerage, and resource recycling facilities under operation and maintenance (including initiatives such as private finance initiative and design, build and operate).









SUSTAINABLE [Sustainable Water Keepers] MATERICAL SUSTAINABLE [Sustainable Water Keepers]

Water and wastewater businesses face numerous challenges, such as declining revenue, aging facilities, and a shrinking workforce. We work to resolve these issues, protect sustainable water resources, and ensure they are passed on to future generations.

The METAWATER staff who utilize their specialized knowledge to carry out this mission are known as the Sustainable Water Keepers.

Overview of regional contribution through

Public-Private Partnership (PPP)

projects in the Ariake area

Utilization rate of local companies

73% Amount

¥990 million* out of ¥1.35 billion* total Amount ordered to in-prefecture companies (FY2022)

*Excluding DBO (Design, Build and Operate) services for the joint water treatment plant project

Utilization rate of local human resources

53 people out of 75 total % Employees from the local area (FY2022) Featu

Value Creation Managemen Plan Business Strategy and Technology

ainability I

Financial Information Corporate Information

Generating economies of scale through integrated management of three projects, from intake of raw water from the Kikuchi River to water treatment and supply



Public Private Partnership Division
Operation Management Center
West Japan Division
Chugoku, Shikoku, and Kyushu
Project Promotion Group Manager
Arao Water Service Co., Ltd.
Director

Shinji Takeda

The Ariake region, which spans Fukuoka and Kumamoto Prefectures, has primarily developed around the coal industry. In this region, our group is involved in three Public Private Partnership (PPP) projects: the Kumamoto Prefecture Ariake/Yatsushiro Industrial Waterworks Operation Project, the Omuta & Arao Joint Water Treatment Plant Facility Development and Operation Project, and the Arao City Water Supply Business Comprehensive Outsourcing Project. In these three projects, we have established a business scheme in which raw water taken from the Kikuchi River system is used to produce industrial water, which is then treated to produce waterworks water and delivered to waterworks users. Our company serves as the lead company for the special purpose companies (SPCs) of these three projects, providing integrated management across the projects. Thus, by centrally managing these three



wide-area projects, from water intake to treatment and supply, we are able to generate significant economies of scale.



In April 2025, we established a new office in Arao City as a regional strategic base located at the center of the eastern coast area of the Ariake Sea. The new office is equipped with an Operation Support Center Annex, Training Center, and Parts Center, enabling wide-area and efficient management and operation of human resources, goods, funds, and information. We are also considering expanding this as a platform service beyond our company. Another symbolic example is the Kashima Town Simple Water Supply Business Comprehensive Outsourcing Project in Kashima Town, Kumamoto Prefecture, which is responsible for launching, maintaining, and managing a new water supply business. This became a new initiative with no precedent, involving the development of waterworks from scratch. This also generates economies of scale by utilizing the three centers at the Arao Office, contributing to the community through both the pursuit of profit and the maintenance and improvement of public services.

We are also focusing on contributing to the local community and economy through collaboration with local companies in areas such as procurement of materials and outsourcing of construction work, as well as creating jobs by hiring local human resources. The purpose of our group is "to coexist with communities, to protect water and environmental cycles, and to contribute to people's lives."

As guardians who sustain the robust recirculation of water, we will continue to support the sustainability of water infrastructure in the Ariake region and, by extension, throughout Japan.

Creation

Business Strategy and Technology

Information

Corporate

Information

Creation

Business Strategy and Technology

Information

Information

gehide Hirayama WATERKEEPERS 01 st Japan Division oku, Shikoku yushu Project notion Group o Water Service) Morinaga PERS 02

Working hand in hand with the community to continue protecting a rich water infrastructure

We operate and manage the Ariake Water Treatment Plant, where our ceramic membrane filtration system has been adopted. At the Ariake Water Treatment Plant, there have been many incidents, including water quality incidents such as oil spills upstream in the Kikuchi River. But each time, we have done everything we can, and for matters beyond our control, we have responded with the help of the

local government. Since the start of the Kumamoto Prefecture Ariake/Yatsushiro Industrial Waterworks Operation Project, our group has also managed and operated the Uenohara Water Treatment Plant upstream of the Ariake Water Treatment Plant. enabling efficient responses through information sharing during water quality incidents, typhoons, and heavy rains.

Bridging the gap between citizens and the water supply business by disclosing the management status of waterworks

At Arao Water Service, I am responsible for preparing management status reports and handling budgeting and settlement operations for the water supply business. It is rare nationwide for a private company to handle budgeting and financial reporting for a water supply business, and it was difficult at first, but by engaging in

close discussions with Arao City and reviewing past documents, I work every day to clearly communicate the management status of waterworks to citizens. By leveraging private-sector know-how, I aim to create disclosure materials that engage citizens and serve as a bridge between the water supply business and the community.

Operational Structure with Integrated Management of Three Projects

To industrial water users To Omuta City To Arao City **Water Circle** Ariake Kikuchi River **Water Management Water Service**











Kumamoto Prefecture Ariake/Yatsushiro Omuta & Arao Joint Water Treatment Industrial Waterworks Operation Project Plant Facility Development and Operation



Integrated management from intake to water supply enables stable service quality and the generation of economies of scale.

Public Private Partnership Division Operation Management Center West Japan Division Chugoku, Shikoku, and Kyushu roject Promotion Group (Arao Water Service) usaku Nishida EEPERS 03 **Public Private** Partnership Division Operation Management Center West Japan Division /ide-Area Support Group (Arao Water Service) Tsubasa Harada

METAWATER REPORT 2025

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

At Arao Water Service, I am responsible for the operation and maintenance (O&M) of equipment and procurement of parts. Waterworks is an "everyday" infrastructure that is always available. To avoid inconveniencing citizens and to quickly detect and resolve problems, our team works 24 hours a day, 365 days a year. In contracted projects in the Ariake area, we have

promoted efficiency in operation and maintenance work by standardizing equipment parts and introducing digital technologies. We will continue to leverage the strengths of the private sector to protect everyday infrastructure and pursue further proposals and improvements.

Pursuing daily operational improvements and efficiency with a community-based approach

At Arao Water Service. I am responsible for the operation and maintenance of equipment and point repair. Our greatest strength is, above all, our collaboration with the local community. We not only utilize the specialized skills we have developed so far, but also focus on leveraging local companies and local human resources. To further improve service and reduce costs, we

actively discuss and coordinate with local waterworks companies and work on daily operational improvements. I am from Arao City, and many other employees at Arao Water Service are also locals from Arao and nearby areas. We all have a strong sense of contributing to the community. We will continue to take on challenges with a community-based approach to ensure the sustainability of waterworks.

Weaving New Possibilities for Waterworks

ERKEEPERS 04

Kashima Town Simple Water Supply Business Comprehensive Outsourcing Project

We carry out our work in collaboration with local waterworks companies. Taking into account the intentions of Kashima Town and the lessons learned from the Kumamoto Earthquake, we are taking on new challenges every day for a safer and more secure waterworks, such as adopting a new electrofusion method for joining service pipes. Water supply began in 2021 and currently serves 100 households. We are involved in all aspects of waterworks operation and maintenance, including water quality and water pressure control. Fortunately, there have been zero water quality incidents to date. Aiming to achieve Kashima Town's goal of supplying water to 1,300 households in the town, we will continue to pursue further service improvements and greater efficiency in operation and maintenance (O&M) work.



Information

SUSTAINABLE [Sustainable Water Keepers] **WATERKEEPERS**

METAWATER's On-Site Capabilities

No two water and environmental infrastructure construction projects are the same; each requires new construction, expansion, or renewal while maintaining high performance and safety. Here, we will introduce the roles of the site supervisor and the test manager, who are Sustainable Water Keepers that respond quickly to changes on site. We will also introduce initiatives in human resource development and digital transformation (DX) that support our on-site capabilities.



Plant Construction Division, Koichi Yamaguchi

"The tribe that asked questions survived, but a tribe that had answers perished." This is a Native American proverb that teaches us not to be satisfied with the status quo, but to always guestion and keep thinking. Even at modern worksites, we do not become complacent with temporary successes, but always maintain a humble attitude, accept the present, and strive together as one to reach new heights in our on-site capabilities.

Continued Thinking is the Key to Growth

Executive Officer / Executive General Manager,

Fusion of Extensive Experience, Know-How, and Advanced DX Technologies

In the renewal construction business for water and environmental infrastructure. it is necessary to carry out expansion and renewal while operating existing facilities, as well as to address restrictions on temporary scaffolding and material delivery, respond to various construction specifications, and improve the efficiency of each operation.

Therefore, we leverage the adaptability of personnel with extensive experience and know-how, as well as DX aimed at shortening processes, improving quality, and optimizing costs. As one example of DX, we use digital twin technology to carry out detailed design and construction planning in virtual space, thereby eliminating waste in subsequent processes. Aiming for even greater efficiency, we are promoting the fusion of many years of experience and know-how with advanced DX technologies.

Plant Construction Process

Aiming for zero accidents and disasters, safety patrols are conducted by the Safety and Health Management Office.

Construction Management

Civil

Equipment and materials that have

been strictly checked in advance

through factory inspections and

standards, are

delivered to

other means, and that meet quality

Building Construction

> In the plant construction business, we carry out mechanical equipment work (equipment installation, mounting frames, and piping) and electrical equipment work (such as for power distribution, operational controls, and monitorina

Electrical

Equipment

Work

The Technical Department, Field Engineering Department and Construction Department work together to perform final adiustments.

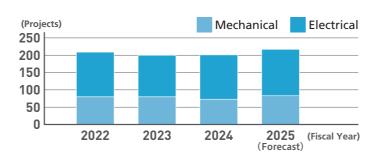


→ Testing → Plant Adjustment **Final Inspection** (Trial Operation)

Performance checks and pre-completion self-inspections are conducted to confirm that the required standards are

Number of Active Projects (Sites) at METAWATER

We are responsible for more than 200 engineering, procurement, and construction (EPC) projects annually across Japan. At each site, we have demonstrated our on-site capabilities by achieving high levels of quality and safety.



On the Frontlines of Water and Environmental Infrastructure-METAWATER's Reliable On-Site Capabilities

Site Supervisor

A Supervisor Who Oversees the Site and Responds Flexibly

The site supervisor is responsible for the four major areas of management: quality, cost, process, and safety. They always take a comprehensive view of the construction business, flexibly respond to situations, and review construction plans as needed. Furthermore, by making full use of various DX technologies as communication tools—including with customers—they contribute to the construction of safer and higher-quality plants.



Test Manager

Supporting On-Site Capabilities with the Finishing Touch of Performance Testing

The test manager has expertise in plants and electricity and is responsible for everything from equipment start-up to performance testing. They are required to have precise analytical skills and the composure to respond appropriately even in the event of trouble. Only equipment that passes testing is delivered to customers, so our decisions are directly linked to quality and trust.



Human Resource Development

To accommodate a diverse range of construction sites, we provide young engineers with systematic training programs linked to OJT, and for mid-career hires, we offer programs that help employees understand our core safety culture and put it into practice. In addition, we are also strengthening the transfer of knowledge and skills from experienced personnel to the next generation.





Water circulation

and Technology

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 Solution Business, Operations Business, and International Business—across the three key domains of Waterworks, Sewerage, and Resource Recycling, both in Japan and abroad.



Waterworks facilities



Raw water from rivers and



Sustainability Sustainability and Technology Information and Technology Information Creation Plan Information Creation Plan Information **METAWATER REPORT 2025 METAWATER REPORT 2025**

Our Value Creation Journey

Our group has evolved from a comprehensive engineering company into a total solutions company, leveraging its unique engineering capabilities—developed through the integration of mechanical and electrical technologies (mechatronics)—and its extensive know-how in operation and maintenance (O&M), accumulated over many years through participation in public-private partnership (PPP) projects. Furthermore, in the growing field of international business, we are expanding operations by generating

Business Strategy

1,507 1,356 1,334 1,287 synergies through stronger collaboration with group companies and local partners. 1,173 Sales Trends (100 million JPY) 1,117 1.109 1.031 1.344 1,237 Sales (Total) 1,168 1,178 1,175 Sales for the fiscal year Sales for the fiscal year ended March 2025 (domestic) \\ \frac{\frac{1}{4}}{14} \\ \frac{4}{6} \\ \text{billion} \end{arch} Sales (Domestic) 1.055 1,069 1,052 1,014 1.024 980 Sales (Overseas) 377 ¥37.7billion Sales for the fiscal year ended March 2025 (overseas) FYE 2009/3 2015/3 2019/3 2020/3 2021/3 2022/3 2023/3 2024/3 2025/3 2010/3 2011/3 2012/3 2013/3 2014/3 2016/3 2017/3 2018/3

Corporate History

METAWATER

METAWATER Co., Ltd.

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 the NGK Group and Fuji Electric Group

Management

July 2009

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

Financial

April 2011 Launched the cloud-based platform service Water Business Cloud (WBC)

Corporate

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)

メタウォーダー株式会社

平成26年12月19日

Management

Business Strategy

philosophy: "Continue, to make it

Announced new corporate

June 2018

April 2024

Financial

Sales for the fiscal year

1,656

Sales for the fiscal year ended March 2025 (total) **¥179.1** billion

Announced purpose:

Corporate

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 i 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

International **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 Agua-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 o 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. company

Capital

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, ICT, and human resources in our water and environmental infrastructure-based business, while remaining mindful of the business environment and societal challenges to be addressed. 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 partnerships (including concession projects)

Overseas

[North America]

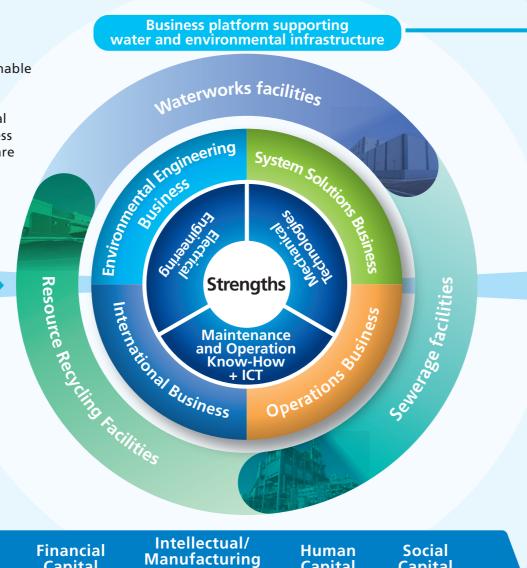
 Utilization of reclaimed wastewater to secure water resources, aging facilities, and population growth trends

[Europe]

 Stricter environmental regulations and aging infrastructure

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

Addressing social challenges



Capital

Capital

Capital

Six Material Issues to Be Addressed

Water Environment











Three Priority Measures

Goals for a Better Future

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

(Goals of the Medium-Term Management Plan 2027)

over ¥200 billion ¥200 billion

Operating Profit (Operating Profit Margin)

Net Income for the Current Fiscal Year **¥8.5** billion

ROE

Sales

Over 10 %

Long-Term Vision: Next2037 Goals

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

Total Assets

Adequacy Ratio

Intellectual/ Manufacturing Capital

Number of Patents and Related Intellectual

Human Capital

Training Expenses Per Employee

Health Care Expenses Per Employee

Equipment Design and and Control Systems
Construction Projects Delivered

Social Capital*1

Completed Facility and Number of Monitoring Number of facilities

maintenance, and inspection contracts

*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).

Business Strategy Business Strategy Managemen Financial Corporate Management Corporate Sustainability Sustainability Creation and Technology Information Information Creation and Technology Information Information **METAWATER REPORT 2025 METAWATER REPORT 2025**

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.



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.

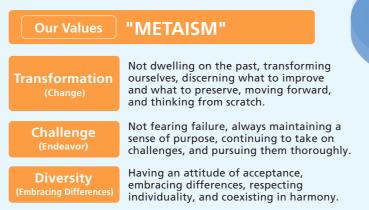
That way, what truly matters can continue into the future.

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. It also contributes to solving issues such as climate change and resource shortages.





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 (materialities), and have designated the following six areas as our focus.

Six Materiality Issues (Materialities)













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.



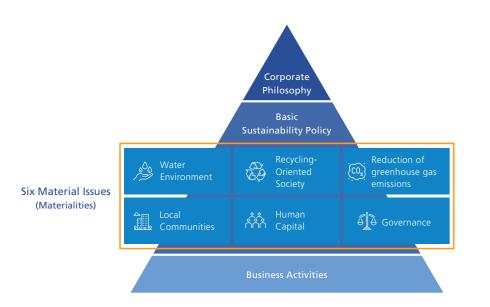
	Conference Bodies, etc.	Role
	Board of Directors	Receive reports from the commit- tee on a regular basis (once a year and provide oversight
	Management Meetings	Same as above
-	Sustainability Committee	The committee meets regularly (twice a year), with members consisting of Executive General Managers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

Business Strategy Business Strategy Managemen Corporate Corporate Sustainability and Technology Information and Technology Information Creation Information Creation Information **METAWATER REPORT 2025 METAWATER REPORT 2025**

Material Issues (Materialities)

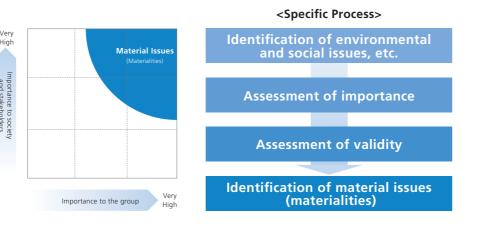
Our Group's Approach to Sustainability

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 (materialities).



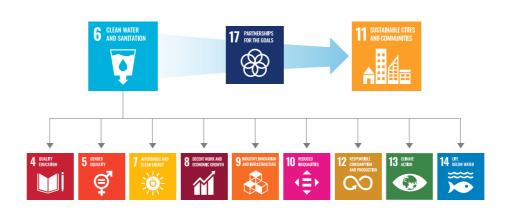
Material Issue (Materiality) Identification Process

- 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 (materialities).
- 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 (materialities).



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 (Materialities)

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 (materialities) 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 partnerships, implementing natural disaster countermeasures, and addressing global challenges. In fiscal 2025, we will engage with material issues more strategically to enhance our corporate value.

Materiality Reason for Identification



Because solving domestic and overseas issues—such as aging water infrastructure and increasing risks of natural disasters-is fundamental to our business operations



To address resource depletion and waste issues, and to contribute to the transition to a sustainable society



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



റ്റ്∩് Human Capital

Because securing and developing diverse human resources—who are key to both business growth and solving social issues—is essential



To strengthen our management structure, which is essential for the sustainable enhancement of corporate value and for earning the trust of society



Business Strategy and Technology Information

Corporate Information

Top management's message

The growing frequency and severity of natural disasters, combined with the aging water and wastewater infrastructure nationwide, are increasingly undermining the foundations of daily life.

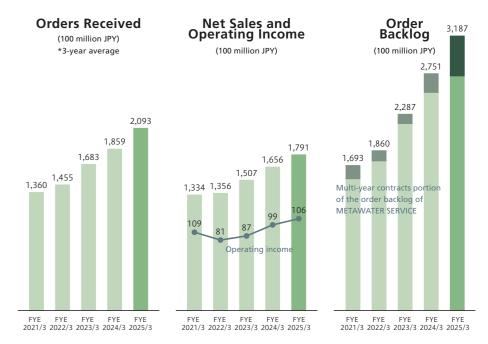
Our Group will leverage its accumulated expertise, know-how, and technological capabilities to help shape the future of sustainable water and environmental infrastructure.

In Japan, the fragility of water, wastewater and environmental infrastructure has been revealed throughout the country due to aging facilities and increasingly severe natural disasters. Meanwhile, overseas, in addition to environmental issues such as climate change, global warming, and marine pollution, the occurrence of severe natural disasters and the depletion of water resources and scarce water sources are becoming increasingly serious. In this business environment, our Group is committed to solving various problems through the implementation of our corporate philosophy, Purpose and METAISM, and to creating a prosperous future for water and environmental infrastructure.

Under our Group's "Mid-Term Business Plan 2027," which spans four years from the fiscal year ending March 2025 (FY2024) to the fiscal year ending March 31, 2028 (FY2027), we are pursuing various initiatives to achieve over 200 billion yen in orders received, 200 billion yen in sales, and 13 billion yen in operating income in the final year of the plan.

In FY2024, the first year of the plan, both sales and operating income reached record highs, with operating income from core business exceeding 10 billion yen*1 for the first time. Additionally, both orders received and order backlog also achieved new record levels.

In the next fiscal year, FY2025 (ending March 2026), we expect to maintain stable revenue and profits in the domestic business, backed by strong orders and backlogs. Internationally, in addition to our existing businesses, we



anticipate positive contributions from new technologies in the wastewater sector, such as Nereda®, as well as from the nine-month consolidation of Schwing Bioset, Inc., which has newly become part of our Group. We continue to pursue growth in both revenue and profit,*2 and seek to achieve new record highs. At the same time, we will accelerate the implementation of various measures based on our accumulated experience and expertise, strengthen our capabilities to respond to "Broad PPPs" *3, ranging from government-led Water PPP initiatives to PFI, and large-scale urban DBO and DBM projects. We, as a unified Group, remain committed to contributing to the realization of sustainable water and environmental infrastructure.

*1 Operating income for the fiscal year ended March 2021 was 10.9 billion yen. Excluding one-time factors related to the sale of shares held in the retirement benefit trust, operating income based on core business was 9.1 billion yen. *2 Based on operating income.

Kenji Yamaguchi

President and Representative Director

^{*3} Water PPP (Public Private Partnership), DBO (Design-Build-Operate), DBM (Design-Build-Maintain), PFI (Public Finance Initiative), etc.

Corporate Management **Business Strategy** Financial Sustainability Information and Technology Creation Information **METAWATER REPORT 2025**

Long-Term Vision and Roadmap

Our Group is pursuing its "Mid-Term Business Plan 2027", which aims to achieve sales of 200 billion yen in the year ending March 2028, the 20th anniversary of the Group's establishment. Furthermore, in our "Next 2037" initiative, looking ahead to our 30th anniversary, we have set a target of achieving sales of 300 billion yen or more in the fiscal year ending March 2038. To achieve this goal, we are pursuing various initiatives, such as promoting "Broad PPPs" in Japan and strengthening the comprehensive capabilities of our international group.

Three Key Objectives of the "Mid-Term Business Plan 2027"

- **1** Growth Strategies for Each Business Segment 2 Investment and Financing Strategies to Increase Corporate Value P27~30
- 3 Sustainability Initiatives

December 2014: Listed on the former First Section of the Tokyo Stock

FYE2018/3

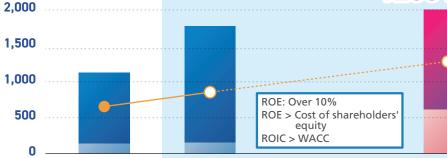
Stages of Left Axis: Sales (Japan, International) Right Axis: Operating Profit — "Broad PPPs" contribution (100 million JPY) **Mid-Term Business Plan 2027** 2,500 **Utilize interest-bearing** debt Strengthen business

► P21、P24、P32~36

20th

FYE2028/3

▶ P50~76



FYE2025/3

Growth Strategies for Each Business Segment

return → increase in market capitalizatior



Enhance competitiveness by utilizing the Operation Support Center

Target opportunities in advanced treatmentprocesses, including the water reuse market and micropollutant treatment International Business

Strengthen collaboration and create synergies among group companies

Next 2037 ¥300 billion

FYE2038/3

Expand business

(Top-line growth)

(100 million JPY)

250

200

150

100

50

New-Highs in Order Backlogs and Orders: A Bedrock-Solid Foundation for Stable Growth

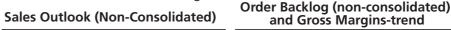
In our domestic business, orders received and order backlogs have reached record highs due to the shift of tasks previously handled by municipalities to the private sector, as well as the increasing scale and longer delivery times of

These orders are booked individually for each project based on contracts with municipalities, so there is no risk of cancellation or default. In the

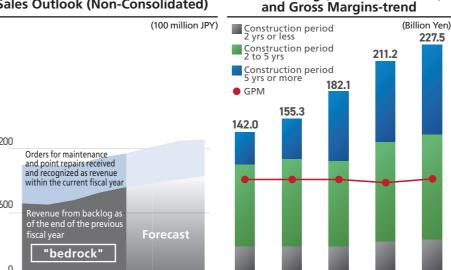
Environmental Engineering Business, which handles EPC, maintenance, and repairs for mechanical equipment, and the System Solutions Business, which handles EPC, maintenance, and repairs for electrical equipment, we use order backlogs to forecast sales for each fiscal year and manage progress.

Meanwhile, in the Operation Business, the operations and services contracted by METAWATER SERVICE Co., Ltd., a group company, are generating recurring

Even as projects grow in scale and require longer lead times, the gross margin is being maintained within our order backlog, which continues to serve as a key driver of the Group's overall earnings. These "record-high orders and order backlogs" serve as a strong pipeline directly linked to future performance and can be described as the "bedrock" that supports a stable business foundation over the long term.



METAWATER REPORT 2025



FYE 2021/3

FYE 2022/3

Offsetting the Upfront Domestic Costs with International Business

Information

Sustainability

Corporate

Information

Business Strategy

and Technology

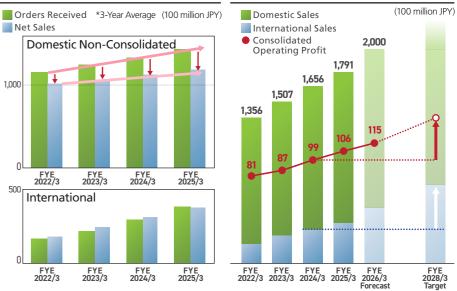
Management

Creation

In our domestic business, which is primarily engineering-based, upfront costs are incurred for project proposal and order acquisition activities, such as labor expenses related to design and estimation, and various other related costs. With projects becoming larger and delivery times longer in recent years, there is an increasing time gap between order receipt and the recognition of sales and profits.

In the International Business, in contrast, operations are centered on subsidiaries and focus on differentiated products and systems with high contribution margins, resulting in a business model that typically moves from order intake to sales and profit recognition in a much shorter cycle Backed by the robust international business, we are proactively investing in human capital in our domestic operations ahead of the projected labor force decline around 2030. These efforts include work style reforms, improved employee compensation, and strengthened recruitment. Concurrently, we are driving profitability through engineering process improvements and labor-saving initiatives.

Orders Received* and Sales Trends Sales and Operating Profit Trends

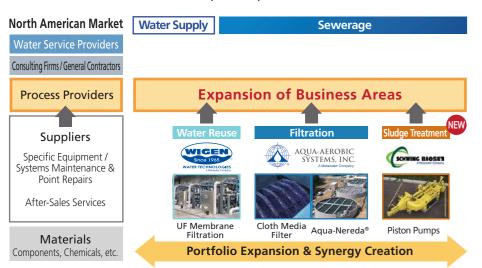


Corporate **Business Strategy Business Strategy** Corporate Management Financial Sustainability Sustainability Feature Information Creation Plan and Technology Information Creation Plan and Technology Information Information **METAWATER REPORT 2025 METAWATER REPORT 2025**

Expansion of International Business through Differentiated Technologies and Product Lineup Enhancement

About 80-90% of our international sales are generated by Agua-Aerobic Systems Inc., which became part of our group in 2016. The company's main product, "Cloth Media Filter," features space-saving and energy-saving characteristics and has been delivered to more than 1,000 locations including the United States, the United Kingdom, and others.

Moreover, in 2016, the company entered into an exclusive distribution agreement across the United States with Haskoning of the Netherlands for the Nereda® wastewater treatment technology. Having undergone years of demonstration testing, this technology has already received numerous pre-orders. In June 2024, we also entered into a license agreement with the company for the Japanese market and are preparing for pilot testing. We have received many inquiries and are looking forward to future business expansion. (For more details, see P44.) Furthermore, through the recently added group company Schwing Bioset, Inc., we are entering the expanding U.S. sludge market. The company's flagship product, piston pump, is an indispensable technology for sludge treatment and boasts a market share of over 90% in the North American sludge treatment sector. We will strengthen our comprehensive proposal capabilities by expanding our portfolio and creating synergies among group companies, with the aim of expanding our business domain to become a process provider.



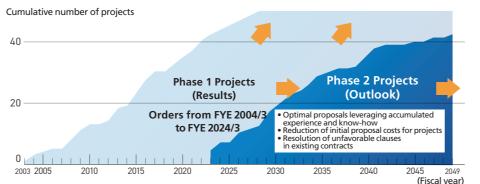
Initiatives toward "Broad PPPs"

In June 2023, the government announced its "Water PPP" initiative, which added a new public-private partnership model (integrated management model for maintenance and renewal, with a standard 10-year contract) to the existing concession model (10- to 20-year contract) as a way to gradually transition to concessions. The plan sets a target of implementing a total of 225 projects by 2031: 100 projects for water supply, 100 projects for wastewater, and 25 projects for industrial water supply.

Our group has conducted market research on "Broad PPPs"*, which includes PFI, DBO, and DBM, in addition to Water PPPs. For the time being, we focus on large-scale reconstruction projects (DBO) in urban areas, carefully selecting bids based on profitability and investment recovery. Although the number of orders during the "Mid-Term Business Plan 2027" period will be limited, we will aim to double the number of "Broad PPP" projects to 5-6 cases per year.

To date, our group has participated in approximately 30% of PPP projects in the domestic water supply and wastewater sector, and many of these projects are entering their second phase as initial contracts expire. Leveraging the experience and expertise we have accumulated, we will make optimal proposals while reviewing and reducing the proposal costs incurred during the first phase, thereby strengthening our profitability.

Our PPP Projects: Entering Phase 2



Driving "Mid-Term Business Plan 2027" forward through Growth in All Segments

We accelerate our efforts in all segments in the light of recent performance.

▶ Environmental Engineering Business (EE Business)

We will promote orders for new incinerators and equipment upgrades for recycling facilities, in addition to eliminating the burden of R&D. In addition, by streamlining on-site construction, we aim to prevent the occurrence of additional costs and maintain or expand profitability.

▶ System Solution Business (SS Business)

Although there is a short-term R&D burden, efforts will be made to improve earnings by capturing demand for monitoring and control systems and by promoting orders for repair projects. In the medium-to-long term, we will also promote system engineering reforms to improve labor productivity and lower the cost ratio, raising the level of earnings.

▶ Operation Business

Although depreciation expenses will arise due to facility equipment upgrades undertaken by K.K. Mizumusubi Management Miyagi (SPC), we will work to improve profitability through rationalization, including a reduction in outsourcing costs, as well as contributions from METAWATER SERVICE Co., Ltd. In addition, for the second stage of the projects in which we have been involved, we aim to reduce the initial proposal costs and review the contract terms.

▶ International Business

We expect further growth through the full-scale expansion of the new wastewater treatment technology Nereda®, in addition to the robust performance of the existing business. Furthermore, the new consolidation of Schwing Bioset, Inc. and the strengthening of its comprehensive proposal capabilities through the expansion of its product line-up will maximize synergies between Group companies and support company-wide earnings.

Increased Visibility Towards the Achievement of "Mid-Term Business Plan 2027"

In fiscal year 2024, which ended March 2025, the first year of the "Mid-Term Business Plan 2027", we made a solid start with sales of 179.1 billion yen and operating income of 10.6 billion yen (a record high in our core business), thanks to the strong performance of our international business and the stable profitability of our domestic business.

With a view to achieving the plan's targets ahead of schedule, each business division is now reviewing its budget plan. These reviews involve forecasting orders from local municipalities, monitoring budget execution status, project construction progress and completion prospects, as well as implementing rationalization and cost reduction initiatives at each site.

By segment, we aim to achieve growth across all areas in fiscal year ending March 2028, the final year of the Plan, compared to FYE 3/'24. We expect our International Business segment to continue serving as the primary growth driver, powered by the initiatives described above.

Target Values in the "Mid-Term Business Plan 2027"

2,227 2,300

1,791 2,000

(5.9%) (5.8%)

75

106

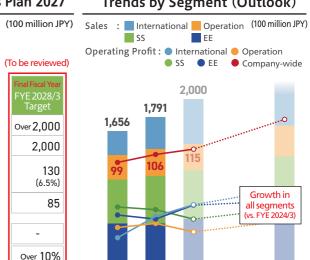
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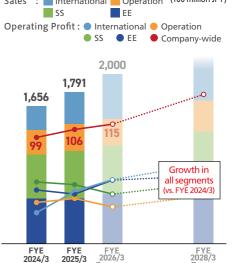
50_{yen}

(Consolidated

Operatir Profit Rate of Ret





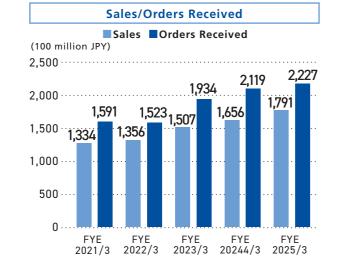


Business Strategy Corporate **Business Strategy** Corporate Financial Sustainability and Technology Information Information and Technology Information Information Creation METAWATER REPORT 2025 METAWATER REPORT 2025

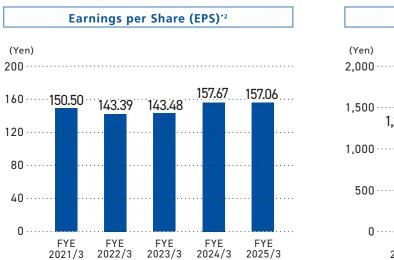
Consolidated Financial Highlights

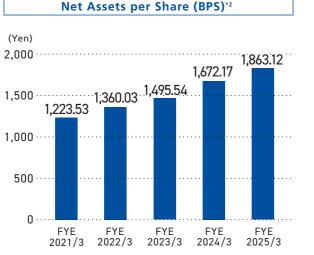


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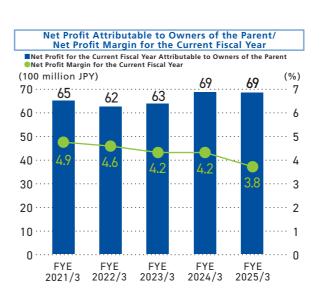










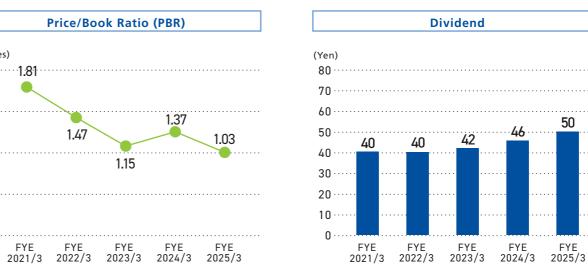


(Times)

2.0

1.5

1.0

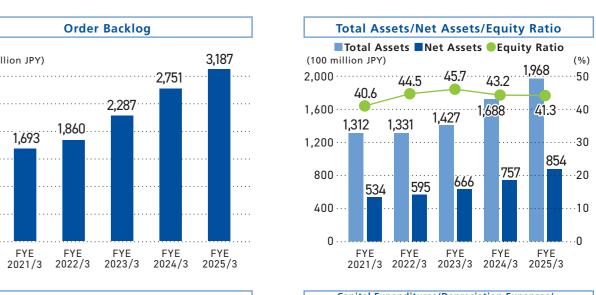


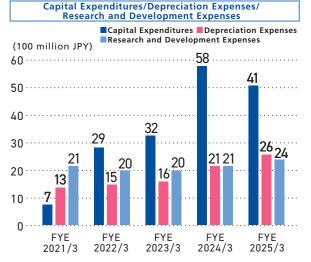
Order Backlog

(100 million JPY)

3,000 -

2,500 -





^{*1} For the fiscal year ended March 2021, operating profit and operating rate of return: Excluding the one-time effect of the sale of retirement benefit trust shares, operating profit on a core business basis was 9.1 billion yen (operating rate of return: 6.8%).

^{*2} METAWATER conducted a two-for-one stock split for its common shares effective October 1, 2020. Accordingly, earnings per share and net assets per share have been calculated as if the stock split had taken place at the beginning of the previous consolidated fiscal year.

Feature Value Management Business Strategy Sustainability Financial Corporate Information Information

Message from the Executive in Charge of Finance **Progress and Initiatives in Financial Strategy Toward Achieving the Mid-Term Business Plan 2027** Executive Officer / General Manager, Accounting & Financial Planning Office, Corporate Strategy Planning Division Tomoyuki Takase

Progress of KPIs in Financial Strategy

In the fiscal year ended March 2025, the first year of the Mid-Term Business Plan 2027, we achieved record highs in orders received, order backlog, net sales, and operating income on a core business basis.

As part of the financial strategy for this plan, we have established seven KPIs from the perspectives of profitability, efficiency, financial soundness, and shareholder returns to visualize the process for ensuring the achievement of our targets.

In the first year, the fiscal year ended March 2025, our KPI results were as follows: Profitability – net sales of 179.1 billion yen and operating income of 10.6 billion yen; Efficiency – ROE of 8.9% and ROIC of 6.2%; Financial Soundness – the debt-to-equity ratio of 0.5 and the equity ratio of 41.3%; Shareholder Returns – dividend payout ratio of 31.8%. All indicators have demonstrated consistent progress, reinforcing our confidence in meeting the established objectives. We will maintain the equity ratio and financial stability, manage operations efficiently while considering capital costs, and aim to increase profitability.

7KPIs

Profitability	Efficiency	Financial Soundness and Shareholder Returns
Sales 200	ROE At least 10%	DE ratio Less than 0.8 times
billion yen	At (cast 0 70	Equity ratio
Operating profit	ROIC	More than 40% butless than 50%
13 billion yen	13 ROIC>WACC	Dividend payout ratio 30% to 40% (Progressive dividend)

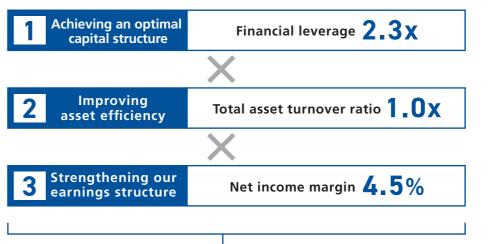
Enhancing Profitability and Efficiency

The second year of the Mid-Term Business Plan 2027, which is the fiscal year ending March 2026, is expected to continue the trend of increased sales and profits (on an operating income basis), and to surpass previous record earnings following the fiscal year ending March 2025.

The fiscal year ending March 2026 will continue to be a period of ongoing growth investments aimed at further business expansion. Therefore, we believe that improving profitability and capital efficiency across the entire company are keys to achieving the KPIs of "ROE of 10% or higher" and "operating income of 13 billion yen."

To enhance profitability, we are clarifying financial and operational accountability in line with changes in organizational structure and reporting segments.

We will work to establish a framework that enables business divisions to effectively promote and execute appropriate performance management, including the visualization of business profitability and performance forecasting.



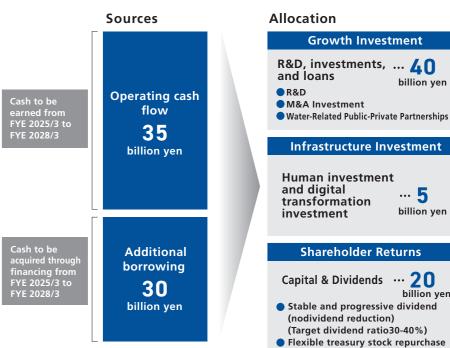
ROE 10% or more

Cash Allocation

In the Mid-Term Business Plan 2027, we have formulated a cash allocation plan to meet the listed KPIs.

The plan seeks to improve capital efficiency by increasing financial leverage with interest-bearing debt, while monitoring the debt-to-equity ratio and focusing on effective usage of funds to maintain financial stability.

Cash Allocation

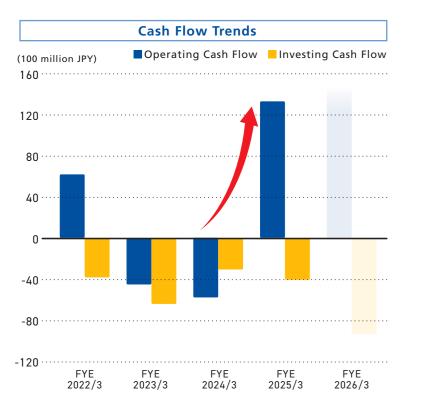


Business Strategy Corporate **Business Strategy** Management Financial Management Corporate Sustainability Sustainability Plan and Technology Information Information Creation and Technology Information Information Creation **METAWATER REPORT 2025 METAWATER REPORT 2025**

Cash Inflows: Improving Operating Cash Flow

In the fiscal year ended March 2025, the first year of the Mid-Term Business Plan 2027, operating cash flow improved significantly to 13.3 billion yen.

Over the past two years, cash collection periods were delayed compared to previous years because of longer lead times for certain construction projects. This year, cash collection for these projects has advanced in line with project progress. Additionally, receiving advance payments at the time of contract signing and partial payments based on construction progress contributed to the stabilization of cash flow. We will continue to strive for stable cash flow in the coming fiscal years.



Cash Inflows: Financing Activities

Of the 30 billion yen in funding planned under the Mid-Term Business Plan 2027, 15 billion yen was raised in the fiscal year ended March 2025. To meet funding needs for "growth investments" and "foundation investments" aimed at stable growth, we entered a 5 billion yen syndicated loan agreement and issued 10 billion yen in corporate bonds (blue bonds).

This was our first syndicated loan and our second blue bond issuance. With this funding, we have diversified our procurement methods and achieved more flexible financing. As the finance department, we will continue to support the realization of our medium- to long-term growth strategy.

Outline of Syndicated Loan Agreements

Amount	5 billion yen (planned) Loan term 5 years		5 years
Arranging bank	MUFG Bank, Ltd.		
Joint arranger	Mizuho Bank, Ltd.		

Outline of Blue Bonds

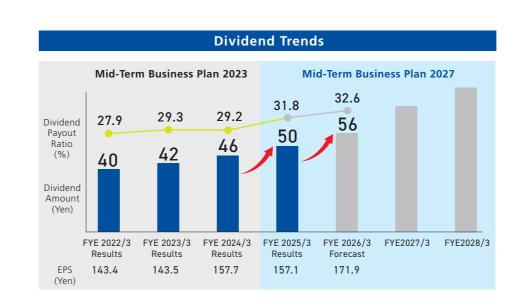
Issue amount	10 billion yen (planned)	Term to maturity	5 years
Lead managers	Mizuho Securities Co.,Ltd. Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd. Daiwa Securities Co.,Ltd. SMBC Nikko Securities Inc. Nomura Securities Co.,Ltd.		
Structuring agent	Mizuho Securities Co.,Ltd.		

Cash Outflows: Strategic Capital Allocation

For growth-oriented investments, we completed the acquisition of Schwing Bioset, Inc. and allocated 2.4 billion yen to R&D expenditures. This acquisition is expected to serve as a significant foothold toward achieving international sales targets of 500 million USD for the fiscal year ending March 2028.

For foundation investments, we increased employee base pay to address domestic inflation and hired mid-career professionals. Going forward, we plan to continue investing in domestic and overseas facilities, as well as improving the workplace environment.

Regarding shareholder returns, we increased dividends to 50 yen per share for the fiscal year ended March 2025. We also retired 1.5 million shares of treasury stock. We will continue to discuss shareholder structure and capital policy from the corporate governance perspective.



The Ideal State

Our long-term vision, "Next2037", articulates our Ideal State as the "300-Billion-Yen (equilateral) Triangle", created through the synergistic contributions of three areas: (1) total assets - utilizing interest-bearing debt to strengthening our business foundation; (2) sales - an indicator for growth and business scale expansion; and (3) market capitalization. To advance towards this vision, our objective for the fiscal year ending March 2028 is to achieve a "200-Billion-Yen Triangle". With respect to (1) total assets and (2) sales, we are steadily making progress in strengthening our foundation through human resources and digital transformation investments, engineering reforms, and the expansion of our overseas business. These initiatives have enabled us to make consistent progress towards reaching our stated goal. Regarding (3) market capitalization, with the aim of improving the P/E ratio (to 15–16 times), we will contribute to sustainable growth and enhanced corporate value by implementing measures to improve profitability, shareholder returns, and financial strategies.

We started the fiscal year ended March 2025 on a strong note. For the fiscal year ending March 2026, we will pursue a more initiative-taking financial strategy with a view to achieving the "seven KPIs."

200-Billion-Yen Triangle



Increase business + profitability Shareholder return
▶increase in market capitalization

Message from the Business Manager

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.

Kenji Kojima, Executive Officer /
Executive General Manager, Sales & Marketing Division



The Sales & Marketing Division aims to address challenges such as aging domestic water and environmental infrastructure, a declining workforce, and the increasing severity of natural disasters. We are also committed to proposing digital transformation (DX) technologies that contribute to decarbonization efforts aimed at achieving carbon neutrality, as well as greater operational efficiency.

Strengths and Challenges

- Our proprietary system integrates mechanical and electrical technologies (mechatronics) to optimize entire water treatment facilities and related sites according to customer needs.
- We provide after-sales services such as operation and maintenance (O&M), and propose optimal improvements to our products and systems to meet emerging needs and challenges.
- We offer distinctive environmental technologies that enhance treatment capacity, promote energy and space savings, and reduce life cycle costs (LCC), as well as digital transformation (DX) technologies utilizing AI and ICT.
- Drawing on our extensive experience and proven track record in public-private partnership projects, we propose optimal solutions tailored to each customer's specific challenges.
- In an increasingly competitive market, we deliver innovative proposals that address cost, efficiency, further energy saving and energy creation, and decarbonization.
- We respond flexibly to rapid changes in the societal landscape, including the increasing severity of natural disasters and shifts in the economic and labor markets.
- We build organizational structures such as Water PPP and foster human resources in response to changes in the market environment.

Review of the Fiscal Year Ended March 2025

In the water and wastewater sector, we leveraged the integration of mechanical and electrical technologies (mechatronics) to propose optimized facility-wide treatment operations that consider life cycle costs (LCC). We also focused on proposals that enhance added value through improved functionality and operational efficiency, which allowed us to secure sales orders. In the resource and environmental sector, we worked to strengthen our ability to propose solutions that address the challenges of local communities and customers. This included contributing to the creation of a recycling-oriented society, supporting local employment and environmental education, and building and operating facilities that are environmentally friendly and integrated with the community, including those that have been designed to function as disaster response hubs.

Outlook Toward the Mid-Term Business Plan 2027

We will further build on our initiatives from the fiscal year ended March 2025, take a broader view of society as a whole, and continue to make proposals that contribute to solving the challenges faced by local communities and customers. As the number of Water PPP projects is expected to increase significantly, we will strengthen our efforts by carefully assessing the main business activities and characteristics of each project, proposing optimal technologies based on our group's extensive track record, and building new operational structures through collaboration with local companies and the use of digital transformation (DX). To realize safe and secure water and environmental infrastructure that contributes to local communities, we will take a broad perspective on societal issues and aim to receive orders in a more sustained manner.

Management **Business Strategy** Financial Corporate **Business Strategy** Corporate Sustainability Sustainabilitv and Technology Information and Technology Creation Information Creation Information Information **METAWATER REPORT 2025 METAWATER REPORT 2025**

Message from the Business Manager

Environmental Engineering Division

We are working to provide safe and secure plants by utilizing energy saving and energy creation technologies, as well as automation technologies, to help solve environmental issues, build a recycling-oriented society, and realize a decarbonized and carbon-neutral society.

Tatsuo Kato, Executive Officer / Executive General Manager, Environmental Engineering Division

We are engaged in a wide range of businesses, including the design, procurement, and construction (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 Al in each phase of EPC, O, and M, providing high-quality, safe, and secure engineering solutions that also create new value.

Strengths and Challenges

- Engineering capabilities utilizing differentiated products and technologies in the mechanical field, as well as mechatronics (integration of mechanical technologies and electrical technologies)
- 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
- 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

Sales / Operating Profit Margin Sales (100 million JPY) 580 524 FYE 2024/3 FYE 2025/3 FYE 2026/3

Review of the Fiscal Year Ended March 2025

In the fiscal year ended March 2025, business income decreased year-on-year due to research and development investments, upfront investments, and delays in inspections caused by additional construction work on some projects. On the other hand, the order backlog remains at a high level, supported by strong orders such as the R6 New Kasumigaura Water Conveyance No. 2 Filtration Equipment Construction Project. Project highlights include the completion of the resource treatment facility in Koganei City (METAWATER Sustainable Park Koganei), the completion of the ozone catalytic tank (AOP system) at the Kasumigaura Water Treatment Plant, and the start of construction of the bulky waste treatment facility at the Chigasaki City Environmental Business

Looking ahead to 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, and operation and maintenance 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.

System Solution 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.

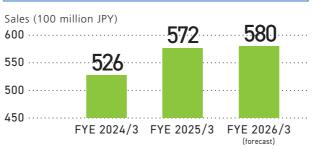
Hajime Ito, Director, Executive Officer / Executive General Manager, System Solution Division

The System Solution Division is an organization that consolidates engineering functions from the design and construction of various electrical equipment for water supply and sewage 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, aging infrastructure, further progress in public-private partnership projects, and environmental issues.

Strengths and Challenges

- 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 mechanical and electrical 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
- Responding to further progress in public-private partnership
- 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 reforms
- Promotion and integration of DX in engineering operations
- Promotion of work-style reforms for on-site workers
- Development of an environment where diverse employees can thrive

Sales / Operating Profit Margin



Review of the Fiscal Year Ended March 2025

Both the SE^{*1} business, which is responsible for EPC, and the CE^{*2} business, which is responsible for point repair, maintenance, and inspection, achieved higher order volumes and sales than the previous year. In terms of orders, the order backlog at the beginning of the period increased by about 10% compared to the previous year due to the acquisition of multiple large projects, including the Okubo Water Treatment Plant monitoring and control system renewal project. In terms of sales, our performance exceeded the initial plan due to steady progress in construction projects such as the Integrated Water Purification Plant Project for the City of Tsubame and Village of Yahiko, as well as strong orders for point repair and maintenance. In addition, to further advance DX in engineering operations, we are working to enhance the functions of the plant information management system and expand its applications, promoting the creation of a more efficient and higher-quality engineering environment.

Looking ahead to Mid-Term Business Plan 2027

Focusing on the demand for renewal and point repair of existing systems, we aim for stable increases in sales and profit by promoting technology and service proposals tailored to customer needs and steadily converting our large order backlog into sales. We will also work to improve efficiency and quality by making further progress in engineering DX, preparing structures to respond to future Water PPP projects and other changes in the market landscape, initiating reforms in business methods, promoting human resource development, and creating a better working environment to address these challenges.

*1 System Engineering *2 Customer Engineering

Feature Value Management Business Strategy Creation Plan Business Strategy and Technology Sustainability Financial Corporate Information I

→ Message from the Business Manager



The PPP Division is involved in a variety of public-private partnership projects, such as the Miyagi Prefecture Integrated Water and Sewerage Public-Private Partnership Operation Project using the concession (Water PPP Level 4) method, and the Arao City Water Supply Business Comprehensive Outsourcing Project, which covers a wide range of operations. We continue to propose and operate water environment projects that meet customer needs and are closely linked with local communities.

Strengths and Challenges

- Participated in an industry-leading number of public-private partnership projects and has a long track record of operations
- Established various risk identification and risk hedging methods for business operations
- Created a system that enables rapid recovery in the event of a disaster
- Established a PDCA cycle to propose the optimal LCC by utilizing know-how on identifying items that require improvement and implementing improvement measures through discussions with clients for other projects under contract
- Ocontinuous development of human resources for PPPs with know-how in long-term O&M
- Securing local talent and building a network for business expansion rooted in communities
- Compensating contracts for rapid increases in personnel and fuel expenses, etc., and promoting further energy savings
- Responding to the second phases of projects after the completion of the first phases of the contract period
- Enhancing adaptability to performance-based orders

Sales / Operating Profit Margin Sales (100 million JPY) 350 318 320 300 250 FYE 2024/3 FYE 2025/3 FYE 2026/3 (forecast)

Review of the Fiscal Year Ended March 2025

In the fiscal year ended March 2025, "K. K. Mizumusubi Management Miyagi (SPC)" of the "Miyagi Prefecture Integrated Water and Sewerage Public-Private Partnership Operation Project" was recognized as a leading example of a cross-sector, multi-facility Water PPP, receiving the Minister's Award at the 1st Public-Private Partnership (PPP) / Private Finance Initiative (PFI) Project Excellent Case Awards for its use of digital technology, improvement of public service standards, and contribution to the local economy. Our group has started business management in the segment responsible for operating domestic water treatment plants, wastewater treatment plants, and resource recycling facilities, and is preparing for Water PPP by collaborating with METAWATER SERVICE Co., Ltd. to optimize facility operation and maintenance (O&M) and renewal.

Looking ahead to Mid-Term Business Plan 2027

We will utilize the know-how accumulated through many years of business operations to win contracts for projects entering their second phase, and will also expand the use of the Operation Support Center (OSC) to achieve both stable operation and further efficiency in our business operations. We also promote collaboration with companies responsible for other infrastructure and local companies, aiming to be the number one company people want to work with for customers, communities, and citizens alike.

International Business Division

We will enhance collaboration with our Group companies and partners to provide technologies and products tailored to local needs

Ken Akikawa

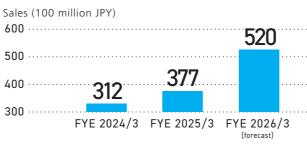
Executive General Manager, International Business Division

The International Business Division is accelerating its business development mainly in North America, Europe, and Asia. In April 2025, the Group acquired all shares of Schwing Bioset, Inc. to further strengthen its business foundation in the United States. With this acquisition, together with its existing U.S. subsidiaries, the Group is now well positioned for further expansion in the North American market. In Europe, we are working closely with Mecana AG, FUCHS Enprotec GmbH, and Rood Wit Blauw Water B.V. to address issues such as aging infrastructure, water scarcity, and regulatory compliance. In Asia, we continue to enhance our business structure and local partnerships to meet the region's growing demand for water.

Strengths and Challenges

- Advanced technical expertise and experience cultivated in Japan's water and wastewater markets, particularly in proprietary technologies such as ceramic membrane filtration systems and ozone generation systems
- Strong presence of overseas subsidiaries deeply rooted in local communities and proprietary technologies such as Cloth Media Filter
- Our ability to provide flexible proposals based on the above technologies, along with our strong development capabilities driven by inter-Group collaboration
- Reinforcing measures to address structural changes such as inflation, supply chain stagnation, and tighter regulations
- Contributing to address environmental issues through further expansion of business areas beyond existing markets in Europe, North America, and Asia
- Necessity of reviewing and establishing mid- to long-term water business management systems outside Japan in response to changes in the global water market

Sales / Operating Profit Margin



Operating Profit Margin(%)

(%) 3.5

6.9%

6.9%

Review of the Fiscal Year Ended March 2025

This was a year in which we worked to stabilize our business in existing regions and prepare for further expansion into the North American market. Despite external constraints such as challenges in parts procurement, inflation, and numerous adjustments related to projects, we achieved solid results against our plans through the seamless collaboration of sales, technical, procurement, and back office teams. That said, we recognize that it will be even more important to bring together technological and human resources within the Group and create synergies for future growth.

Looking ahead to Mid-Term Business Plan 2027

To achieve sales exceeding 500 million USD under Mid-Term Business Plan 2027, the Group will focus on North America, Europe and Asia, promoting the development of technologies and products tailored to their respective market characteristics and challenges, while building a structure that organically links the Group's knowledge, human resources and technologies. In particular, we will actively introduce and deploy new processes in the field of advanced water treatment technologies such as water reuse and removal of micropollutants. At the same time, we remain committed to securing and developing our human resources necessary to drive these initiatives forward.

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Topics by Business Segment

Environmental Engineering Division

Completion of the Resource Treatment Facility in Koganei City, Tokyo

The resource treatment facility for the Koganei City Cleaning-Related Facility Development Project (Resource Treatment Facility) entrusted to our company has been completed and has started operation. This facility is responsible for the efficient sorting, compression, and packaging of plastic waste, bottles, PET bottles, and cans generated in Koganei City for use as resources. In the process of sorting plastic waste, our counterflow rotary separator (air separator) has been introduced to improve the safety and efficiency of manual sorting operations. This facility is also the first cleaning-related facility in Tokyo to introduce naming rights, and our company has acquired the naming rights for its nickname. The name METAWATER Sustainable Park Koganei reflects our hope that the facility will become a sustainable facility for future generations and a relaxing place that will function like a park for the citizens of Koganei City.





Facility Exterior

Counterflow Rotary Separator

Facility Overview

- Plastic waste: 12.0 t / 5 hours
- Bottles: 6.1 t / 5 hours
- PET bottles: 2.0 t / 5 hours Cans: 1.5 t / 5 hours

21.6 t / day (5 hours)

System Solution Division

Integrated Water Purification Plant Project for the City of Tsubame and Village of Yahiko

Delivery of a complete set of electric equipment for the new water treatment plant and related facilities

In Tsubame City and Yahiko Village, Niigata Prefecture, four aging water treatment plants were consolidated into one location, and a new integrated water treatment plant that employs a ceramic membrane filtration system was constructed. As a member of the joint venture responsible for this project, we delivered a complete set of electric equipment for the new water treatment plant and its related facilities. Furthermore, as a member of the special purpose company (SPC) responsible for 20 years of operation and maintenance, we carry out maintenance for electric equipment and provide services using WBC, promoting greater efficiency in operation and maintenance.







Electric Equipment

Water Treatment Plant

Ceramic Membrane Filtration Unit Full View of the New Integrated

Overview of the Integrated Water Purification Plant Project for the City of Tsubame and Village of Yahiko

Project Method	Design, Build and Operate (DBO) Method
Project Period	Project Period (Design and Construction): June 2020 – March 2025 Operation and Maintenance Period: April 2025 – March 2045
New Integrated Water Treatment Plant	Planned Water Supply Volume: 42,500 m³/day

PPP Division

The Miyagi Prefecture Integrated Water and **Sewerage Public-Private Partnership Operation Project Enters Its Fourth Year**

Japan's first concession integrating the three businesses of water supply, industrial water supply, and sewerage, the Miyagi Prefecture Integrated Water and Sewerage Public-Private Partnership Operation Project, has entered its fourth year since operations commenced in April 2022 by K. K. Mizumusubi Management Miyagi a special purpose company (SPC) led by our company. Before the project was implemented, there were voices of concern and opinions from the citizens of the prefecture; however, in the three years since, there have been no major problems in the waterworks, industrial water supply, or wastewater treatment, and the project has generally proceeded smoothly.

Project Features

- Japan's First Waterworks Facility Operation Project (Concession Project)
- A Cross-Sector Project Covering Waterworks, Industrial Water Supply, and Sewerage

Project Highlights

DX Promotion

The Miyagi Water DX Platform (MDP) and an integrated wide-area monitoring and control system have been introduced. Leveraging the advantages of managing nine projects in an integrated manner, the information and know-how on operation, management, maintenance, and inspection at each facility have been centralized, leading to greater efficiency and labor savings.

Information Dissemination and Public Relations Activities

The Mizumusubi Festival is held every year from September to October, during which three purification centers—Kennan, Senen, and Yamato—are opened to the public. To date, approximately 3,000 residents of the prefecture have attended the event.

Awards and Commendations

The project has been favorably received for its establishment of an integrated management system, cost reductions through the use of digital technology, development of local human resources, and contributions to the local economy.

June	2024	1st Cabinet Office Public-Private Partnership/ Private Finance Initiative Project Best Practice Awards (Minister's Award)
January	/ 2024	7th Infrastructure Maintenance Awards (Minister of Land, Infrastructure, Transport and Tourism Award)
October 2023 Miyagi Prefecture Enterprise Bureau received the FY2023 Water Innovation Award (Grand Prize)		

International Business Division

Schwing Bioset, Inc. Joins METAWATER Group

METAWATER Co., Ltd. has acquired all shares of Schwing Bioset, Inc. ("SBI") and its subsidiary, Revinu, Inc. ("Revinu"), through METAWATER USA, INC.

SBI, located in Minnesota, USA, is a leading engineering firm specializing in sludge treatment engineering and services across North and South America. Its flagship product, the piston pump, holds an overwhelming market presence in North America, particularly for its ability to handle sludge with low moisture content. The pumps are highly regarded and used not only for sewage sludge but also in mining operations. Its subsidiary, Revinu, offers sludge transportation, rental of sludge treatment equipment, and operations of a wastewater treatment plant.

Overview of Schwing Bioset, Inc



Location	Minnesota, USA
Founded	2006
Business Description	Sales and manufacture of sludge treatment systems
Director and Chairman	Ken Akikawa
President and CEO	Thomas Anderson

Overview of Revinu, Inc.



Location	Florida, USA
Founded	2004
Business Description	Sludge transportation, rental of sludge treatment equipment, and operations of a wastewater treatment plant
Director and Chairman	Ken Akikawa
President and CEO	Daniel Anderson

Products and Systems













Screw Press

Nutrient Recoverry

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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.

Management

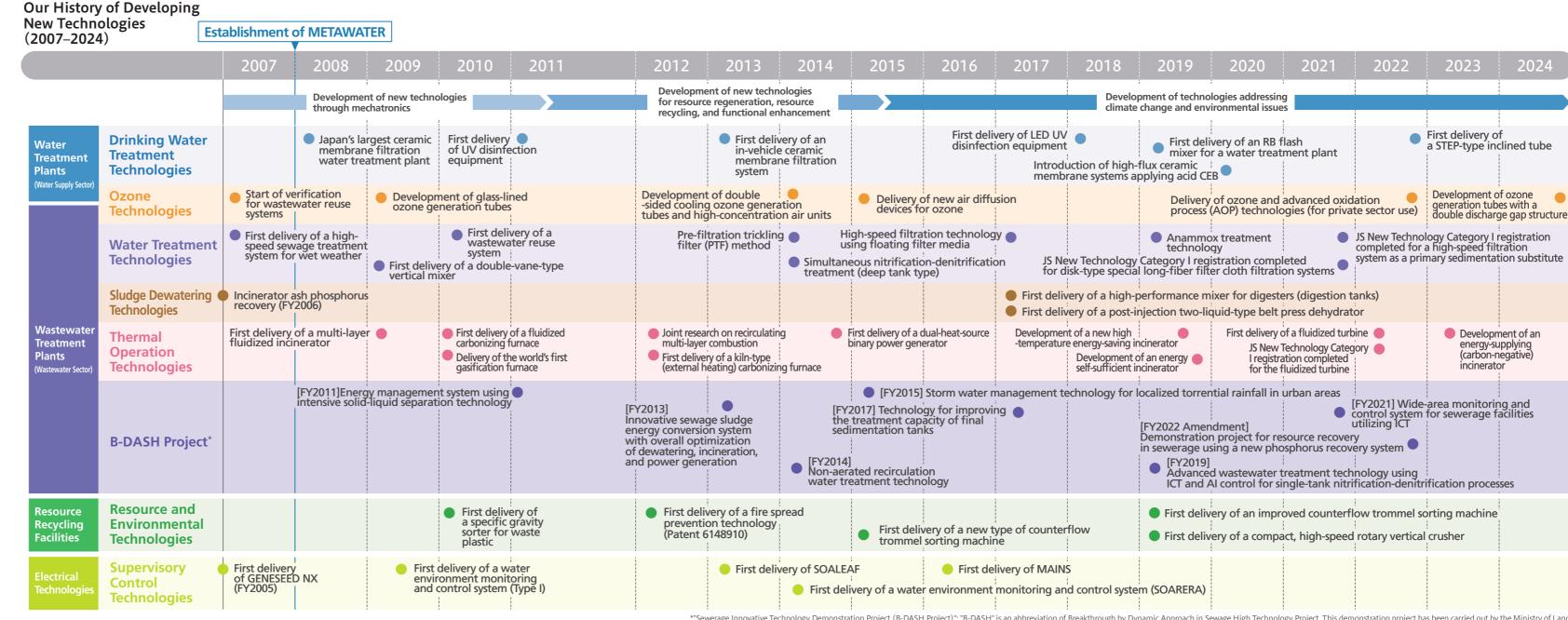
Business Strategy

FY2024 Topics

Hayama Purification Center and Related Facility Development and Operation Project Renewal of central monitoring equipment and expansion of electric equipment

To provide affordable and high-quality services, Hayama Town in Kanagawa Prefecture is expanding and renewing purification centers and relay pumping stations using the design-build (DB) method, which helps reduce construction costs, with the aim of improving operational efficiency through the introduction of comprehensive private-sector outsourcing.

We are tasked with renewing the central monitoring equipment and expanding the electrical equipment for this system. Furthermore, we are contributing to the reduction of operation and maintenance costs by providing Water Business Cloud (WBC) services.



*"Sewerage Innovative Technology Demonstration Project (B-DASH Project)": "B-DASH" is an abbreviation of Breakthrough by Dynamic Approach in Sewage 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.

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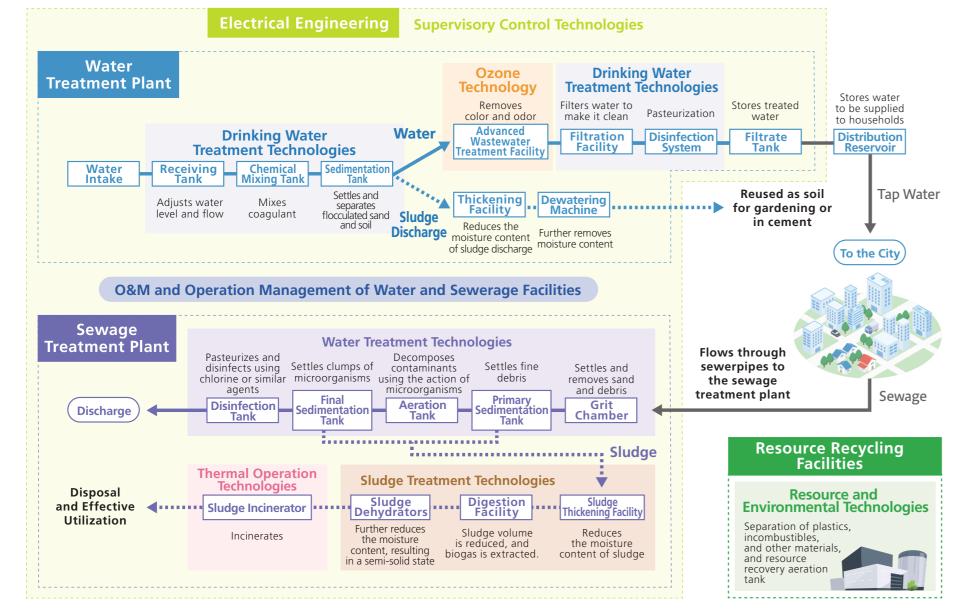
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Business Strategy

Flow of Water, Sewage, and Resources in the Environment

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



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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).



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 and easy management

Environmentally Friendly



15 years and can be recycled into raw



Enables filtration at low pressure, as well as energysaving operation by utilizing water level differences

Sand (Medium)

Sand (Coarse)

Treated Water



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







Water Replenishment Project for a Pond with Decreased Water Levels due to Climate Change

~Pilsen, Czech Republic~

The Bolevec Ponds have long been cherished as a place for recreation where citizens enjoy swimming. However, in response to the recent drop in water levels caused by the effects of climate change, measures were taken to replenish the pond with water from a nearby river. In this project, in order to protect the ponds' ecosystem, it was important to prevent the inflow of crayfish plague spores (0.4 µm) and to remove phosphorus to suppress the growth of photosynthetic microorganisms Our European partner company ENVI-PUR s.r.o. designed and constructed a water treatment facility using ceramic membranes to address these challenges. This innovative facility is also attracting attention as a new example of how ceramic membranes can be applied.



Filtration System

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Rapid Mixer

(RB-Type Flash Mixer)

chemical mixing with

Variable Pressure

Control

Reduced power

consumption in

wastewater treatment

Approximately

Mixing Blade

Radial blade (RB)

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Technologies 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 initiatives aimed at achieving 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 the fiscal year ended March 2023, we also established the Carbon Neutral Solutions Technology Department as a specialized organization. This department uses indicators to quantify the contribution of our products and technologies to carbon neutrality and strengthens proposals for solutions to address customer challenges. Specifically, we have used brochures and other materials that clearly explain the benefits of our products and technologies in terms of carbon neutrality, and have made over 100 proposals in the two years since the fiscal year ended March 2023. 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 (Scope 1, 2)	Consolidated Subsidiaries*	2020 (3,982 t-CO ₂ /year)	2030	70% reduction	5,310 t-CO₂
			2050	Net zero	/year (FY2024)
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:/year)	2030	50% reduction through the introduction of products and systems	302,575 t-CO ₂ /year (FY2022)

^{*}The following companies are included, with the domestic period from April to the following March, and the overseas period from January to Decembe 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.

Products and Technologies That Contribute to Carbon Neutrality Multi-Layer Fluidized Incinerator An incinerator with a layered The introduction of the structure that efficiently RB-type flash mixer enables combusts sludge low power consumption. Approximately in N₂O Compared to conventional (suspended type) mixers at a planned water treatment capacity of 100.000 m³/day at facilities where our products have been delivered 66666 99999 Approximately 20 % reduction in fuel consumption Compared to conventional of facilities where our products have been **High-Speed Filtration System** as an Alternative to Primary Sedimentation (Intensive Solid-Liquid Separation) Primary sedimentation tank Set a necessary and sufficient using high-speed filtration as discharge pressure in real time according to load fluctuations an alternative to primary

sedimentation reduces power

consumption by

Comparison Under Certain Conditions

Technologies 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 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, organic matter, nitrogen, and phosphorus are removed through biological treatment (aerobic treatment) using granular sludge (granules) formed in the aeration tank, demonstrating the effects in terms of treated wastewater quality, treatment capacity, and reduction of power consumption. Assuming a future decrease in influent sewage volume, the project aims to gradually downsize the facility and flexibly reduce treatment capacity while using automatic control technology to suppress excessive power consumption. For this demonstration, we will use the "Nereda® technology," an aerobic granular sludge water treatment technology for which our company has an exclusive license agreement with Haskoning (Netherlands).

Overview of This Technology

- · Aerobic granules have higher settling properties than conventional activated sludge and have the characteristic of forming aerobic, anoxic, and anaerobic zones within the sludge, making it possible to perform three-stage cycle treatment in a single aeration tank.
- · Because the concentration of sludge in the aeration tank can be greatly increased, the capacity of the aeration tank can be reduced, eliminating the need for the primary sedimentation tank and the final sedimentation tank.
- · This enables compact reconstruction even for facilities that use the conventional activated sludge process.

Features of This Technology

1 Societal Benefits

- Supports downsizing
- Small civil engineering structure, making seismic reinforcement and disaster recovery easy

2 Economic Benefits

- Extremely compact facility, reducing construction costs
- Fewer power equipment units, enabling reduced O&M costs and energy savings

Environmental Benefits

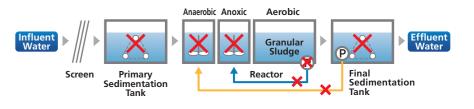
- Contributes to reductions of CO₂ emissions through energy saving
- When used as an alternative to the standard method, N₂O emissions can be reduced to the same level as the A2O method
- Promotes the reconstruction of advanced wastewater treatment systems and contributes to water environment management

Reduction Rates of This Technology Compared to Conventional Methods

		Compared to A20 Method	Compared to Standard Method
	Installation Area	Approx. 70% decrease	Approx. 50% decrease
	Power Consumption	Approx. 35% decrease	Approx. 15% decrease
:S	Construction Cost / O&M Cost	Approx. 30% decrease	Approx. 20% decrease

Cross-Sectional Illustration of Three-Stage Cycle in the Aeration Tank **Granular Biosolids** Nitrifying Bacteria Phosphorus-Accumulating 1) Inflow/Outflow Process Denitrifying Bacteria Glycogen-Accumulating Three-Stage Cycle The outer layer (light blue) is aerobic. **2**Aeration ③ Sedimentation the center (light green) is anaerobic, and the area in between is anoxic Process Process

Eliminating the Need for Advanced Wastewater Treatment Facilities by Adopting This Technology



Overview of the Project

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

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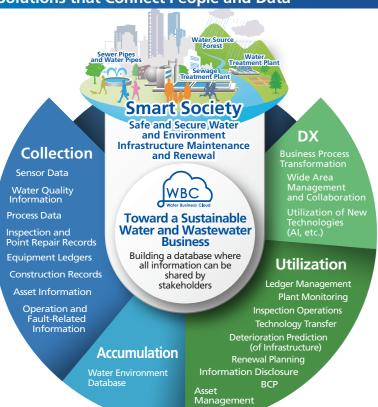
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Technologies We Take Pride in

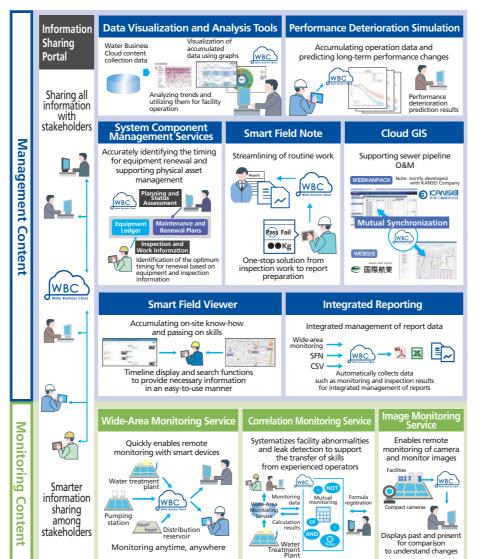
Water Business Cloud (WBC)

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 water and environmental sustainability, realizing smart and sustainable water and wastewater systems.

WBC Solutions that Connect People and Data

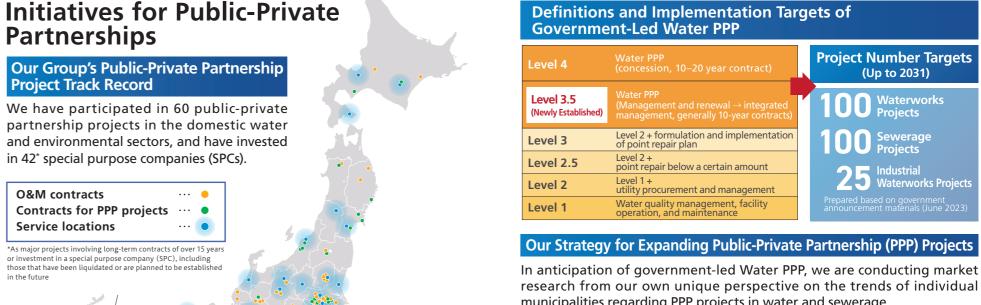






Initiatives We Take Pride in PPP

METAWATER REPORT 2025



municipalities regarding PPP projects in water and sewerage.

Taking into account profitability, investment recovery, etc., we narrow down the PPP projects to participate (bid) in and make strategic decisions to allocate resources.

Operation Support Center (OSC)

To support operational stability and improve work efficiency at facilities with PPP contracts, which have been increasing in number each year, we established Operation Support Centers at our Nagoya office (2023) and our Arao City office

Water Business Cloud (WBC) centrally monitors operating conditions and provides 24-hour support to on-site operators.



Operation Support Center (OSC)

Examples of Orders Corresponding to Water PPP







Kumamoto Prefecture Ariake Miyagi Prefecture Integrated Water /Yatsushiro Industrial Waterworks and Sewerage Public-Private Operation Project

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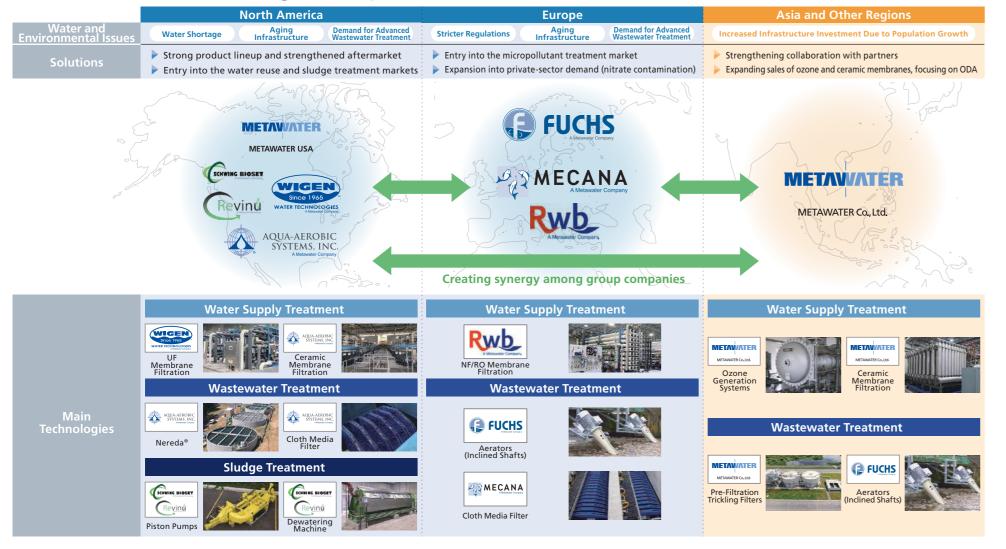
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Initiatives We Take Pride in International Business

Building Local Systems to Meet the Growing Demand for Advanced Wastewater Treatment, such as Water Reuse and Micropollutant Treatment, Centered on Strong Products and Technological Capabilities



Initiatives We Take Pride in Digital Transformation (DX)

Pioneering the Future of Water and Environmental Infrastructure Through Digital Transformation (DX)

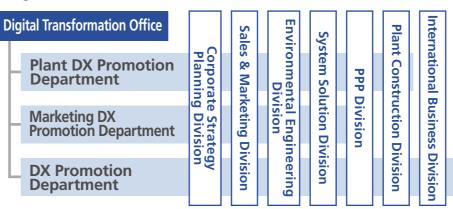
Digital transformation (DX) plays an essential role in realizing a sustainable society and enhancing corporate value. As such, our company regards DX as one of the most important management challenges and is actively investing in building organizational structures, promoting innovation through DX, and developing digital talent.

To address societal issues in the sustainable water and environmental sector, we aim to pioneer the future of water and environmental infrastructure by minimizing plant life cycle costs (LCC), optimizing operations, and creating new value for customers through digital transformation (DX).

Our Group's Digital Transformation (DX) Promotion Framework

To effectively advance digital transformation (DX), we have established a company-wide system centered on the Digital Transformation Office, where all departments collaborate to implement the PDCA cycle for digital business transformation and drive continuous improvement.

We also secure the resources necessary to advance DX, such as personnel, budget, and IT infrastructure.



DX Promotion Initiatives

We are promoting three digital transformation (DX) initiatives: Engineering DX, Marketing DX, and Business DX and Common Platform Enhancement

Engineering DX

We aim to improve efficiency. quality, and labor-saving at sites in plant design, construction, and operation.

Marketing DX

We consolidate information on customer data, sales activities. orders, deliveries, and post-installation support into a data warehouse to strengthen the linkage between sales activities and customer management.



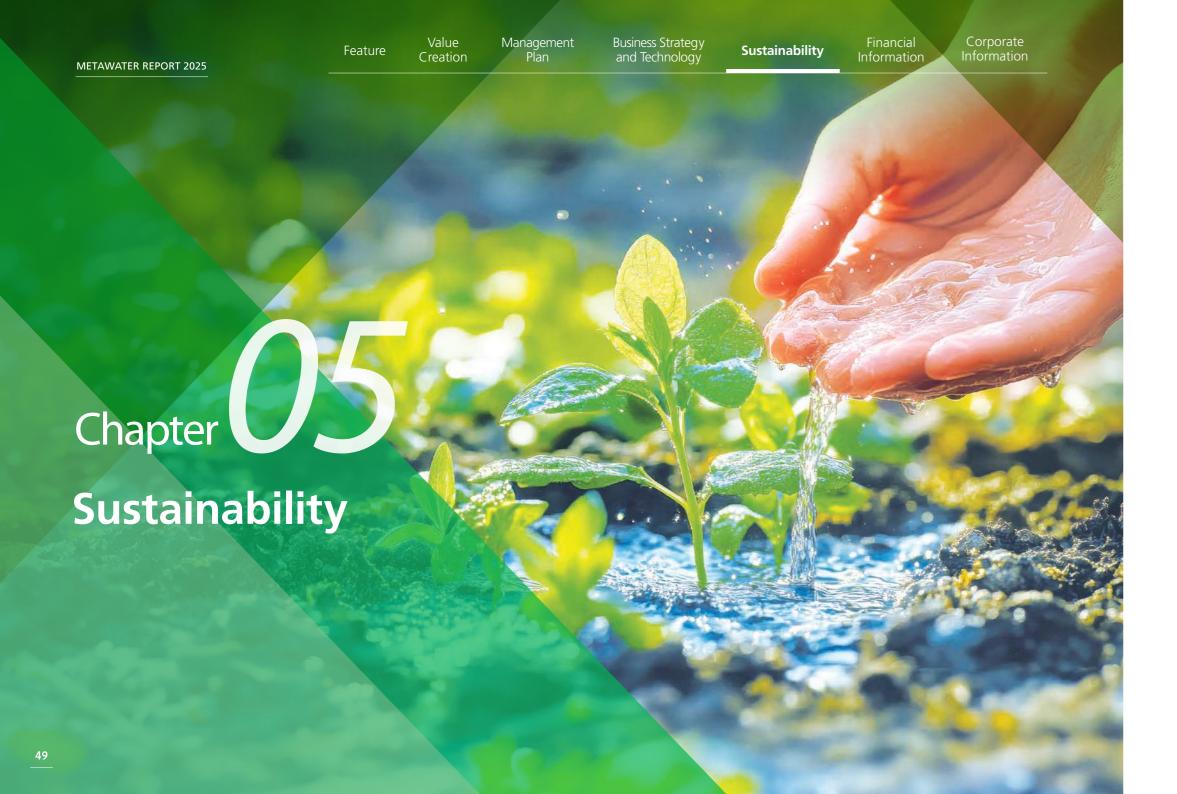
Business DX and Common Platform Enhancement

We have planned a company-wide digital talent education program to promote DX. We are conducting step-by-step digital talent training so that even non-IT specialist teams can acquire the level of digital expertise necessary to solve departmental issues. As a foundation for company-wide data utilization, we have made the data platform BigQuery available, provided secure generative AI to all employees, and are promoting its use in business operations.

Results of DX Promotion Efforts to Date

We have obtained certification as a Certified DX Business Operator under the DX certification system established by the Ministry of Economy, Trade and Industry. Our company is the first to be certified as a "Water Supply Business" in the "Electricity, Gas, Heat Supply, and Waterworks" category (major classification) of certified business operators.





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Our Group's Sustainability Initiatives

Material Issues (Materialities)

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

ESG	Material Issues (Materialities)	Goals	Contribution to the SDGs
	O O Water Environment	 Contribution to sustainable water and wastewater facilities Contribution to water environments overseas Conservation of water source forests 	6 CLAN MITTER 9 MOCHTE PROGRESS 11 SUSTAINAL TRUS AND COMMENTES 15 UF FOR THE GOLDS 17 PARTHESONE'S FOR THE GOLDS
E	Recycling- Oriented Society	 Contribution to sustainable recycling facilities Promotion of industrial waste reduction and reuse Reduction of environmental impact 	11 SIGNAME CHE 12 REPORTER 12 CONSIDER AND INCOME.
	Reduction of greenhouse gas emissions	 Reduction of GHG emissions at water and wastewater facilities Reduction of supply chain emissions (CO2) 	7 APPOINTMENT AND PROGRAMMENT
C	Local Communities	 Revitalization of local communities and economies Disaster response support Social contribution activities 	9 NOTICE PROVIDED 11 SECREMENT OF THE MELTINGS FOR THE COLLS
5	ကို Human ဂိုဂို Capital	 Creation of rewarding workplace environments Educational support for employees Improvement of occupational health and safety 	5 CENTER 8 ECONOMIC CONTINUE 10 MENUALTES \$\frac{1}{4}\$\$
G	€ Governance	Enhancement of corporate governancePromotion of compliance	16 PRACE LISTING NO STRONG NO STRONG NO STRONG NO THE COLUS NO THE COL

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ESG Driven by Four Business Segments

Our group regards ESG as the pillar of our business

Each segment—the Environmental Engineering Business, System Solutions Business, International Business, and Operations Business—promotes ESG initiatives, and by generating synergies, the group aims for new growth while resolving social issues and enhancing corporate value at the same time.





International Business



Society

Contributing to Local Communities

- Safe water supply projects in Japan and overseas Support for infrastructure development in developing countries
 - Various disaster area support activities

Environmental Engineering Business

Operations Business International Business

Mobile Ceramic Membrane Filtration Effective for emergen water supply support

during disasters



Human Capital Management

- Introduction of systems to support diverse work styles
- Promotion of health management and establishment of a safe workplace environment Human resource development to support
- growth and challenge

Collaboration with Stakeholders

- Collaboration with local companies and recruitment of local talent
- Generating synergies among domestic and international group companies

Operations Business

International Business



Governance

Strengthening Governance

Ensuring diversity on the Board of Directors and achieving greater governance independence

Risk Management

- ESG-related risks
- Cybersecurity measures

Highly Transparent

- the integrated report and on the website

Awareness Events Actively held at events at each location



- Thorough Compliance Education

- Identifying and regularly monitoring
- Ensuring supply chain transparency

Information Disclosure

- Disclosure of ESG data and initiatives in
- Active information disclosure and awareness-raising events in public-private partnership projects



Environmental Policy

Environmental Policy



METAWATER REPORT 2025

Environmen

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.



- Reducing environmental impact in corporate activities
- Active participation in social and community contribution activities Activities to prevent environmental accidents and contamination
- Compliance with environmental laws, regulations, and other requirements
- Continuous provision of products and services that contribute to reducing environmental impact



- 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



- 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 all other daily operations.)
- Addressing issues by identifying and evaluating risks, opportunities, and environmental aspects
- 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

- Promoting proper treatment and reuse through strengthened management of waste
- treatment (industrial and general waste) Reaffirming compliance requirements for environmental laws and regulations, responding to revisions, and ensuring thorough awareness

4. Strengthening response capabilities for business continuity

Enhancing response capabilities in emergencies

Environmental Activities at METAWATER

(Environmental Management System)

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

* 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

Wide Chi President Manage

Management

Overall supervision of environmenta

activities (acting top management) ieneral Manag Quality Assuran Department

The General Manage of the Quality Assurance Department has overall responsibility for operation and maintenance (O&M) for QMS/EMS.

QMS/EMS Secretaria

maintenance

inspection, and

promotion

Each Executive

General Manager oversees departmental management. Operational

departments

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Environment

Natural Capital

Approach to Natural Capital

The water and wastewater business is founded on the benefits of water as natural capital. In addition, the resource and environmental business contributes to the conservation of natural capital by curbing resource consumption and promoting recycling. The group aims to use natural capital sustainably through its business activities.

Initiatives Related to Natural Capital

Water Source Forest Conservation (Waterworks)

Contributing to the protection of water recirculation and the stable supply of water sources through water source forest conservation

Biodiversity Conservation (Wastewater System)

Contributing to biodiversity conservation through appropriate treatment using proprietary technologies and operations

Formation of a Recycling-Oriented Society (Resource and Environment)

Contributing to the formation of a recycling-oriented society through integrated and functional design, construction, and operation, as well as resource recovery and recycling

Risks and Opportunities

Risks and Mitigation Measures Related to Business Promotion

Risks with Negative Impacts	Mitigation Measures
Risks related to water quality management	 Compliance with water quality standards and effluent standards Strengthening water quality management through the installation of water quality sensors and the development of response manuals, addressing both physical and procedural measures
Risks related to water resource conservation	 Preventing the shift to alternative water sources by improving services for users Procurement of environmentally friendly materials, addressing environmentally hazardous substances, compliance with environmental laws and regulations required by national and local governments where waste management projects are conducted, and conducting environmental impact assessments as necessary
Risks of non-water-related negative impacts on the environment	 Reducing the amount of industrial waste generated by minimizing and effectively utilizing water treatment residuals and sewage sludge Providing sufficient explanations to local residents when implementing business activities
Risks related to resource environments	Introduction of advanced technologies to minimize damage in the event of accidents such as fires Introduction of high-precision, high-efficiency resource recycling technologies that enhance regulatory compliance and improve labor efficiency
Risks related to occupational safety	 Consideration for Human Rights Thorough safety and health management and safety education for employees and contractors to prevent occupational accidents

Opportunities and Areas for Business Expansion

Market development through the advancement of water treatment technologies

- Resource recycling fields, such as phosphorus recovery from sewage sludge
- Energy creation fields, such as power generation from digester gas

Development of SDG initiatives and decarbonization technologies

Carbon neutrality technology fields

Advanced technology fields, such as aguaponics

Increasing overseas water demand

- Advanced wastewater treatment fields, such as micropollutant treatment and reclaimed wastewater markets
- Infrastructure investment fields associated with population growth

Disclosure of Climate Change Information Based on TCFD

Our group considers 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.

Indicators and Targets for GHG Emissions of Our Group

Items	Scope	Base Year	Target Year	Target Details	Actual Value	
GHG emissions	Consolidated	2020	2030	70% Reduction	5,310	
(Scope 1 & 2)	Subsidiaries*	2020	2050	Net Zero	t-CO ₂ (FY2024)	
Reduction of GHG emissions by customers (municipalities)	Domestic Sewerage Facilities (Thermal Process Related)	2013	2030	50% reduction through the introduction of products and systems	302,575 t-CO ₂ (FY2022)	

^{*}The scope includes METAWATER Co., Ltd., METAWATER SERVICE Co., Ltd., METAWATER USA, INC., Aqua-Aerobic Systems, Inc., Mecana AG, FUCHS Enprotec GmbH, Wigen Companies, Inc., and Rood Wit Blauw Water B.V. Overseas subsidiaries aggregate GHG emissions for the period from January to December 2024.

Current Initiatives

- Reducing office electricity use through work style reforms and other measures
 Introducing and generating renewable
- Introducing and generating renewable energy at contracted operation facilities
 Utilizing renewable energy
- (non-fossil certificates)
 Developing and proposing products and services that contribute to reductions in customer GHG emissions

Future Initiatives

Creation

- Electrification of equipment and company vehicles
- Promotion of energy saving activities through operational improvements
- Further contribution to 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 Addressing Particularly Important Risks/Opportunities

Keywords	Main Content	Less than 1.5°C		Main Policy Response	
Carbon Regulations (such as Carbon Tax) Low-Carbon Technologies	Increased construction costs for 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	Expansion of the market for energy saving, renewable energy, and energy creation (the same applies to water and contamination measures)	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		Large	Introduction of technologies and systems to shorten on-site	
Heat Stiess	Market expansion for products and services that address rising temperatures	Medium	Large	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	

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.

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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. Major initiatives include adopting 100% virtually renewable energy for electricity use at all domestic sites (starting April 2023), reducing office electricity consumption, identifying and recycling industrial waste, and promoting paperless operations by expanding the use of electronic manifests.

Promoting Office Electricity Consumption Reduction

Electricity Consumption (Office)

Electricity consumption per person

Electricity consumption

(Thousand kWh)

2,000

1.000

(Fiscal Year) 2020 2021

Efforts to reduce office electricity consumption are underway with the goal of achieving a 1% cut compared to the previous fiscal year. We continue to work toward this goal through a multi-faceted approach. For example, in addition to turning off lights, 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*1)

*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.

Achieved 100% Virtually Renewable Electricity Use

Managemen

(Thousand kWh)

3,007 2.986 1.5

2022 2023 2024

Business Strategy

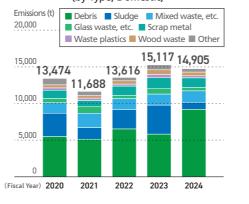
To successfully address the material issue (materiality) of reducing greenhouse gas emissions (GHG emissions reduction), from fiscal 2023, all 52 domestic sites, including the head office and construction site offices, have achieved 100% virtually renewable energy for electricity use (renewable electricity ratio) by utilizing tracked non-fossil certificates*2. As a result of this initiative, approximately 5.8 million kWh of annual electricity use, equivalent to a reduction of about 2,600 t-CO2 in GHG emissions, has been switched to virtually renewable energy.

*2 A non-fossil certificate is a certificate that extracts and certifies the "non-fossil value" of electricity generated from non-fossil power sources such as solar, wind, and biomass, and includes 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. In addition, to promote the reuse of industrial waste, we outsource disposal to treatment companies with resource recycling facilities. The recycling rate in fiscal 2024 improved to 97.4% (from 95.4% in fiscal 2023).

Trends in Industrial Waste Emissions (by Type, Domestic)



Expanding the Adoption of Electronic Manifests

To promote paperless operations and 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. The electronic manifest adoption rate in fiscal 2024 reached 99.3%, far exceeding the national average (86.9%).

Water Source Forest Conservation

Rainwater that falls on forests infiltrates the ground, where over time impurities are removed in the soil before the water flows out. This kind of forest mechanism is generally known as a "water source recharge function," and it not only purifies water but also prevents floods and droughts, maintaining a stable water flow. Trees in forests and woods are said to absorb carbon dioxide and produce oxygen through photosynthesis, thus helping to prevent global warming. 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.

This also leads to increased employee awareness of ecosystem protection and global environmental conservation.

Specific activities since fiscal 2010 have included tree planting and grass cutting at METAWATER Okutama Forest, as well as bamboo forest maintenance with the Hirakata Forest Volunteers. In fiscal 2024, we carried out eight activities in five prefectures—Miyagi, Tokyo, Kanagawa, Yamanashi, and Osaka—including on-site tree planting, thinning, woodland and bamboo forest conservation, as well as support through donations and sponsorships.

FY2024 Results of Our Group's **Watershed Forest Conservation Activities** Aoshita-no-Mori METAWATER Okutama Forest Miyagi Prefecture Creating a Water Source Forest Together Source Forest Volunteers Yamanashi Osaka Prefecture Prefecture Kanagawa 🖳 Prefecture Hirakata Forest Volunteers Water Source Eco Project 'W-eco'p"







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Forest conservation activities conducted by Hirakata Forest Volunteers (Osaka Prefecture) Underbrush cutting conducted at METAWATER Okutama Forest (Tokyo)

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Social

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.

Human Resources Philosophy

Aiming to realize a sustainable environment and society, we regard 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 such 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

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 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, the prescribed working hours will be reduced to seven hours, further promoting the creation of a more comfortable workplace environment to improve productivity.

As for health 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 are our greatest asset. In addition to formulating company-wide safety and health management policies, establishing a health management center, holding walking events, and providing mental health care education, we have positioned health management as a key corporate strategy from fiscal 2024. 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."



Director and Senior Executive Officer Executive General Manager, Corporate Strategy Planning Division

Michio Fujii

Safety, Security, and Health

▶ P59~61

The group is engaged in safety and health initiatives to promote the creation of a workplace environment where all stakeholders. including employees, can work safely. It is also engaged in health management, which ties the maintenance and promotion of employee health to enhanced corporate value. As part of its safety and health initiatives, the group takes measures such as establishing safety and health management policies and systems, implementing guidelines, and conducting thorough risk assessments to ensure on-site safety measures. As part of its health management initiatives, we have established a system in which occupational physicians and psychological counselors follow up on employee health management. We have also implemented health initiatives that promote walking and mental health care.

Indicators and Targets*1

Occupational Accident Frequency Rate

1.04

Stress Check

High Stress Ratio (National average: 15.7%)

8.2%

Health Management Cost per Employee

¥48,200

Respect for Diversity

► P63

The group promotes diversity and inclusion under the belief that employees of diverse backgrounds and values contribute to the company's growth by fully demonstrating their individuality, abilities, and aptitudes. To support the advancement of female employees, the group actively recruits women and systematically appoints them to management positions. In addition, we continuously provide support for balancing work and childcare, and have achieved a 100% rate of parental and childcare leave taken by both male and female employees. Other initiatives include establishing support systems for balancing work and nursing care, and promoting the active participation of people with disabilities by expanding

Indicators and Targets*1

Percentage of Female Employees in Management Positions

4.6%

Percentage of Male Employees Taking Childcare Leave

100.0%

Percentage of Employees with Disabilities

2.95%

Pursuit of a Comfortable Working Environment

enable diverse work styles.

► P62

In order to become the number one company to work for, we regard human resources as human capital and position them as the core of our corporate competitiveness. The group promotes work style reform to enable each employee with diverse values to fully demonstrate their abilities. From fiscal 2025, as a new initiative, we introduced "workations," which enable employees to balance work and vacation. Furthermore, we shortened the prescribed working hours to seven hours to promote flexible work styles. Existing measures such as the telework system, satellite offices, the four-day workweek system, the elimination of assignments away from family, and the remote work system have also become established, and we are building workplace environments that

Indicators and Targets*1

Work Option Achievement (Employee Awareness Survey Results)
Average 3 7.2
score: 97.5-point scale

Third-Year Retention Rate for New Graduate and Mid-Career Hires

New Graduate Hires Mid-Career Hires 89.8% 88.1%

Cumulative Numberof Job Returnees (System Introduced in FY2018)

Turnover Rate 1.9%

Support for Growth and Challenges

their job opportunities.

▶ P64

People are our greatest asset, and accordingly, we regard the establishment of environments and systems that maximize the abilities of employees with a desire for growth as a key management priority.

A wide range of training programs is provided, including level-based and designated training that employees can take according to their stage of growth, elective training programs that encourage self-directed skill development, and job-specific specialized skills training. In addition, for national and public qualifications that are important for business operations, we provide comprehensive support, including exam preparation quidance and financial assistance.

Indicators and Targets*1

Training Cost per Person

¥91,000

Number of Participants in Elective (Self-Development) Training

957 people

Number of Employees with Award-Eligible Qualifications

34 people

 $-\frac{58}{}$

^{*1} Actual results for our company. *2 The Employee Awareness Survey reflects the most recent results (fiscal year ended March 2023). *3 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.

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Safety, Security, and Health

Safety and Health

Safety and Health Management Policy

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.

Safety and Health Management System

To promote safety management, systems are established at the company-wide, business site, and on-site 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 compa-



Management

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 in a wide range of work sites, including construction sites.











Initiatives that prioritize on-site safety, from construction to operation and maintenance

▶ Thorough safety measures are implemented from the planning stage of work, and work manuals are standardized and optimized.

Preventing risks before work begins is essential for eradicating occupational accidents. At construction sites, together with partner companies, thorough risk assessments and safety measures are implemented at the planning stage, and compliance with these measures is confirmed during actual work. At operation and maintenance sites, safety is ensured by standardizing work manuals.

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

Business Strategy

Comparison with the National Index	Frequency Rate	Severity Rate
All-Industry Average*1	2.10	0.09
METAWATER*2	1.04	0.02

Frequency rate: Indicates the frequency of accidents (number of casualties per one million total working hours) Severity rate: Indicates the degree of seriousness of

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(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 FY2024 results

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 fiscal 2024, 1,520 employees obtained this license.

▶Implementation of Driver-Focused Training

Safe driving education is provided in accordance with the actual usage conditions of each driver. 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 Management

Health 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

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

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.

Kenii Yamaquchi.

Management

President and Representative Director

Health Management System

Business Strategy

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 main locations, creating a system in which occupational physicians, health management staff, and psychological counselors can provide prompt support to employees at any time.

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Health Management Promotion System Chart

















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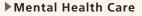
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Health Maintenance and Promotion Initiatives

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 fiscal 2024, in conjunction with the promotion of women's participation, company-wide e-learning on gender differences was conducted to 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 three-month



To prevent mental health issues, "line care education" is provided for managers and "self-care education" is provided for all employees. The group's work style reform is focused on creating a comfortable workplace environment. Reducing commuting stress and promoting life-work balance are also considered part of mental health care.





(Engage)

Initiatives that can attract the interest of those who are indifferent



Initiatives that lead to continuous efforts and behavioral change



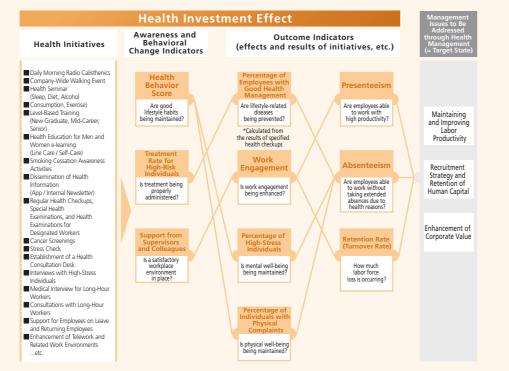
【Involve】 Initiatives that make people want to encourage those around them

▶ Obtained Certification as a Certified Health and **Productivity Management Organization**

After launching full-scale health management in fiscal 2024, we developed systems, implemented various initiatives, and verified their effectiveness. As a result, in March 2025, we received certification under the 2025 Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category) for the first time, granted by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



大規模法人部門



► Health Indicators (Examples)

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

Items	FY2022	FY2023	FY2024
Health Behavior Score*3	3.28	3.34	3.32
Percentage of Employees Undergoing Health Checkups	100%	100%	100%
Percentage of Employees Taking Stress Checks	96%	97%	97%
Number of Walking Event Participants	1,327	1,370	1,391
Percentage of High-Stress Individuals	8.1%	8.2%	8.2%
Presenteeism	82.5%	77.3%	82.6%
Absenteeism (days)	2.3	1.8	3.4
Work Engagement	3.05	3.10	2.64

^{*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

Creating a Workplace Environment that Enables Diverse Work Styles

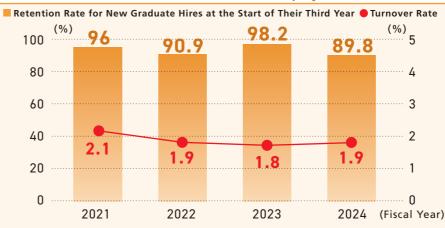
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In promoting work style reform, we aim to build a workplace environment that respects diverse work styles. As part of these efforts, the group has implemented measures that enable employees to work flexibly according to their work progress and lifestyle. In particular, the prescribed working hours have been gradually reduced, and since fiscal 2025, the standard working day has been defined as seven hours. In addition, systems 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.

A Company with High Employee Retention **Due to Work Style Reforms**

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, approximately 90% of new graduate hires remain with the company into their third year, and the turnover rate for all employees is about 2%.

Retention Rate for New Graduate Hires at the Start of Their Third Year and Turnover Rate for All Employees



Aiming to Enable Work Styles Not Limited by Location

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

Since fiscal 2023, we have had a remote work system in place 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 2025, 35 employees are using this system.

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

To maximize each employee's creativity and achieve a fulfilling life-work balance. the group has had a "workation" system in place since April 2025. By introducing "workations," which enable employees to take vacations and work remotely from resort areas and other locations, we encourage greater creativity and new ideas.







▶ Taking on the Challenge of Work Style Reform for On-Site Employees: "Liberalization of Place of Residence"

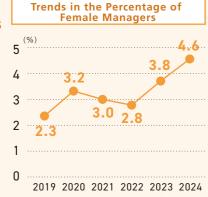
Employees involved in on-site work for large-scale projects such as plant construction often have to go on long-term business trips. The group is considering granting such employees the freedom to choose their place of residence so that they can balance their work while securing time for their personal life.

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Respect for Diversity

Initiatives to support the advancement of female employees

To ensure a diverse workforce, we aim for women to make up 30% new graduate hires, as well as support flexible work styles by introducing systems such as a four-day workweek, hourly annual leave, 4 full-flexible work hours, and divided work hours*1. In addition, we continue to promote initiatives that 3 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 (4.6% in FY2024), thereby further supporting the active participation of female employees.



Management

*1 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 based on the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's

Participation and Advancement in the Workplace. In recognition of our efforts, we received the Kurumin and L-boshi (three stars) certifications.

Improving childbirth and childcare leave utilization rates

As one of the results of our efforts to create a comfortable workplace for employees, we have achieved a 100%*2 childcare leave utilization rate among male employees.(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 72.5 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 fiscal 2023, the method of calculating childcare leave has been changed to include both childcare leave and leave taken for childcare purposes.



Status of childcare leave

for male employees

Average number of days taken Utilization rate

2019 2020 2021 2022 2023 2024

(Fiscal Year)

Promoting an environment conducive to balancing work and nursing care

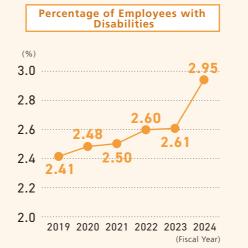
To help employees balance work and nursing care, we have established a support system that includes conducting employee needs surveys and establishing a nursing care consultation service. Furthermore, based on the results of the survey, seminars will be held for each employee's life stage. We will further promote the creation of an environment where it is easy to balance work and nursing care, and the entire company will support employees so that they can do so 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, they have also been actively participating in social contribution activities together with internal stakeholders.



Supporting Employee 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. Our training programs include 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 91.000 ven per employee annually in training, maintaining a level that exceeds the average among listed companies.

Capacity Development System Chart

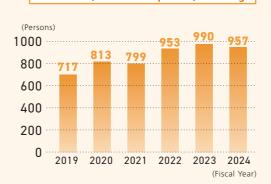


1 External grouptraining 2 Internal group training 3 Correspondence education

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. The number of participants has been increasing, with nearly 1,000 employees attending annually over the past three years.

Trends in the Number of Participants in Elective (Self-Development) Training



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

We offer extensive training programs for both 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.

Mid-career hires receive follow-up training covering topics such as management policies, ESG, compliance, and mental health, as well as personal counseling. Mental health courses help employees manage stress caused by changes in their environment, while personal counseling supports their smooth integration into the workplace.



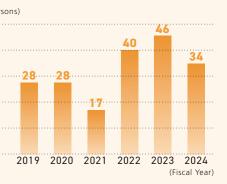
Themes of follow-up training for mid-career hires (examples)

- Mental Health Medium-Term Management Plan Intellectual Property
- Employee Invention Regulations Internal Control Social Contribution Antitrust Law 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—a key management priority. To support this, we have established an environment that enables employees to proactively take on the challenge of qualification exams. As an example, we provide preparatory guidance for qualification exams, financial assistance for exam-related costs, and commendations for employees who obtain qualifications.





Sustainability Information and Technology Information and Technology Information Information Creation Plan Creation **METAWATER REPORT 2025 METAWATER REPORT 2025**

Contribution to Local Communities

As a group that handles "water," an essential resource for local life and industry, we regard supporting water and environmental infrastructure as our mission for society. By collaborating with local stakeholders, including customers, partner companies, and civic organizations, and providing products and services tailored to their respective challenges, 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 disasters, financial strain due to population decline, and 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 ICT and wide-area collaboration, recruitment and development of local human capital and technology transfer, and collaboration with local companies. The group contributes to the revitalization of local communities and economies, and further, to the creation of sustainable communities through its business activities.

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

With the mission to "keep the water flowing at all times," we operate a network of 34 service locations nationwide, providing community-based business operations that ensure a stable water supply, from emergency responses to disasters and breakdowns to consultations on the operation and maintenance of facilities and equipment For projects involving contracted operations, we are particularly focused on strengthening the advancement of asset management and the establishment of business continuity management (BCM), thereby contributing to the realization of a sustainable water supply business.

Business Strategy

Managemen

Demonstration of Resident-Participatory Waterworks Facility Operation and Maintenance Using Web3* in Nishikawa Town, Yamagata Prefecture

In 2024, as a solution to the shortage of personnel in the water and wastewater business caused by the population decline, we launched a project with Frame00. Inc. to support the formation of communities that use Web3 to enable the operation and maintenance of water and wastewater system infrastructure with the participation of residents. In Nishikawa Town, Yamagata Prefecture, which

agreed to participate in this project, a preliminary



Corporate

A participant checks and

demonstration experiment was conducted from November to December 2024, with seven participants, including town officials and regional revitalization cooperation team members who had no prior experience in the water supply business. In the preliminary demonstration, participants carried out operation and maintenance tasks while checking manuals, and used IT tools to verify the entire process from requesting and reporting task completion to issuing and receiving contribution NFTs.

*A concept related to a decentralized internet that utilizes blockchain technology.

Disaster Support Agreement Concluded with Awara City

In December 2024, a corporate group led by us concluded the Agreement on Support and Cooperation for Water and Wastewater Businesses in the Event of Disasters with Awara City, Fukui Prefecture. Under this agreement, in the event of a disaster, we will provide support for increased telephone and counter services, personnel support for emergency water supply activities, and support for field surveys and emergency restoration efforts for water supply and wastewater system facilities, thereby establishing a rapid recovery system. In April of the same year, our group also concluded a business contract with the city for the Comprehensive Private Outsourcing of Awara City Water and Wastewater Business. This water and wastewater business has been operated in partnership with the public sector, covering everything from fee collection and water supply/drainage application processing to operation and maintenance, inspection, point repair, and partial renewal of water and wastewater system facilities. In addition, at the city's sewage works and wastewater system facilities, the group ensures smooth daily operations and, in the event of a disaster, provides human and material support for prompt recovery.

Social Contribution Activities

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

Forest Volunteer Activities Conducted in Hirakata City

In May of fiscal 2024, we carried out forest conservation activities in the Hotani area of Hirakata City, Osaka Prefecture. This activity has been ongoing since 2015 under the guidance of a local NPO engaged in the restoration and utilization of satoyama (undeveloped woodlands near populated areas), with the aim of learning about coexistence with nature through satoyama and contributing to the conservation of the natural environment. Members of the West Japan Office area take the lead in activities such as thinning bamboo and making bamboo crafts.

Education and Social Education

Outreach Classes and Facility Tours for Children Conducted Nationwide

We conduct ongoing outreach classes for children, who will lead the next generation, to teach them about water recirculation in an easy-to-understand manner. We also offer tours

of water treatment and wastewater treatment plants, giving children the opportunity to gain hands-on experience and learn about roles and mechanisms that they do not usually get the chance to see. These activities involve the utilization of the technologies and knowledge related to water and the environment that we have cultivated through the course of our business activities. In fiscal 2024, outreach classes were held at 31 locations, and facilit tours were conducted at 11 locations.



An outreach class at an elementary school

Contributing to the Community

Held the METAWATER Uchimizu Campaign 2024

Every year on Water Day (August 1), we hold the METAWATER Uchimizu Campaign. In fiscal 2024, the 16th annual event brought together 108 participants, including our employees, who were connected online across 16 locations nationwide—our head office, business sites, and water treatment plants operated under contract by our group—to carry out uchimizu (water sprinkling) simultaneously.

Business Strategy



Corporate

Uchimizu (water sprinkling)

Participation in Events in Areas Surrounding Business Sites

As an initiative to deepen trust with local communities, we participate in events held in areas surrounding our business sites. In fiscal 2024, we participated in the 2024 Hamakko Waterworks Festival, hosted by the Yokohama City Waterworks Bureau. Using a ceramic membrane filtration demonstration device, we explained to visitors how water, through gravity flow from the Doshi water source, is sent to the Kawai Water Treatment Plant and processed for the waterworks.



Scene from the Hamakko Water Festival

Disaster Recovery and Reconstruction Support

Support for Ofunato City After Forest Fires

In February 2025, following a forest fire in Ofunato City, Iwate Prefecture, we donated 5 million yen to the city as relief funds to support affected citizens and aid in the recovery and reconstruction of the disaster area. As a participant in a public-private partnership with the city, we will continue to support the swift recovery and reconstruction of the disaster area through our business activities.

Creation

Management Business Strateav and Technology Plan

Sustainability

Financial Information

Corporate Information

METAWATER REPORT 2025

Creation

Management Plan

Business Strategy and Technology Sustainability

Financial Information

Corporate Information

Quality

Our group pursues a high level of quality that ensures 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.

Distribution of Materials on Quality-Related Topics to All Employees as an Initiative to Prevent Quality Incidents

Learning from past quality incidents, we regularly distribute materials on quality-related topics to all employees to thoroughly prevent the recurrence 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 quideline, "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

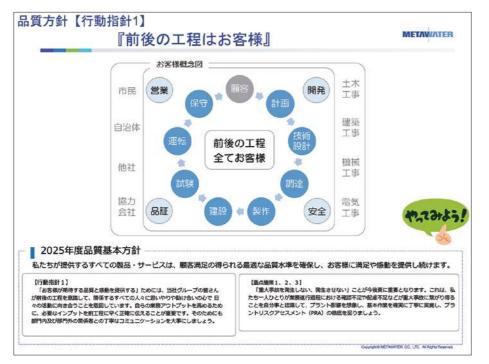
To protect water and environmental infrastructure over the long term, it is essential to foster human capital that can think and act independently. Our group requires all engineers to understand the basic quality policy and to proactively think and act with the aim of eliminating quality incidents.



Quality Objectives

Continuous Quality Improvement

Preventing quality incidents is essential for achieving quality objectives. 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.



Examples of Materials Distributed with "Quality 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 employee education.

Basic Policy for Procurement Activities

1. Legal Compliance

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

2. Strengthening Partner Relationships with Suppliers 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. Maintenance of Sound Business Relationships We will conduct fair, equitable, and transparent transactions. eliminate the transfer of inappropriate profits, and maintain sound business relationships.

5. Establishment of Supply Chain BCPs (Business Continuity Plans)

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

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

9. Ongoing 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 partnerships 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 enhance local communities and 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. Based on the "Green Procurement Guidelines," we promote procurement practices that consider environmental conservation and resource protection
- 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 our business partners, we will comply with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors ("Subcontract Act"), the Construction Business Act, and other relevant laws and regulations.
- 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 for Environmental and Social Issues (Human Rights)

1. Survey of Environmental Conservation **Initiatives at 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 FY2021 FY2022 FY2023 FY2024

71% 60% 91% 73%

2. We promote procurement activities that consider the labor environment (preventing forced labor and child labor) and diversity among our 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. Both the group and our business partners promote the maintenance and improvement of quality and the assurance of information

Internal Capability Development and Business Partner Support Activities

1. Internal Capability Development

We conduct training for all employees in charge of purchasing on topics such as the Subcontract Act and SDGs procurement, striving to ensure thorough legal compliance 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.

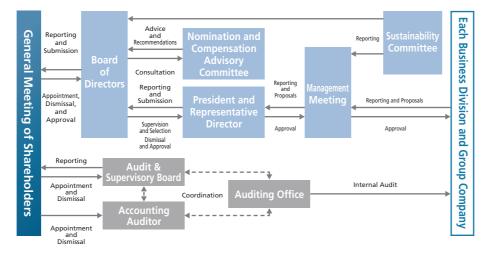
Sustainability Sustainability Creation and Technology Information Information Creation and Technology Information Information Plan Plan **METAWATER REPORT 2025 METAWATER REPORT 2025**

Corporate

Governance

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

Management 1

Business Strategy

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

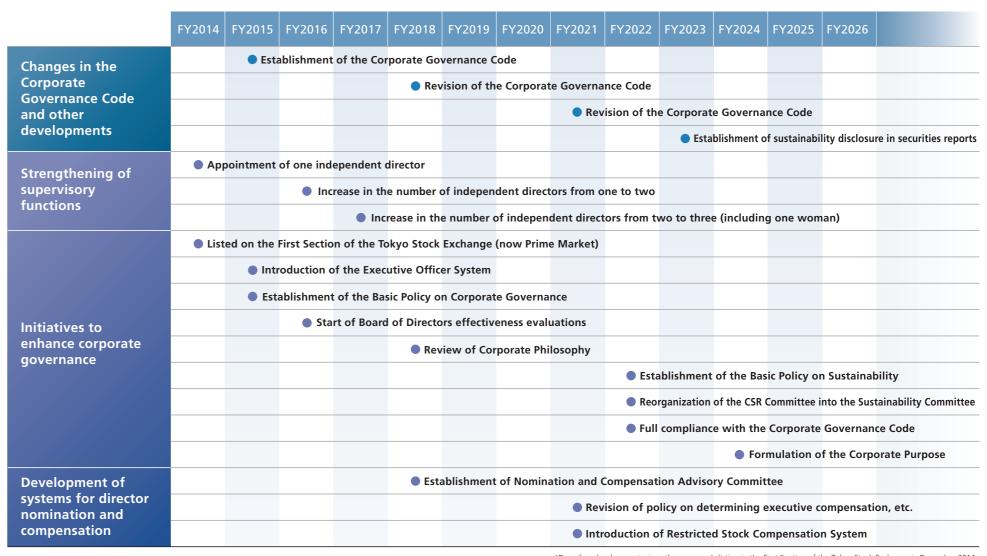
The Management Meeting is attended by 13 executive officers and, in principle, is held twice a month. At this meeting, important management matters stipulated in the company's Regulations for Official Authority are deliberated and reported.

Financial

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.

Changes in Corporate Governance Enhancement*



Business Strategy

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

Corporate

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Governance

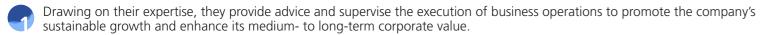
Skill Matrix for Directors and Audit & Supervisory Board Members

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:

			Experience and Expertise						
	Name	Position	Management Strategy	Marketing, Technology, and Development	Finance and Accounting	Global Management	Human Resources and Diversity	Governance	Compensation Advisory Committee
	Kenji Yamaguchi	President and Representative Director	•	•	•		•	•	0
	Masashi Sakai	Director		•					
Dir	Michio Fujii	Director	•				•	•	
irecto	Hajime Ito	Director	•	•		· · · · · · · · · · · · · · · · · · ·			
Q	Kaoru Aizawa	Independent Director	•	•				•	0
	Fumiko Kosao	Independent Director					•		0
	Tsuneo Tanai	Independent Director	•	•		•		•	0
Audit Boa	Akihiro Teranishi	Full-Time Audit & Supervisory Board Member						•	
it & Supro oard Me	Michiko Tanji	Full-Time Audit & Supervisory Board Member				· · ·	•	•	
upervis Viembei	Taku Fukui	Independent External Audit & Supervisory Board Member						•	0
isory er	Masami Kusunoki	Indopondent External Audit 9			•	· · ·			0

●: Experience and Expertise ●: Chairperson, Nomination and Compensation Advisory Committee ○: Member, Nomination and Compensation Advisory Committee

Expected Roles of External Directors



From an independent standpoint, they ensure that the opinions of stakeholders, including minority shareholders, are appropriately reflected in the Board of Directors.

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 Directors

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.

		Number of Attendances (Attendance Rate)						
	Name	Board of Directors	Audit & Supervisory Board	Summary of Main Statements and Duties Performed in Relation to Expected Roles				
т	Kaoru Aizawa	16 /16 times	—	Drawing on management experience at Nitto Denko Corporation and extensive experience as an outside 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 management plans and corporate governance based on her own expertise. In addition, as Chairperson of the Nomination and Compensation Advisory Committee, she proactively manages the committee and submits reports in response to consultations from the Board of Directors.				
External Director	Fumiko Kosao	16 /16 times		With specialized knowledge in taxation, deep insight into corporate accounting, and extensive experience as an outside 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.				
or	Tsuneo Tanai	16 /16 times		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.				
External Audit & Supervisory Board Member	Taku Fukui	16 /16 times	13 /13 times	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.				
Audit & oard Member	Masami Kusunoki	16 /16 times	13 /13 times	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.				

Governance

Management Structure (As of the end of June 2025)

External External Director

Independent Independent Director

Financial

Information

Director



Kenji Yamaguchi

1987.4 Joined NGK Insulators, Ltd.

2013.4 Deputy Executive General Manager, Business Strategy Division, METAWATER Co., Ltd.

2015.4 Executive General Manager, Business Strategy Division, METAWATER Co., Ltd.

2015.6 Executive Officer, METAWATER Co., Ltd.

2019.6 Director, METAWATER Co., Ltd. 2021.6 President and Representative Director.

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



Masashi Sakai

1985.3 Joined NGK Insulators, Ltd.

2015.6 Executive Officer, METAWATER Co., Ltd.

2016.4 Executive General Manager, Public Private Partnership Division, METAWATER Co., Ltd. (current)

2020.4 Senior Executive Officer, METAWATER Co., Ltd.

2021.5 President and Representative Director, K. K. Mizumusubi Management Miyagi

2022.4 Chairman of the Board, METAWATER SERVICE Co., Ltd.

2022.6 Director, METAWATER Co., Ltd. (current) Chairman of the Board, K. K. Mizumusubi Management Miyagi

2024.4 Senior Executive Officer, METAWATER Co., Ltd. (current)

2025.4 Director, METAWATER SERVICE Co., Ltd. (current)



Michio Fujii

1990.4 Joined Fuji Electric Co., Ltd.

2010.4 General Manager, Human Resources and General Affairs Department, Administration Division, METAWATER Co., Ltd.

2012.7 General Manager, Human Resources and General Affairs Department, Administration Division, METAWATER Co., Ltd. 2016.4 Executive Officer, METAWATER Co., Ltd.

Executive General Manager, HR & General Affairs Planning Office, Corporate Strategy Planning Division, METAWATER Co., Ltd. 2016.6 Deputy Executive General Manager, Corporate Strategy

Planning Division, METAWATER Co., Ltd. 2020.4 Executive General Manager, Export Control Office,

2022.6 METAWATER Co., Ltd. (current)

Director, METAWATER Co., Ltd. (current) 2023.4 Executive General Manager, Corporate Strategy Planning Division, METAWATER Co., Ltd. (current)

2024.4 Senior Executive Officer, METAWATER Co., Ltd. (current)



Hajime lto

1995.4 Joined Fuji Electric Co., Ltd.

2014.4 General Manager, GENESEED Technology Department, Plant Engineering Division, METAWATER Co., Ltd.

2016.4 General Manager, Electrical Engineering Department I,

Plant Engineering Division, METAWATER Co., Ltd. 2020.4 Deputy Executive General Manager, Plant Engineering Division, METAWATER Co., Ltd.

2021.4 Executive Officer, METAWATER Co., Ltd. (current) 2024.4 Executive General Manager, System Solutions Division,

METAWATER Co., Ltd. (current) 2024.6 Director, METAWATER Co., Ltd. (current)



Kaoru Aizawa

External Independent

1977.4 Joined Nitto Denko Corporation

2003.4 Executive Officer, Nitto Denko Corporation 2007.6 Director and Senior Executive Officer,

Nitto Denko Corporation 2010.6 Director and Executive Officer,

Nitto Denko Corporation 2011.6 President and Executive Officer, Nitto

Denko Corporation 2014.9 Advisor, NICCA Chemical Co., Ltd.

2016.3 External Director, NICCA Chemical Co., Ltd. (current)

2016.6 External Director, METAWATER Co., Ltd. (current)



Fumiko

Kosao

External

1973.4 Joined National Tax Agency 2014.7 Director, Nihonbashi Tax Office, Tokyo Regional Taxation Bureau

2015.8 Tax Accountant, Fumiko Kosao Tax Accountant Office (current)

2016.6 External Audit & Supervisory Board Member, Tobishima Corporation

2017.3 External Director, CTI Engineering Co., Ltd. (current) 2017.6 External Director, METAWATER Co., Ltd. (current)

2020.7 External Director and Audit &

CO., LTD., Ltd. (current)

Supervisory Committee Member, TOELL CO.,Ltd. 2023.6 External Director, THE NIPPON ROAD



1981.4 Joined Honda Motor Co., Ltd.

2009.6 Director, Honda Motor Co., Ltd.

Keihin Corporation (now Astemo, Ltd.)

2021.6 External Director, METAWATER Co., Ltd. (current)

Tsuneo

Tanai

External

2011.4 Director and Executive Officer, Honda Motor Co., Ltd.

2011.6 President and Representative Director.

2016.6 Corporate Advisor, Honda Motor Co., Ltd. (current)

2019.6 External Director, IWASAKI ELECTRIC CO., LTD.

2024.2 External Director, Izawa Towel Co., Ltd. (current)

Audit & Supervisory Board Member



Akihiro Teranishi

1985.3 Joined NGK Insulators, Ltd. 2008.4 Deputy General Manager, Corporate Planning Department, Corporate Strategy Office, METAWATER Co., Ltd.

2013.4 General Manager, Corporate Management Department, Corporate Strategy Planning Division, METAWATER Co., Ltd.

2021.12 General Manager, Legal Department, Corporate Strategy Planning Division, METAWATER Co., Ltd.

2022.4 Senior General Manager, Corporate Strategy Office, METAWATER Co., Ltd.

Taku

Fukui

1987.4 Registered as Attorney (Daini Tokyo Bar Association)

Joined Kashiwagi Sogo Law Office

2005.6 External Audit & Supervisory Board Member,

2021.6 External Audit & Supervisory Board Member,

METAWATER Co., Ltd. (current)

Mynavi Corporation (current)

2004.4 Professor, Graduate School of Law,

Shin-Etsu Chemical Co., Ltd.

2017.6 External Director, Yamaha Corporation

Keio University

External

2023.6 Full-Time Audit & Supervisory Board Member, METAWATER Co., Ltd. (current)



Michiko Tanji

1987.4 Joined Mitsubishi Corporation

2013.10 General Manager, Human Resources Department, Mitsubishi Corporation RtM Japan Ltd. 2017.4 Human Resources Manager and Compliance Officer,

Metals Group, Mitsubishi Corporation 2020.4 Deputy General Manager, Human Resource

Development Department, HR & General Affairs Planning Office,

Corporate Strategy Planning Division, METAWATER Co., Ltd. 2020.10 General Manager, Human Resource Development Department, HR & General Affairs Planning Office, Corporate Strategy Planning Division, METAWATER Co., Ltd.

2023.7 Executive General Manager, HR & General Affairs Planning Office, Corporate Strategy Planning Division, METAWATER Co., Ltd. 2025.6 Full-Time Audit & Supervisory Board Member, METAWATER Co., Ltd. (current)



Masaki Kusunoki External

1988.10 Joined Sanwa Tohmatsu Aoki Audit Corporation

(now Deloitte Touche Tohmatsu LLC) 1994.8 Registered as Certified Public Accountant

2004.3 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) 2009.1 Managing Partner, Kashiwagi Sogo Law Office (current) 2007.6 General Manager, Organization for Small & Medium Enterprises and Regional Innovation, Japan, National Headquarters for SME Revitalization Support (now National Headquarters for SME Revitalization)

2009.4 Certified Public Accountant, Kusunoki CPA Office (current) 2024.12 External Audit & Supervisory Board Member, 2022.6 External Audit & Supervisory Board Member, METAWATER Co., Ltd. (current)

Executive Officer*

President & Chief Kenii

Executive Officer	Yamaguchi	Chief Operating Officer
Senior Executive Officer	Masashi Sakai	Executive General Manager, Public Private Partnership Division In charge of the Innovation Promotion Office
Senior Executive Officer	Michio Fujii	Executive General Manager, Corporate Strategy Planning Division HR & General Affairs Planning Office, Corporate Strategy Planning Divisi In charge of the Legal & Intellectual Property Office, Digital Transformation Office, and Crisis Management Chief of Export Management Office
	Koichi Yamaguchi	Executive General Manager, Plant Construction Division
	Ken Akikawa	Executive General Manager, International Business Division
	Tatsuo Kato	Executive General Manager, Environmental Engineering Division
	Hajime Ito	Executive General Manager, System Solutions Division
Executive Officer	Kazuhiko Aoki	Executive General Manager, Cost Engineering Center In charge of the R&D Center and Safety & Health Management Offi
Officer	Kenji Kojima	Executive General Manager, Sales & Marketing Division
	Toshiyuki Ishikawa	Chairman and Representative Director, METAWATER SERVICE Co.,
	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 In charge of the Quality Assurance Office

*Concurrent positions as officers of domestic and overseas group companies are omitted.

Business Strategy Financial Corporate **Business Strategy** Financial Corporate Sustainability and Technology Information and Technology Creation Plan Information Creation Information Information **METAWATER REPORT 2025 METAWATER REPORT 2025**

Governance

Risk Management and Compliance

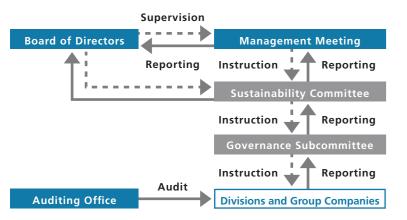
The group has established the METAWATER Group Risk Management Regulations and the Risk Management Implementation Procedures (collectively, the "Risk Management Regulations") to appropriately manage risks that may affect management. These regulations are intended to prevent the occurrence of risks and 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 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 that supports social infrastructure, the group focuses on business continuity management (BCM)¹¹. To further strengthen these efforts, we formulate business continuity plans (BCP)*2 to ensure business continuity under various emergencies and strive to enhance their effectiveness.

*1 BCM: Business C ontinuity Management *2 BCP: Business C ontinuity Plan

Initiatives to Strengthen BCM

Management

- **Promulation and renewal of BCPs:**BCPs are formulated in accordance with the characteristics of each business. 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 earthquakes and 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), briefings for emergency response headquarters personnel, and expanded self-defense fire brigade training for a wider range of personnel and regions. In addition, education using video materials and review of reporting and information sharing tools in the event of a risk are also being implemented. *3 CMT:Crisis Management Team
- Initiatives to ensure employee safety: In FY2024, AEDs were installed at all domestic sites. In addition, efforts to ensure employee safety in the event of a disaster are being strengthened by systematically improving, managing, and making use of helmets and disaster stockpiles.

Future Outlook

Going forward, we will further strengthen our efforts, promote the widespread adoption and proficiency of BCPs, and strive to enhance their effectiveness from FY2025 onward. 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 Training AED Training

Initiatives to Strengthen Information Security

The use of ICT is essential for promoting work style reform, operational efficiency, and improved convenience, but as the shift toward an information society accelerates, risks such as leakage of confidential information and cyberattacks are also increasing. Our group is implementing the following measures to address information security risks.

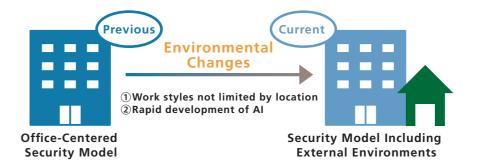
Management

Utilization and Safe Operation of Generative AI

In recent years, generative AI has rapidly evolved, and its use in business is becoming more common, but security risks are also present. While promoting operational efficiency through the use of generative AI, the company is also addressing risks and building an environment where all employees can use it safely and securely. For example, risks include the possibility that sensitive information entered when using generative AI may be learned by the AI and used in responses to third-party inquiries, or the danger of deepfakes, where fake images or information generated by AI are maliciously disseminated. The company allows all employees to use generative AI only after confirming that the AI used does not learn from input data. In addition, e-learning is provided to all employees to raise awareness of and address risks such as deepfakes and copyright infringement. Going forward, we will continue to promote the safe use of generative AI by researching and introducing new IT trends and improving employee literacy.

The Rise of Web Threats and Cloud **Security Measures**

Nowadays, cybersecurity is essential for business continuity. In particular, the pandemic caused by the novel coronavirus and the subsequent rapid development of AI have led to an increase in web-based threats, forcing a shift from office-centered security models to those that encompass external environments. To protect employees and information assets, we have equipped all company PCs with cloud-based security products and applied a consistent security policy, enabling employees to receive the same level of protection regardless of where they are or what device they use. In addition, we have reduced traditional risks such as employees unintentionally accessing malicious websites, achieving a more robust security environment without the need to be conscious of network boundaries inside or outside the company.



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 Code of Conduct 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.

FY2024 E-Learning Training Results Total: 12 sessions, 35,179 participants

11-Year Financial Summary

	′15/3	′16/3	′17/3	′18/3	′19/3	′20/3	′21/3	′22/3	′23/3	′24/3	′25/3
verview of Business Performance (Millio	ns of yen)										
rders received	117,169	112,514	119,631	131,589	123,807	125,011	159,124	152,279	193,404	211,914	222,724
et sales	106,945	103,098	111,688	110,895	117,342	128,723	133,355	135,557	150,716	165,561	179,094
ross profit	21,800	19,062	23,471	23,970	25,899	26,877	29,619	28,491	30,287	34,403	38,713
perating income	8,220	5, 399	6,328	6,745	7,607	8,223	10,863	8,146	8,688	9,903	10,626
rdinary income	8,213	5,144	6,251	6,465	7,624	8,132	11,053	8,751	9,068	10,490	9,951
rofit attributable to owners of parent	4,989	2,778	4,742	3,931	5,170	5,677	6,542	6,245	6,252	6,875	6,852
apital expenditures	914	609	699	757	891	794	1,617	2,907	3,174	5,790	4,052
epreciation	1,088	1,024	1,099	1,441	1,348	1,098	1,247	1,469	1,625	2,142	2,601
esearch and development expenses	1,865	1,678	1,619	1,706	1,908	2,374	2,100	2,015	2,070	2,129	2,352
ash flows from operating activities	5,320	95	7,769	5,175	6,236	3,521	10,404	6,635	△4,340	△5,486	13,316
ash flows from investing activities	△1,502	△11,023	△1,531	△868	△805	△1,380	△3,252	△3,846	△6,452	△3,098	△4,094
ash flows from financing activities	22,721	874	△2,697	△2,619	△2,617	△17,072	△ 2,103	△628	717	11,338	12,005
ash and cash equivalents at March 31	29,605	19,997	23,352	24,977	27,796	12,876	18,044	20,613	11,085	14,219	35,683
nancial Indicators (Millions of yen)											
otal assets	114,257	120,865	120,961	122,991	132,620	119,469	131,194	133,065	142,695	168,843	196,783
et asset	47,773	48,161	52,260	55,042	59,031	49,592	53,432	59,548	66,639	75,676	85,350
terest-bearing debt	14,465	17,107	15,929	14,703	13,733	12,520	11,677	12,407	14.398	27,014	40,425
er Share Information (Yen)											
arnings per share (EPS)	276.7	107.2	183.0	151.7	199.5	115.8	150.5	143.4	143.5	157.7	157.1
ook value per share (BPS)	1,839.0	1,853.7	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
ividend	29.0	29.0	29.0	29.0	31.0	35.5	40.0	40.0	42.0	46.0	50.0
lanagement Indicators (%)											
ross profit ratio	20.4	18.5	21.0	21.6	22.1	20.9	22.2	21.0	20.1	20.8	21.6
perating profit margin	7.7	5.2	5.7	6.1	6.5	6.4	8.1	6.0	5.8	6.0	5.9
apital adequacy ratio	41.7	39.8	43.1	44.6	44.4	41.4	40.6	44.5	45.7	43.2	41.3
eturn on equity (ROE)	14.8	5.8	9.5	7.3	9.1	10.5	12.7	11.1	10.1	10.0	8.9
eturn on assets (ROA)	4.4	2.3	3.9	3.2	3.9	4.8	5.0	4.7	4.4	4.1	3.5
rice earnings ratio (PER; times)	8.9	26.2	15.8	21.9	15.6	16.7	14.7	14.0	12.0	14.5	12.2
rice/Book ratio (PBR; times)	1.3	1.5	1.4	1.6	1.4	1.7	1.8	1.5	1.2	1.4	1.0
ividend ratio	21.0	54.1	31.7	38.2	31.1	30.7	26.6	27.9	29.3	29.2	31.8
umber of employees	2,679	2,839	2,889	2,961	2,977	3,082	3,340	3,496	3,565	3,685	3,883

Business Strategy and Technology

Chapter

METAWATER REPORT 2025

Financial Information

^{*} Figures have been adjusted to reflect the 100-for-1 stock split conducted on October 1, 2014, and the 2-for-1 stock split conducted on October 1, 2020

Business Strategy Corporate Management Financial Sustainability and Technology Information Information Creation Plan METAWATER REPORT 2025

Consolidated Financial Statements

Consolidated Balance Sheets

Assets Fiscal year ended March 31, 2023 Fiscal year ended March 31, 2025 Fiscal year ended March 31, 2025 Current assets Carband deposits 11,724 14,882 36,278 Notes and accounts recivable - trade, and contract assets 87,191 103,059 109,214 Work in process 2,853 4,898 1,497 Supplies 7,093 8,801 9,501 Other current assets 3,779 4,432 3,685 Total current assets 112,642 136,074 160,178 Non-current assets 2,418 2,468 2,636 Machinery and equipment net 1,899 1,616 1,922 Tools, furniture and fixtures, net 670 615 572 Construction in progres 184 245 538 <th colspan="7">Consolidated Balance Sneets Millions of year</th>	Consolidated Balance Sneets Millions of year						
Assets Carrent assets 11,724 14,882 36,278 Mortes and accounts receivable- trade, and contract assets 87,191 103,059 109,214 Work in process 2,853 4,898 1,497 Supplies 7,093 8,801 9,501 Other current assets 3,779 4,432 3,685 Total current assets 112,642 136,074 160,178 Non-current assets Non-current assets 87,991 1,616 1,782 Work in process 2,418 2,468 2,636 Machinery and equipment 1,189 1,616 1,922 Tools, furniture and fixtures, net 670 615 572 Construction in progress 184 245 538 Other property, plant and equipment, net 724 823 1,005 Intangible assets 1,043 3,256 2,860 Software 1,043 3,256 2,860 Software in progress 2,192 452 639 Goodwill				d Fiscal year ended			
Current assets Cash and deposits 11,724 14,882 36,278 Notes and accounts receivable - trade, and contract assets 87,191 103,059 109,214 Work in process 2,853 4,898 1,497 Supplies 7,093 8,801 9,501 Other current assets 3,779 4,432 3,685 Total current assets 112,642 136,074 160,178 Non-current assets 7091 8,801 9,501 Property, plant and equipment 8 2,418 2,468 2,636 Machinery and equipment, net 1,189 1,616 1,922 Tools, furniture and fixtures, net 670 615 572 Construction in progress 184 245 538 Other property, plant and equipment, net 7,24 8,23 1,005 Total property, plant and equipment, net 7,24 8,23 1,005 Total property, plant and equipment, net 7,24 8,23 1,005 Total property, plant and equipment, net 7,24		March 31, 2023	March 31, 2024	March 31, 2025			
Cash and deposits 11,724 14,882 36,278 Notes and accounts receivable - trade, and contract assets 87,191 103,059 109,214 Work in process 2,853 4,898 1,497 Supplies 7,093 8,801 9,501 Other current assets 3,779 4,432 3,685 Total current assets 112,642 136,074 160,178 Non-current assets 2,418 2,468 2,636 Machinery and equipment 1,189 1,616 1,922 Tools, furniture and fixtures, net 670 615 572 Construction in progress 184 245 538 Other property, plant and equipment, net 7,24 823 1,005 Total property, plant and equipment and equipment							
Notes and accounts receivable - trade, and contract assets 87,191 103,059 109,214 Work in process 2,853 4,898 1,497 Supplies 7,093 8,801 9,501 Other current assets 3,779 4,432 3,685 Total current assets 112,642 136,074 160,178 Non-current assets Property, plant and equipment 8 2,636 Machinery and equipment, net 1,189 1,616 1,922 Tools, furniture and fixtures, net 670 615 572 Construction in progress 184 245 538 Other property, plant and equipment, net 724 823 1,005 Total property, plant and equipment 5,187 5,768 6,674 Intangible assets 1,043 3,256 2,860 Software 1,043 3,256 2,860 Software in progress 2,192 452 639 Goodwill 2,467 2,344 2,255 Custome-related assets 1,339 4,697<							
Work in process 2,853 4,898 1,497 Supplies 7,093 8,801 9,501 Other current assets 3,779 4,432 3,685 Total current assets 112,642 136,074 160,178 Non-current assets Property, plant and equipment Buildings and structures, net 2,418 2,468 2,636 Machinery and equipment, net 1,189 1,616 1,922 Tools, furniture and fixtures, net 670 615 572 Construction in progress 184 245 538 Other property, plant and equipment, net 724 823 1,005 Total property, plant and equipment 5,187 5,768 6,674 Intangible assets 1,043 3,256 2,860 Software 1,043 3,256 2,860 Software in progress 2,192 452 639 Goodwill 2,467 2,344 2,255 Other intangible assets 1,339 4,697 4,644 Righ		11,724	14,882	36,278			
Supplies 7,093 8,801 9,501 Other current assets 3,779 4,432 3,685 Total current assets 112,642 136,074 160,178 Non-current assets Property, plant and equipment 8 2,636 160,178 Wachinery and equipment, net 1,189 1,616 1,922 100s, furniture and fixtures, net 670 615 572 572 Construction in progress 184 245 538 0ther property, plant and equipment, net 724 823 1,005 1,005 101 1,005		87,191	103,059	109,214			
Other current assets 3,779 4,432 3,685 Total current assets 112,642 136,074 160,178 Non-current assets 112,642 136,074 160,178 Non-current assets 2,418 2,468 2,636 Buildings and structures, net 2,418 2,468 2,636 Machinery and equipment, net 1,189 1,616 1,922 Tools, furniture and fixtures, net 670 615 572 Construction in progress 184 245 538 Other property, plant and equipment, net 724 823 1,005 Total property, plant and equipment 5,187 5,768 6,674 Intargible assets 1,043 3,256 2,860 Software 1,043 3,256 2,860 Software in progress 2,192 452 639 Goodwill 2,467 2,344 2,255 Customer-related assets 4,497 4,404 4,446 Right to operate public facilities 950 900 850 </td <td>·</td> <td>2,853</td> <td>4,898</td> <td>1,497</td>	·	2,853	4,898	1,497			
Total current assets 112,642 136,074 160,178 Non-current assets Property, plant and equipment Buildings and structures, net 2,418 2,468 2,636 Machinery and equipment, net 1,189 1,616 1,922 Tools, furniture and fixtures, net 670 615 572 Construction in progress 184 245 538 Other property, plant and equipment, net 724 823 1,005 Total property, plant and equipment 5,187 5,768 6,674 Intangible assets Software 1,043 3,256 2,860 Software 1,043 3,256 2,860 Software 1,043 3,256 2,860 Software 1,043 3,256 2,860 Software 2,467 2,344 2,255 Customer-related assets 4,497 4,404 4,446 Right to operate public facilities 950 900 850 Other intangible assets 1,339 4,697 6,654 Total intangible assets 12,490 16,055 17,706 Investments and other assets Investment securities 5,535 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets -non-current 2,736 2,253 2,622 Other non-current assets 12,374 10,895 12,135 Total inon-current assets 30,053 32,718 36,516 Deferred assets Bond issuance costs — 50 88 Total deferred assets — 50 88	**	7,093	8,801	9,501			
Non-current assets Property, plant and equipment Buildings and structures, net 2,418 2,468 2,636 Machinery and equipment, net 1,189 1,616 1,922 Tools, furniture and fixtures, net 670 615 572 Construction in progress 184 245 538 Other property, plant and equipment, net 724 823 1,005 Total property, plant and equipment 5,187 5,768 6,674 Intangible assets Software 1,043 3,256 2,860 Software in progress 2,192 452 639 Goodwill 2,467 2,344 2,255 Custome-related assets 4,497 4,404 4,446 Right to operate public facilities 950 900 850 Other intangible assets 1,339 4,697 6,654 Total intangible assets 1,339 4,697 6,654 Total intangible assets 1,2490 16,055 17,706 Investments and other assets 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets 500 88 Total deferred assets 500 80 Total defer	Other current assets	3,779	4,432	3,685			
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Buildings and structures, net 2,418 2,468 2,636 Machinery and equipment, net 1,189 1,616 1,922 Tools, furniture and fixtures, net 670 615 572 Construction in progress 184 245 538 Other property, plant and equipment, net 724 823 1,005 Total property, plant and equipment 5,187 5,768 6,674 Intrangible assets 1,043 3,256 2,860 Software 1,043 3,256 2,860 Software in progress 2,192 452 639 Goodwill 2,467 2,344 2,255 Customer-related assets 4,497 4,404 4,446 Right to operate public facilities 950 900 850 Other intangible assets 12,490 16,055 17,706 Investments and other assets 12,490 16,055 17,706 Investments and other assets 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,							
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Construction in progress 184 245 538 Other property, plant and equipment 724 823 1,005 Total property, plant and equipment 5,187 5,768 6,674 Intangible assets 1,043 3,256 2,860 Software 1,043 3,256 2,860 Software in progress 2,192 452 639 Goodwill 2,467 2,344 2,255 Customer-related assets 4,497 4,404 4,446 Right to operate public facilities 950 900 850 Other intangible assets 12,490 16,055 17,706 Investments and other assets 12,490 16,055 17,706 Investment securities 5,535 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622<		1,189	1,616	1,922			
Other property, plant and equipment, net 724 823 1,005 Total property, plant and equipment 5,187 5,768 6,674 Intangible assets 3,256 2,860 2,860 2,922 452 639 609		670	615	572			
Total property, plant and equipment 5,187 5,768 6,674 Intangible assets Software 1,043 3,256 2,860 Software in progress 2,192 452 639 Goodwill 2,467 2,344 2,255 Customer-related assets 4,497 4,404 4,446 Right to operate public facilities 950 900 850 Other intangible assets 1,339 4,697 6,654 Total intangible assets 12,490 16,055 17,706 Investments and other assets 1,2490 16,055 17,706 Investments securities 5,535 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 12,374 10,895 12,135 Total investments and other assets <t< td=""><td></td><td>184</td><td>245</td><td>538</td></t<>		184	245	538			
Software		724	823	1,005			
Software 1,043 3,256 2,860 Software in progress 2,192 452 639 Goodwill 2,467 2,344 2,255 Customer-related assets 4,497 4,404 4,446 Right to operate public facilities 950 900 850 Other intangible assets 1,339 4,697 6,654 Total intangible assets 12,490 16,055 17,706 Investments and other assets 1 2,490 16,055 17,706 Investments securities 5,535 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 </td <td></td> <td>5,187</td> <td>5,768</td> <td>6,674</td>		5,187	5,768	6,674			
Software in progress 2,192 452 639 Goodwill 2,467 2,344 2,255 Customer-related assets 4,497 4,404 4,446 Right to operate public facilities 950 900 850 Other intangible assets 1,339 4,697 6,654 Total intangible assets 12,490 16,055 17,706 Investments and other assets 5,535 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets — 50 88 Total deferred assets — 50 88 <td></td> <td></td> <td></td> <td></td>							
Goodwill 2,467 2,344 2,255 Customer-related assets 4,497 4,404 4,446 Right to operate public facilities 950 900 850 Other intangible assets 1,339 4,697 6,654 Total intangible assets 12,490 16,055 17,706 Investments and other assets 11,249 16,055 17,706 Investment securities 5,535 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets — 50 88 Total deferred assets — 50 88		1,043	3,256	2,860			
Customer-related assets 4,497 4,404 4,446 Right to operate public facilities 950 900 850 Other intangible assets 1,339 4,697 6,654 Total intangible assets 12,490 16,055 17,706 Investments and other assets 1nvestment securities 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets — 50 88 Total deferred assets — 50 88	Software in progress	2,192	452	639			
Right to operate public facilities 950 900 850 Other intangible assets 1,339 4,697 6,654 Total intangible assets 12,490 16,055 17,706 Investments and other assets 11,249 16,055 17,706 Investment securities 5,535 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets — 50 88 Total deferred assets — 50 88	Goodwill	2,467	2,344	2,255			
Other intangible assets 1,339 4,697 6,654 Total intangible assets 12,490 16,055 17,706 Investments and other assets 12,490 16,055 17,706 Investments and other assets 5,535 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets — 50 88 Total deferred assets — 50 88	Customer-related assets	4,497	4,404	4,446			
Total intangible assets 12,490 16,055 17,706 Investments and other assets 5,535 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets — 50 88 Total deferred assets — 50 88	Right to operate public facilities	950	900	850			
Investments and other assets 5,535 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets Bond issuance costs — 50 88 Total deferred assets — 50 88		1,339	4,697	6,654			
Investment securities 5,535 2,382 2,319 Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets — 50 88 Total deferred assets — 50 88	Total intangible assets	12,490	16,055	17,706			
Long-term loans receivable 244 773 664 Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets Bond issuance costs — 50 88 Total deferred assets — 50 88	Investments and other assets						
Guarantee deposits 1,208 1,228 1,205 Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets Bond issuance costs — 50 88 Total deferred assets — 50 88	Investment securities	5,535	2,382	2,319			
Assets for retirement benefits 2,417 3,941 4,910 Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets Bond issuance costs — 50 88 Total deferred assets — 50 88	Long-term loans receivable	244	773	664			
Deferred tax assets - non-current 2,736 2,253 2,622 Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets — 50 88 Total deferred assets — 50 88		1,208	1,228	1,205			
Other non-current assets 231 315 413 Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets — 50 88 Total deferred assets — 50 88	Assets for retirement benefits	2,417	3,941	4,910			
Total investments and other assets 12,374 10,895 12,135 Total non-current assets 30,053 32,718 36,516 Deferred assets — 50 88 Total deferred assets — 50 88	Deferred tax assets - non-current	2,736	2,253	2,622			
Total non-current assets 30,053 32,718 36,516 Deferred assets — 50 88 Total deferred assets — 50 88	Other non-current assets	231	315	413			
Total non-current assets 30,053 32,718 36,516 Deferred assets - 50 88 Total deferred assets - 50 88		12,374	10,895	12,135			
Bond issuance costs — 50 88 Total deferred assets — 50 88							
Total deferred assets — 50 88	Deferred assets						
30 00	Bond issuance costs		50	88			
Total assets 142,695 168,843 196,783	Total deferred assets		50	88			
	Total assets	142,695	168,843	196,783			

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Liabilities			
Current liabilities			
Accounts payable - trade	25,463	25,127	21,988
Electronically recorded obligations	10,158	7,208	8,817
Short-term loans payable	2,387	3,591	_
Current portion of PFI and other projects finance loans	887	697	805
Income taxes payable	2,339	2,899	2,414
Contract liabilities	7,134	10,552	12,944
Provision for warranties for completed construction	1,185	1,044	1,391
Provision for loss on construction contracts	1,224	1,236	1,269
Other current liabilities	8,452	12,133	16,253
Total current liabilities	59,232	64,491	65,885
Non-current liabilities			
Bonds payable	_	10,000	20,000
Long-term loans payable	_	_	5,000
PFI and other projects finance loans	11,123	12,726	14,620
Liability for retirement benefit	4,386	4,836	4,753
Other non-current liabilities	1,312	1,112	1,174
Total non-current liabilities	16,823	28,675	45,547
Total liabilities	76,055	93,166	111,433
Net assets			
Shareholders' equity			
Capital stock	11,946	11,946	11,946
Capital surplus	9,411	9,410	9,406
Retained earnings	50,890	52,513	54,733
Treasury stock	△7,089	△3,640	△1,052
Total shareholders' equity	65,158	70,230	75,033
Accumulated other comprehensive incomprehensive incomprehensincomprehensive incomprehensive incomprehensive incomprehensive in	ome		
Valuation difference on available-for-sale securities	△182	111	151
Deferred gains or losses on hedges	3	28	83
Foreign currency translation adjustment	1,689	2,747	5,158
Remeasurements of defined benefit plans	△1,477	△186	876
Total accumulated other comprehensive income	32	2,701	6,270
Non-controlling interests	1,447	2,744	4,046
Total net assets	66,639	75,676	85,350
Total liabilities and net assets	142,695	168,843	196,783

METAWATER REPORT 2025

Net sales

Cost of sales

Operating income

Interest income

Dividends income

Foreign exchange gain

Miscellaneous income

Interest expenses

Commission expenses

Foreign exchange loss Commission for syndicated loans

Miscellaneous loss

Ordinary income

Total non-operating expenses

Total extraordinary expenses

Income taxes - current

Total income taxes

Net income

Income taxes - deferred

Extraordinary expenses System migration costs

Income before income taxes

Profit attributable to non-controlling interests 243

Profit attributable to owners of parent

Total non-operating income

Non-operating income

Gain on sales of investment securities

Non-operating expenses

Loss on sales of investment securities

Loss on disposal of non-current assets

Loss on valuation of investment securities

Gross profit

Selling, general and administrative expenses

Share of profit of entities accounted for using equity method

Share of loss of entities accounted for using equity method

Creation

Fiscal year ended Fiscal year ended Fiscal year ended

March 31, 2023 March 31, 2024 March 31, 2025

165,561

131,158

34,403

24,499

9,903

153

100

621

41

980

233

393

10,490

10,490

3,345

△221

3,124

7,366

490

6,875

Feature

150,716

120,428

30,287

21,598

8,688

130

72

528

122

130

983

220

193

81

603

9,068

9,068

2,725

△152

2,572

6,496

6,252

Business Strategy Management and Technology

Plan

Millions of yen

179,094

140,380

38,713

28,087

10,626

177

92

271

296

10

235

104 147

37

109

946

90

90

9,861

3,268

△701

2,566

7,294

6,852

441

9,951

Sustainability

Financial Information

Corporate Information

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net income	6,496	7,366	7,294
Other comprehensive income			
Valuation difference on available-for-sale securities	△248	294	39
Deferred gains or losses on hedges	113	70	157
Foreign currency translation adjustment	1,858	1,058	2,411
Remeasurements of defined benefit plans	△267	1,291	1,063
Total other comprehensive income	1,456	2,714	3,671
Comprehensive income	7,952	10,081	10,965
(Details)			
Comprehensive income attributable to owners of parent	7,635	9,544	10,421
Comprehensive income attributable to non-controlling interests	317	536	543

[Consolidated Statement of Comprehensive Income] Millions of yen

Millions of yen

Business Strategy and Technology Corporate Sustainability Creation Information Information METAWATER REPORT 2025

Cash flows from operating activities

Millions of yen

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities			
Income before income taxes	9,068	10,490	9,861
Depreciation	1,625	2,142	2,601
Amortization of goodwill	282	302	326
Increase/(decrease) in liabilities for retirement benefits	△175	355	397
(Increase)/decrease in assets for retirement benefits	△228	48	△135
Increase/(decrease) in provision for warranties for completed construction	△145	△197	245
Increase/(decrease) in provision for loss on construction contracts	304	12	32
Interest income and dividends income	△202	△217	△269
Interest expenses	220	233	296
Foreign exchange (gain)/loss	△528	△621	147
Loss on disposal of property, plant and equipment	81	21	104
(Gain)/loss on sales of investment securities	193	△100	-
(Gain)/loss on evaluation of investment securities	_	_	239
Share of (profit)/loss of entities accounted for using equity method	△122	38	5
(Increase)/decrease in notes and accounts receivable and contract assets	△8,771	△15,150	△4,920
(Increase)/decrease in inventory	△1,588	△3,358	3,211
Increase/(decrease) in notes and accounts payable - trade	241	△2,433	1,292
Increase/(decrease) in contract liabilities	△577	3,334	2,084
Other cash flows from operating activities	△951	2,416	1,583
Subtotal	△1,273	△2,681	17,102
Interest and dividends income received	202	217	269
Interest expenses paid	△220	△212	△281
Income taxes paid	△3,049	△2,810	△3,774
Net cash provided by (used in) operating activities	△4,340	△5,486	13,316
Cash flows from investing activities	20	^ 22	67
Net (increase)/decrease in time deposits	38	△23	67
Purchase of property, plant and equipment	△1,034	△911 ^ 5 052	△1,772
Purchase of intangible assets Purchase of investment securities	△1,548	△5,052	∆2,422 ^432
Proceeds from sales of investment securities	△5,794	△352	△138
Payments of loans receivable	1,719	3,836	14 △2
Collection of loans receivable	△163 67	△652 71	△2 78
Other cash flows from investing activities	262	/ I △14	78 80
Net cash used in investing activities	△6,452	∆14 ∆3,098	△4,094

Millions of yen

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities			
Proceeds from short-term loans payable	2,321	3,591	26,319
Repayments of short-term loans payable	△1,168	△2,428	△29,910
Proceeds from long-term loans payable	-	_	4,962
Repayments of long-term loans payable	△905	-	-
Proceeds from PFI and other projects finance loans	2,300	2,300	2,700
Repayments of PFI and other projects finance loans	△875	△887	△697
Proceeds from issuance of bonds	-	9,946	9,950
Cash dividends paid	△1,743	△1,855	△2,094
Proceeds from share issuance to non-controlling interests	830	761	759
Cash dividends paid to non-controlling interests	△1	△1	△1
Other cash flows from financing activities	△41	△88	18
Net cash provided by (used in) financing activities	717	11,338	12,005
Effect of exchange rate change on cash and cash equivalents	548	381	236
Net increase/(decrease) in cash and cash equivalents	△9,528	3,134	21,463
Cash and cash equivalents at April 1	20,613	11,085	14,219
Cash and cash equivalents at March 31	11,085	14,219	35,683

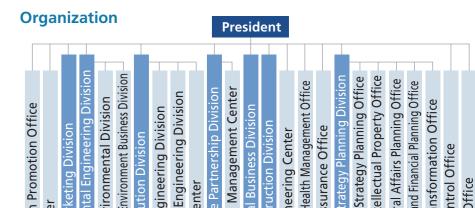
Business Strategy and Technology Corporate Information Information METAWATER REPORT 2025

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, including the 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; installation of machinery and equipment 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	3,883 people *Consolidated basis as of March 31, 2025.
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 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 Bioset, Inc.* Revinu, Inc.* Mecana AG* FUCHS Enprotec GmbH* Rood Wit Blauw Water B.V.* METAWATER TECH Co., Ltd. Akebono Engineering Co. Techno Clean Hokuso Co.* IC Co., Ltd. Water Next Yokohama Co., Ltd.* Aqua Service Aichi Co.* Santo Co. K. K. Mizumusubi Management Miyagi* Water Nexus OSAKA Co., Ltd.* *Entities subject to consolidation
Overseas Bases	U.S.A., Netherlands, Switzerland, Germany, Vietnam, Cambodia



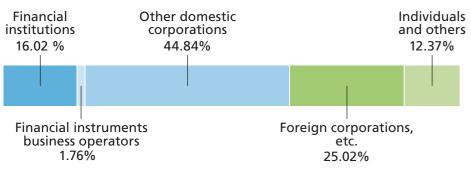
Business Strategy Corporate Management Financial Sustainability and Technology Information Creation Information Plan **METAWATER REPORT 2025**

Company Profile

Matters Related to Shares As of March 31, 2025

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 619,714 shares of treasury stock)
Number of Shareholders	11,267 persons

Shareholding by Category



Major Shareholders (Top 10)

Shareholder Name	Number of Shares Held (Thousand Shares)	Shareholding Ratio
Fuji Electric Co., Ltd.	9,100	20.85
NGK INSULATORS, LTD.	8,620	19.75
The Master Trust Bank of Japan, Ltd. (trust account) 4,494	10.30
JP MORGAN CHASE BANK 385632	2,336	5.35
Custody Bank of Japan, Ltd. (trust account)	1,977	4.53
Hikari Tsushin Inc.	1,526	3.50
METAWATER Group Employee Stock Ownership Plan	າ 913	2.09
NORTHERN TRUST CO. (AVFC) RE THE HIGHCLERE INTERNATIONA INVESTORS SMALLER COMPANIES FUND	^L 562	1.29
J.P. MORGAN BANK LUXEMBOURG S.A. 385598	542	1.24
STATE STREET BANK AND TRUST COMPANY 50500	01 503	1.15

List of Locations As of April 1, 2025 We operate approximately 40 sales and service offices throughout Japan, delivering meticulously tailored services. Head Office
 Offices Sales and Service Bases
 Group Companies METAWATER USA. INC. Agua-Aerobic Systems, Inc.-- Europe Representative Office Schwing Bioset, Inc. -Rood Wit Blauw Water B.V Wigen Companies, Inc. -FUCHS Enprotec GmbH -Mecana AG Hanoi Representative Office Phnom Penh branch Group Companies Representative

Office

METAWATER

Creation

The prefix $\langle \rangle$ 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.



METAWATER REPORT 2025

Mae-chan Tah-kun

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

User Name: [Official] METAWATER

: METAgram by METAWATER

: https://www.instagram.com/metawater_official/



METAWATER X

User Name: metawater PR

: [Official] METAWATER : https://x.com/metawater PR



based order

Specification-

Contracting

contracting.

Based

Sustainability

Business Strategy

and Technology

Management

Glossary of	Terms
EPC	Design and construction of facilities and equipment
O&M	Operation and maintenance of facilities and equipment
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.
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.
DBM	A method in which a private operator is responsible for the design, construction, operation, and maintenance of a facility (but not its management).
DB	A method in which facility design and construction are comprehensively implemented by leveraging the expertise of private operators.
SPC	A company established specifically to carry out particular business activities (a Special Purpose Company).
Private Finance Initiative (PFI) Act	Act on the promotion of improvement, etc. of public facilities, etc. through the utilization of private finance, etc.
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.
вто	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.
WBC	An abbreviation for Water Business Cloud. Our proprietary real-time information and communication platform for sharing analyzing, and utilizing data among stakeholders.
Water-Related Public-Private Partnership	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.
Performance-	A method in which the client specifies the required

performance and functions, while the detailed

specifications are left to the discretion of the contractor

A method in which the client defines the detailed structure,

materials, and technical specifications of the facility before

Information

Corporate

Information

*METAWATER holds 619,714 thousand shares of treasury stock, which are excluded from the above list of major shareholders. Shareholding ratios are calculated excluding treasury stock.



www.metawater.co.jp

