Outline of Financial Results for the Second Quarter of the Fiscal Year Ending March 2027

October 29, 2026

METAWATER Co., Ltd.

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Ⅱ Revision to full-year Earnings and Dividend Forecasts for the Fiscal Year Ending March 2027

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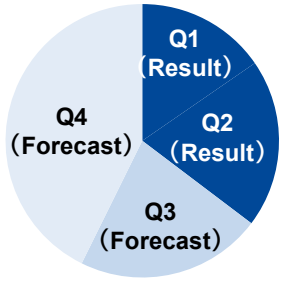
FYE 3/'27 H1 Financial Results Overview (Consolidated)

■Orders and Backlog

Orders received rose YoY, driven by strong performance in the International Business, the Operation Business and the Environmental Engineering Business.

Order backlog: 355,716M yen in FYE 3/'26 H1 ⇒ 444,545M yen in FYE 3/'27 H1 (+88,828M yen)

Sales breakdown by quarter for FYE 3/'27



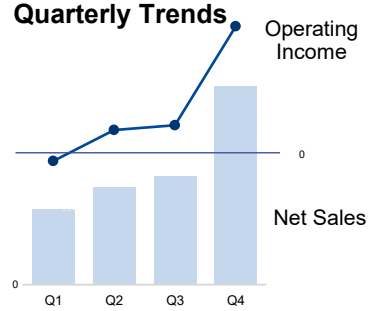
■Net Sales and Operating Income (Progressing generally on schedule)

Net sales increased due to the consolidation of Schwing Bioset, Inc. ("Schwing") and E&P Anlagenbau GmbH ("E&P") in the International Business, as well as steady progress on large-scale construction projects in the Environmental Engineering Business.

Operating income decreased YoY, partly due to the remaining impact from unprofitable projects at Schwing in the International Business.

(Ref: P.16 "Operating Income Trends in International Business: FYE 3/'26 vs FYE 3/'27"; improvement expected toward the end of FYE 3/'27)

<Reference> FYE 3/'26 Quarterly Trends



Revising upward our full-year earnings and dividend forecasts for FYE 3/'27 (Ref: P.13–17)
Reflecting the expansion of our flagship products in the International Business and profitability improvements in domestic operations.

(Million Yen)

	Orders Received	Net Sales	Operating Income	Ordinary Income	Net Income	Interim DPS (Yen)
FYE 3/'27 H1 Result	141,745	86,532	771	436 *1	64	Initial forecast (as of 24 April 2026) 40
	YoY +32,909 Change +30.2%	+10,874 +14.4%	-349 -31.2%	-740 -62.9%	-532 -89.3%	
FYE 3/'26 H1 Result	108,836	75,657	1,120	1,177 *2	596	35

* Rounded down to the nearest million yen (same for all subsequent actual figures) * P&L consolidation began in Q2 FYE 3/'26 for Schwing and in Q4 FYE 3/'26 for E&P.

*1 FX loss of 195M yen, etc. *2 FX gain of 25M yen, etc.

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H1 FYE 3/'27 Consolidated Statement of Income

	H1 FYE3/'26	H1 FYE3/'27	(Million yen) Change
Net sales	**75,657**	**86,532**	**+10,874**
Gross profit	16,483	19,766	+3,283
Operating income	**1,120**	**771**	-349
(Operating margin)	1.5%	0.9%	-0.6%
Non-Operating income/expenses	56	-334	-391
Ordinary income	**1,177**	**436**	-740
Extraordinary gains / losses	-13	-17	-4
Income before taxes and other adjustment	**1,164**	**419**	-745
Income taxes	389	154	-235
Net income attributable to non-controlling interests	177	201	+23
Net income attributable to owners of parent	**596**	**64**	-532

(Million yen)

Net Sales YoY Δ

Mainly strong performance in Environmental Engineering Business and Int'l Business Of which FX impact +1,722	+9,015

Operating Income YoY Δ

Sales increase	+2,369
Gross Margin improved (21.8%→22.8%)	+913
SG&A increase	-3,632

Non-Operating Income YoY Δ

FX impact (25 ⇒ -195) Valuation loss on foreign currency-denominated assets	-220
Equity in earnings (losses) of affiliates (39 ⇒ -123)	-162

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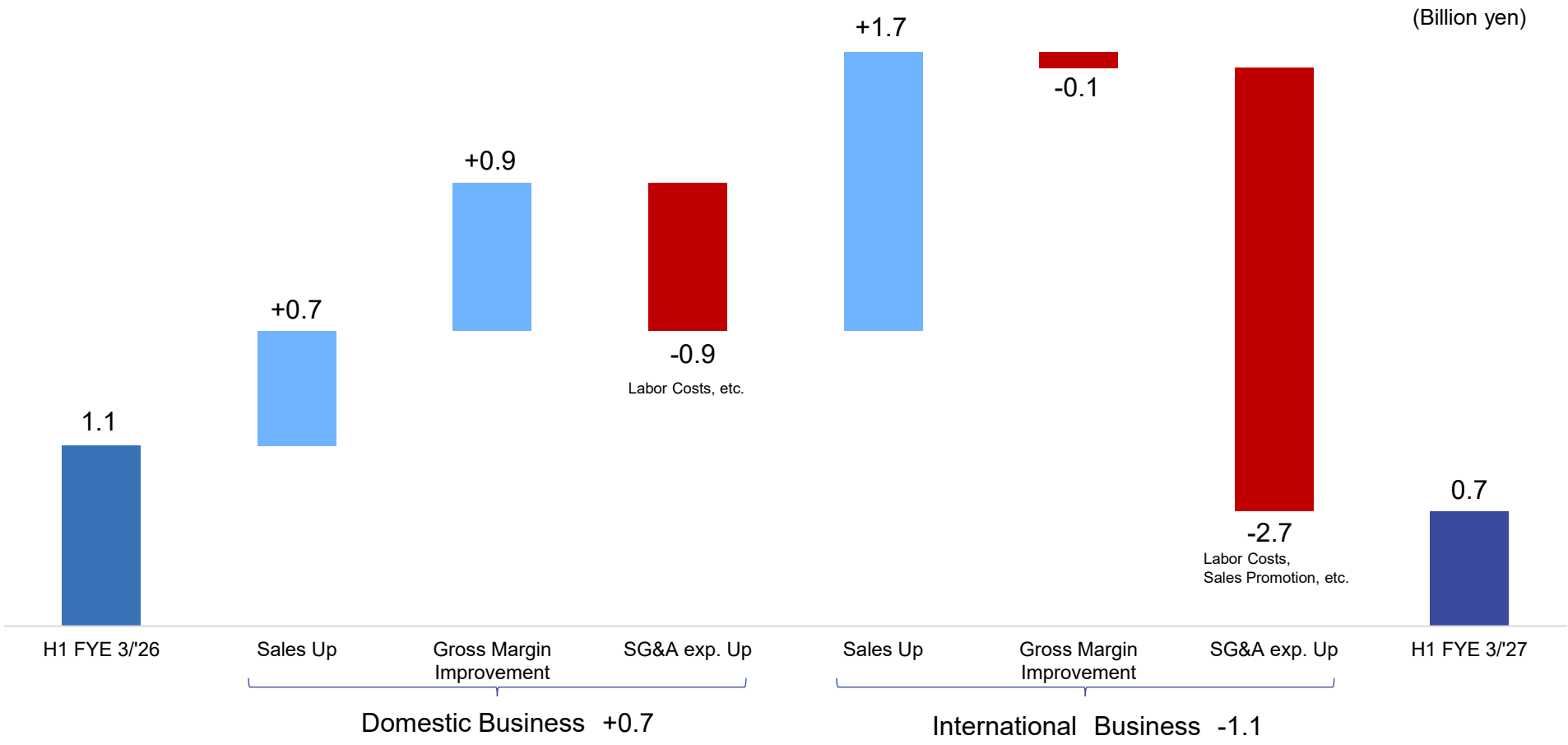
YoY Change in Operating Income (H1 FYE 3/'27)

Operating income decreased due to the consolidation impact of Schwing in the International Business (reflecting remaining unprofitable project treatments), despite sales growth and margin improvements in the domestic business.



* P&L consolidation began in Q2 FYE 3/'26 for Schwing and in Q4 FYE 3/'26 for E&P.

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FYE 3/'27 H1 Segment Information (Consolidated)

(Million yen)	Orders Received			Net Sales			Operating Income (Operating margin)		
	H1 FYE3/'26	H1 FYE3/'27	Change	H1 FYE3/'26	H1 FYE3/'27	Change	H1 FYE3/'26	H1 FYE3/'27	Change
Environmental Engineering Business	22,512	29,740	+7,228	19,280	23,776	+4,495	17 (0.1%)	-171 -	-189
System Solution Business	40,910	37,367	-3,542	17,277	18,026	+748	-2,210 -	-1,851 -	+359
Operation Business	18,154	27,730	+9,575	12,495	13,605	+1,109	502 (4.0%)	1,059 (7.8%)	+557
International Business *1	27,258	46,906	+19,648	26,603	31,124 *2	+4,520	2,811 (10.6%)	1,734 *2 (5.6%)	-1,077
Total	108,836	141,745	+32,909	75,657	86,532	+10,874	1,120 (1.5%)	771 (0.9%)	-349

【Orders Received】
Increased YoY, driven by strong performance in the International Business, Operation Business, and Environmental Engineering Business. Orders in the System Solution Business declined YoY in reaction to large-scale orders recorded in the previous year (Q1 FYE 3/'26).

【Net Sales】
Increased across all segments, driven by the consolidation *3 of Schwing and E&P in the International Business and steady progress on large-scale construction projects in the Environmental Engineering Business.

【Operating Income】
Decreased YoY due to the consolidation impact of Schwing in the International Business and lower-margin projects for resource recycling facilities in the Environmental Engineering Business.

*1 FX: H1 FYE3/'26 1$=148.4 JPY; H1 FYE3/'27 1$=158.3 JPY *2 FX impact on sales was 1,722M yen, and OP was 135M yen
*3 P&L consolidation began in Q2 FYE 3/'26 for Schwing and in Q4 FYE 3/'26 for E&P.

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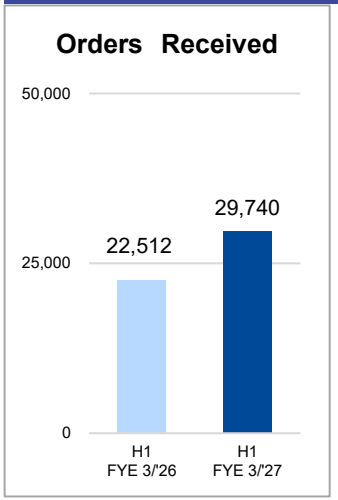
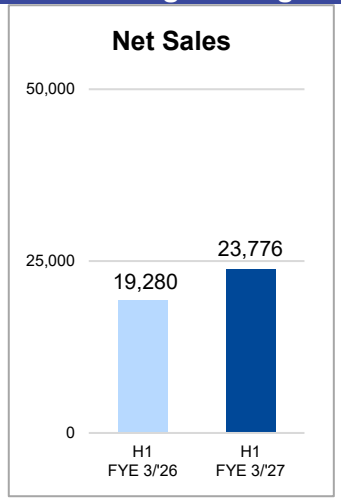
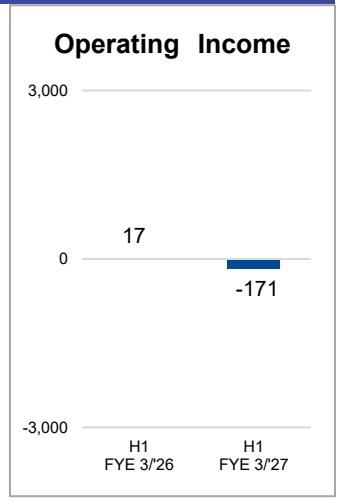
Segment Overview (1)

(Million Yen)

Environmental Engineering Business







Consists of the Water Environmental Business and the Resource and Environmental Business. Main business activities include design, construction, maintenance and inspection of mechanical equipment for domestic water and sewage treatment plants and resource recycling facilities.

【Orders and Backlog】

Water Environmental: Grew YoY

Resource & Environmental: Decreased slightly YoY

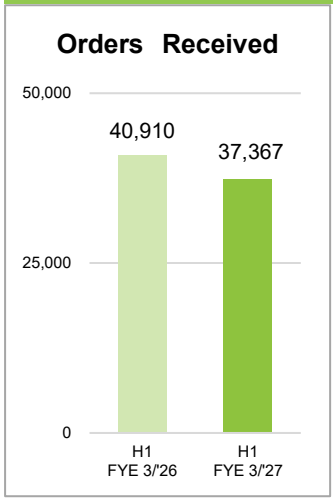
Order Backlog: 104,746M yen→124,413M yen

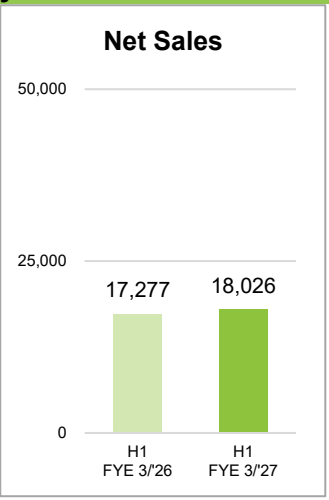
【Net Sales and Operating Income】

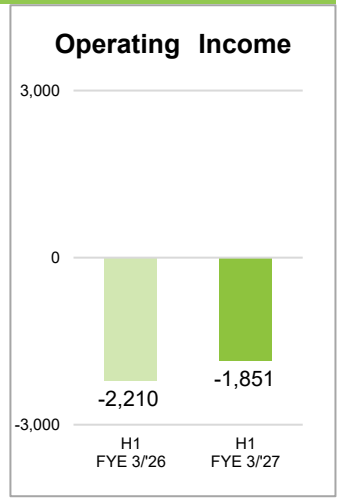
Water Environmental: Higher sales & OP YoY, driven by steady progress on large-scale construction

Resource & Environmental: Sales up on large projects; OP down due to lower-margin contracts and lower O&M/maintenance revenue

System Solution Business







Consists of the System Engineering Business and the Customer Engineering Businesses. Main business activities include design, manufacture, maintenance, and upkeep of electrical and other equipment for domestic water and sewage treatment.

【Orders and Backlog】

Customer Engineering: Increased YoY

System Engineering: Decreased YoY in reaction to large orders in prior-year period

Order Backlog: 94,959M yen→116,394M yen

【Net Sales and Operating Income】

System Engineering: Sales & OP both rose YoY on steady execution of large projects

Customer Engineering: Sales flat YoY on steady repair work; OP increased due to profitability improvements on certain projects

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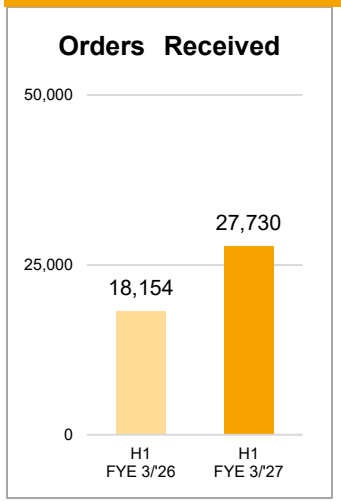
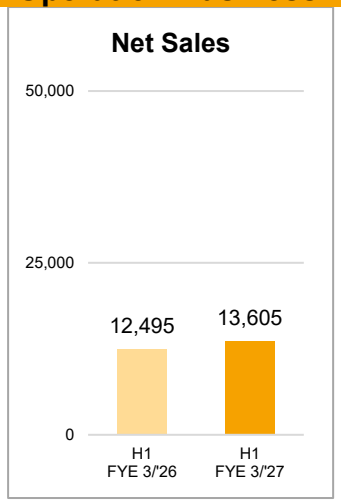
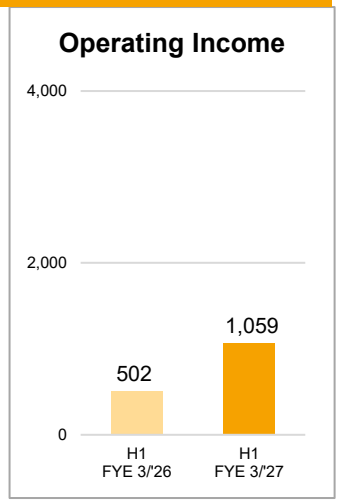
Segment Overview (2)

(Million Yen)

Operation Business







Consists of Metawater Service Corporation, SPCs, and others. Main business activities include operation of domestic water and sewage treatment plants and resource recycling facilities.

【Orders and Backlog】

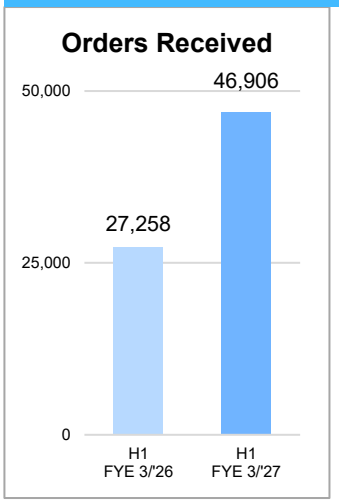
Orders rose YoY, led by strong acquisition of large-scale projects

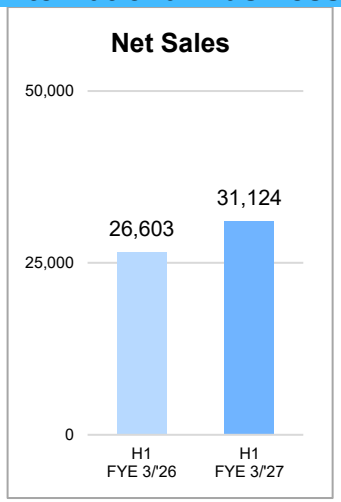
Order Backlog: 108,678M yen→132,277M yen

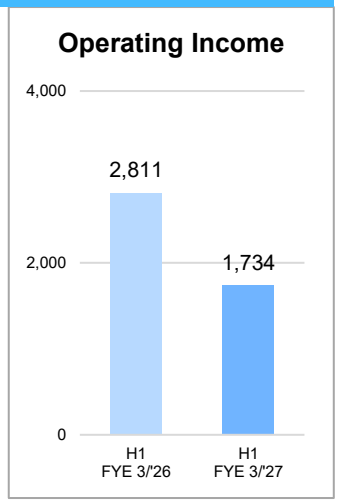
【Net Sales and Operating Income】

Both sales and OP grew YoY, primarily driven by solid performance at Metawater Service Co., Ltd.

International Business







Consists of overseas subsidiaries including Aqua-Aerobic Systems, Inc. and Schwing Bioset, Inc. in North America, Rood Wit Blauw Water B.V. in Europe, and others. Main business activities include design, construction, maintenance, and management of facilities and equipment for international water and sewage treatment plants, as well as private sector business.

【Orders and Backlog】

Orders rose YoY, supported by solid inquiries centered on core products at North American and European subsidiaries

Order Backlog: 47,332M yen→71,459M yen

【Net Sales and Operating Income】

Sales: Increased YoY, led by strong performance at Aqua-Aerobic Systems (AAS)

Operating Income: Decreased YoY due to the impact of low-margin projects at Schwing

* Of which, FX impact: Net sales 1,722M yen, Operating income 135M yen
* After amortization (600M yen) of goodwill and other intangible assets from the acquisition of overseas subsidiaries
* FX rate: 148.4 JPY/$ in FYE 3/'26 H1; 158.3 JPY/$ in FY3/'27 H1

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Consolidated Balance Sheets

Assets: Cash and deposits increased at the end of FYE3/'27 H1 due to collection of trade receivables and contract assets.

Liabilities: Accounts payable decreased due to payments for purchases, etc.

(Million yen)

	End of FYE 3/'26	End of H1 FYE 3/'27	Change
Cash and deposits	27,266	47,289	+20,023
Trade receivable and contract assets	109,932	68,771	-41,160
Work in process and supplies	14,315	21,993	+7,677
Others	11,640	8,672	-2,967
Total current assets	**163,154**	**146,727**	**-16,426**
Tangible fixed assets	13,835	21,670	+7,834
Intangible fixed assets	22,798	22,497	-300
Deferred tax assets	3,149	3,240	+91
Others *3	17,355	20,250	+2,894
Total fixed assets	**57,138**	**67,658**	**+10,520**
Total assets	**220,292**	**214,385**	**-5,906**

	End of FYE 3/'26	End of H1 FYE 3/'27	Change
Accounts payable-trade	37,570	20,524	-17,046
Short-term loans payable *1	(711) 711	(576) 612	-99
Contract liabilities	19,495	32,074	+12,578
Others	21,481	19,052	-2,429
Total current liabilities	**79,259**	**72,264**	**-6,995**
Bonds payable/ Long-term loans *2	(13,883) 38,900	(13,662) 39,245	+344
Others	7,981	8,069	+87
Total fixed liabilities	**46,882**	**47,315**	**+432**
Total liabilities	126,142	119,579	-6,562
Total net assets	94,150	94,806	+656
Total liabilities & net assets	**220,292**	**214,385**	**-5,906**

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

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Consolidated Cash Flows

In terms of investing cash flows, growth investments for the future were executed, including capital expenditures for North America and the acquisition of shares in SUIDO KIKO KAISHA, LTD..

(Million yen)

	H1 FYE 3/'26	H1 FYE 3/'27	Change	
Cash and Cash equivalents at end of previous FY	35,683	26,736	-8,947	
Operating cash flow	31,799	32,535	+735	
Investing cash flow	-6,615	-11,273	-4,657	Capital expenditures for North America Acquisition of shares of SUIDO KIKO*
Free cash flow	25,183	21,262	-3,921	
Financing cash flow	-5,045	-1,406	+3,639	
Cash and cash equivalents at end of period	54,930	46,757	-8,173	

* SUIDO KIKO KAISHA, LTD. ownership ratio: FYE 3/'26: 34.8% → H1 FYE 3/'27: 48.1%

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Revision to FYE 3/'27 Earnings and Dividend Forecast

■Orders Received

Revised upward in view of strong order intake in SS and International businesses.

■Sales and Income

Net sales and all profit metrics are projected to exceed previous forecasts and achieve record highs, factoring in strong demand for existing products and new technologies at North American subsidiaries, as well as improved profitability in the domestic EE business.

■DPS and Payout ratio

Annual dividend increased from 80 yen to 90 yen following the upward revision in profit attributable to owners of parent.

(Million Yen) (Yen)

	Orders Received	Net Sales	Operating Income	Ordinary income	Profit attributable to owners of Parent	EPS	Annual DPS
Previous Forecast (as of 24 April 2026)	246,000	240,000	15,000	14,500	10,000	229.04	80
Revised Forecast	260,000	245,000	17,500	17,300	12,000	274.69	90
Increase/ Decrease	+14,000	+5,000	+2,500	+2,800	+2,000	+45.65	+10
Change %	+5.7%	+2.1%	+16.7%	+19.3%	+20.0%	+19.9%	+12.5%
FYE 3/'26 Result	274,532	209,844	12,879	13,175	9,136	209.30	70

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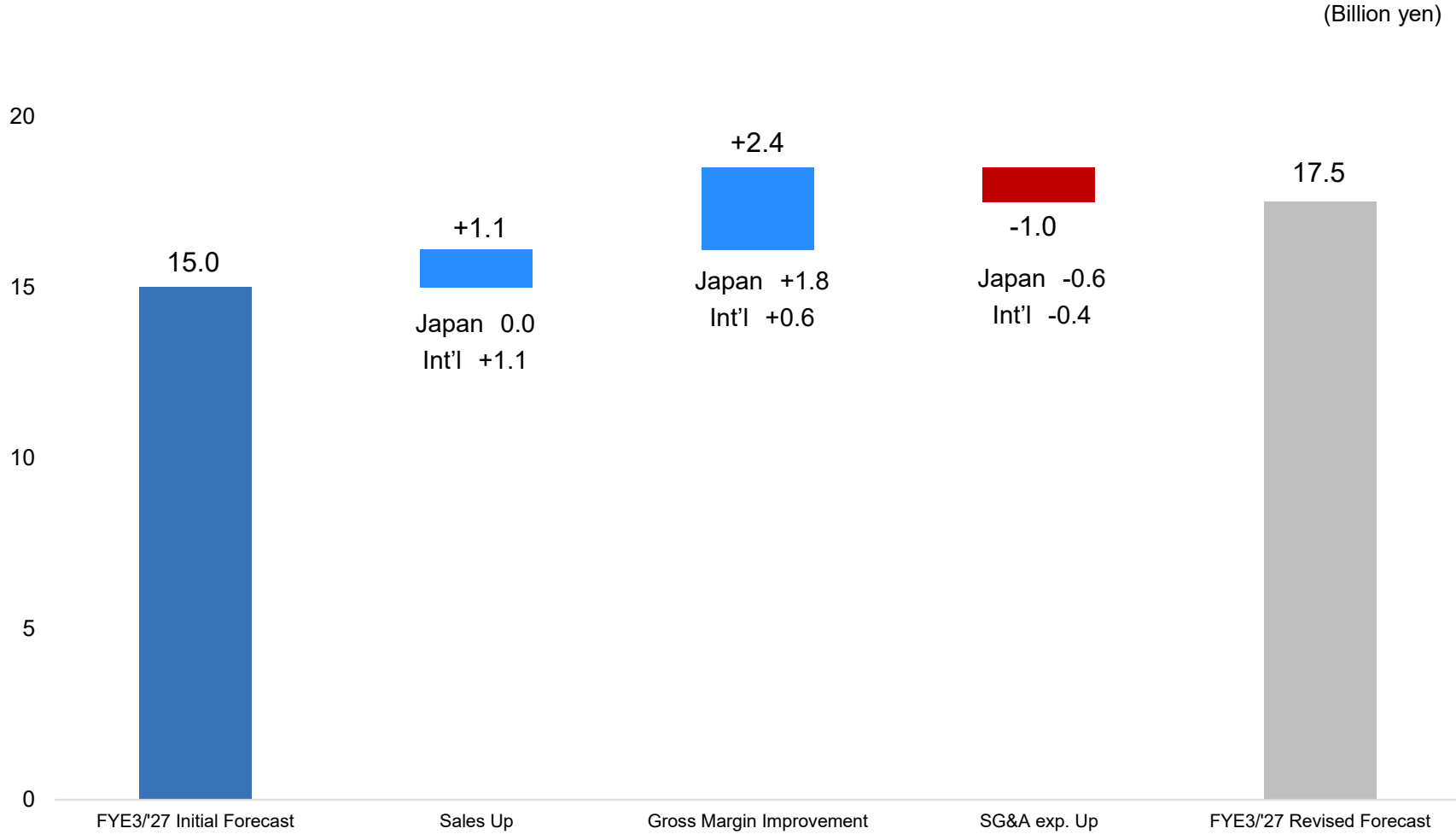
Factors for Revision in FYE 3/'27 Operating Income Forecast

Revising upward by +2.5 billion yen vs. initial forecast, reflecting the steady sales rollout of differentiated products and new technologies in the International Business, alongside improved profitability in the domestic EE Business.



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Earnings Forecast by Segment for FYE 3/'27 (vs. Previous Forecast)

(Million yen)	Orders Received			Net Sales			Operating Income (Operating margin)		
	Initial forecast	Revised forecast	Change	Initial forecast	Revised forecast	Change	Initial forecast	Revised forecast	Change
Environmental Engineering Business	74,000	69,000	-5,000	68,000	70,000	+2,000	5,000 (7.4%)	5,700 (8.1%)	+700
System Solution Business	65,000	80,000	+15,000	66,000	65,000	-1,000	2,900 (4.4%)	3,200 (4.9%)	+300
Operation Business	38,000	38,000	+0	40,000	39,000	-1,000	2,500 (6.3%)	2,700 (6.9%)	+200
International Business *	69,000	73,000	+4,000	66,000	71,000	+5,000	4,600 (7.0%)	5,900 (8.3%)	+1,300
Total	246,000	260,000	+14,000	240,000	245,000	+5,000	15,000 (6.3%)	17,500 (7.1%)	+2,500

【Orders Received】
Expected to increase due to fluctuations in the contract year for the EE and SS businesses, as well as strong demand at our North American subsidiary.

【Net Sales】
Expected to increase, driven by improved profitability in the service divisions of the EE Business, alongside strong momentum in existing products and new technologies in the International Business.

【Operating Income】
Projected to achieve record profit, propelled by margin expansion in the International Business and strong performance in the service divisions of the EE and SS businesses.

* FX: FYE3/'27(prev.) 1$=150.0JPY; FYE3/'27(e) 1$=158.0JPY

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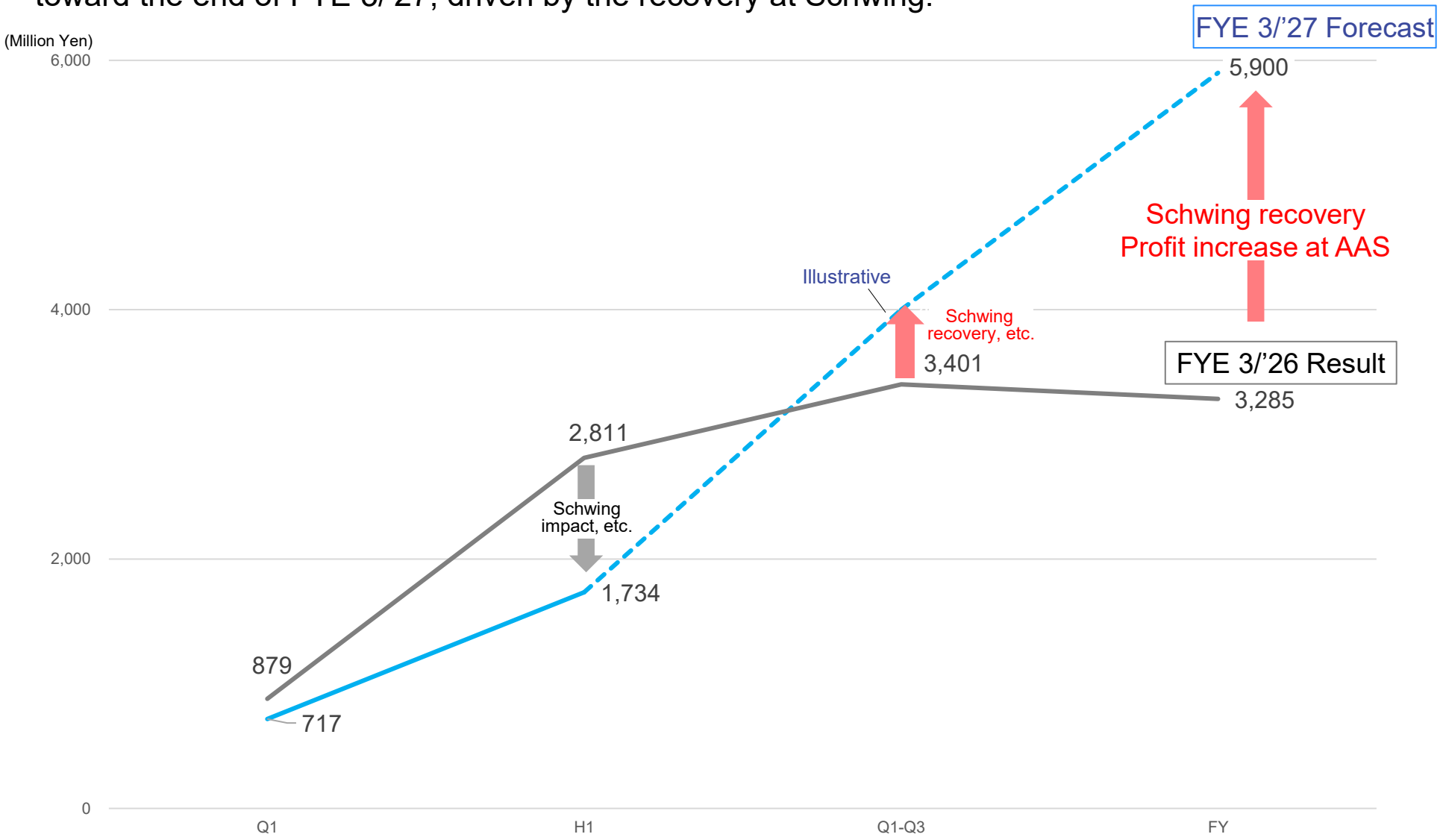
Operating Income Trends in International Business: FYE 3/'26 vs FYE 3/'27

Operating income in the International Business for FYE 3/’27 is expected to rise significantly toward the end of FYE 3/’27, driven by the recovery at Schwing.



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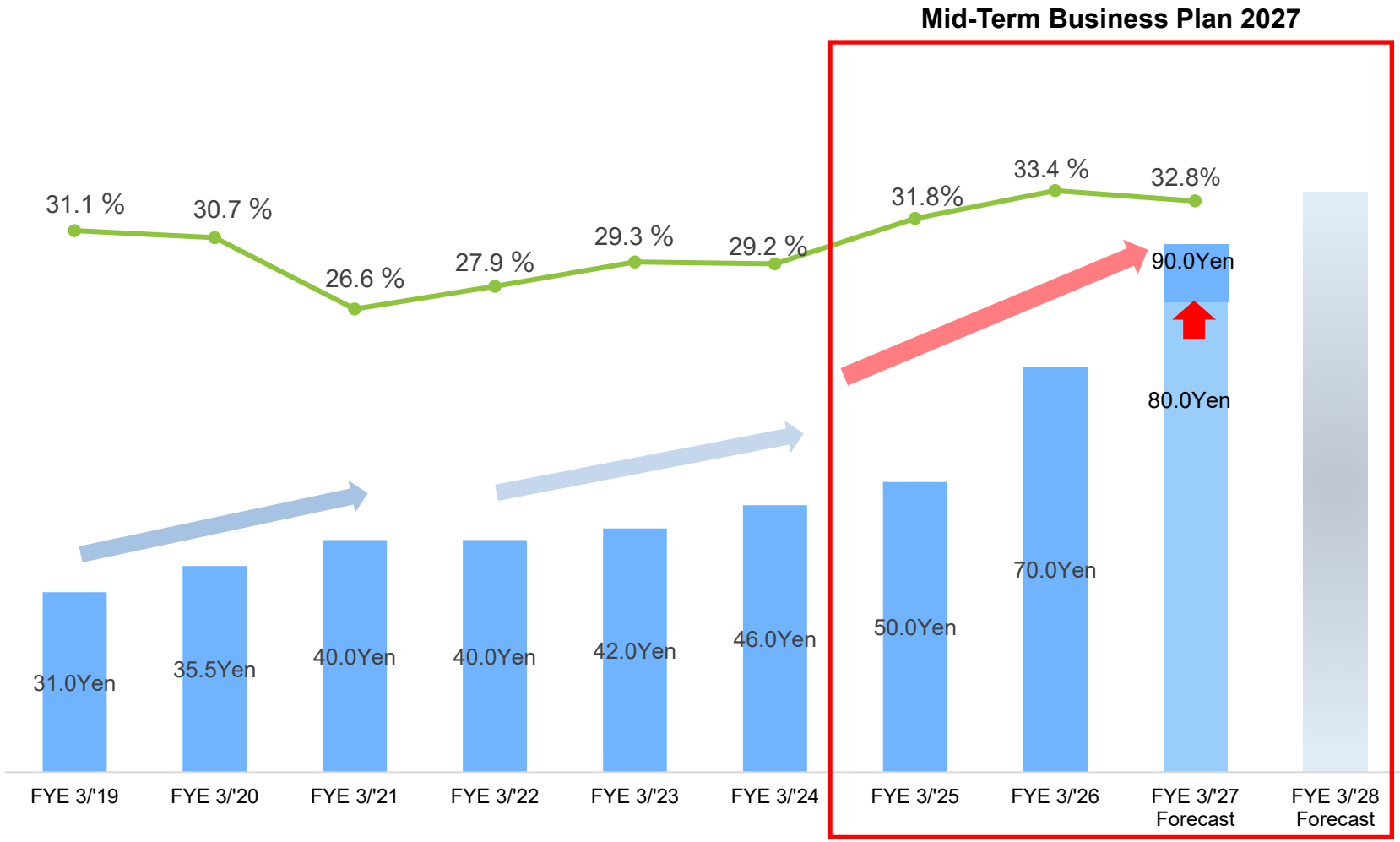
Dividend Forecast

In accordance with the dividend policy (progressive dividends, target payout ratio*1 of 30-40%), we are revising the annual dividend per share for FYE 3/'27 from 80 yen to 90 yen (up 20 yen YoY). ⇒ (5 consecutive fiscal years of Dividend Increases)



	FYE 3/'19	FYE 3/'20	FYE 3/'21	FYE 3/'22	FYE 3/'23	FYE 3/'24	FYE 3/'25	FYE 3/'26	FYE 3/'27 Forecast	FYE 3/'28 Forecast
EPS (Yen)	99.7	115.8	150.5	143.4	143.5	157.7	157.1	209.3	229.0 ⇒274.7	

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

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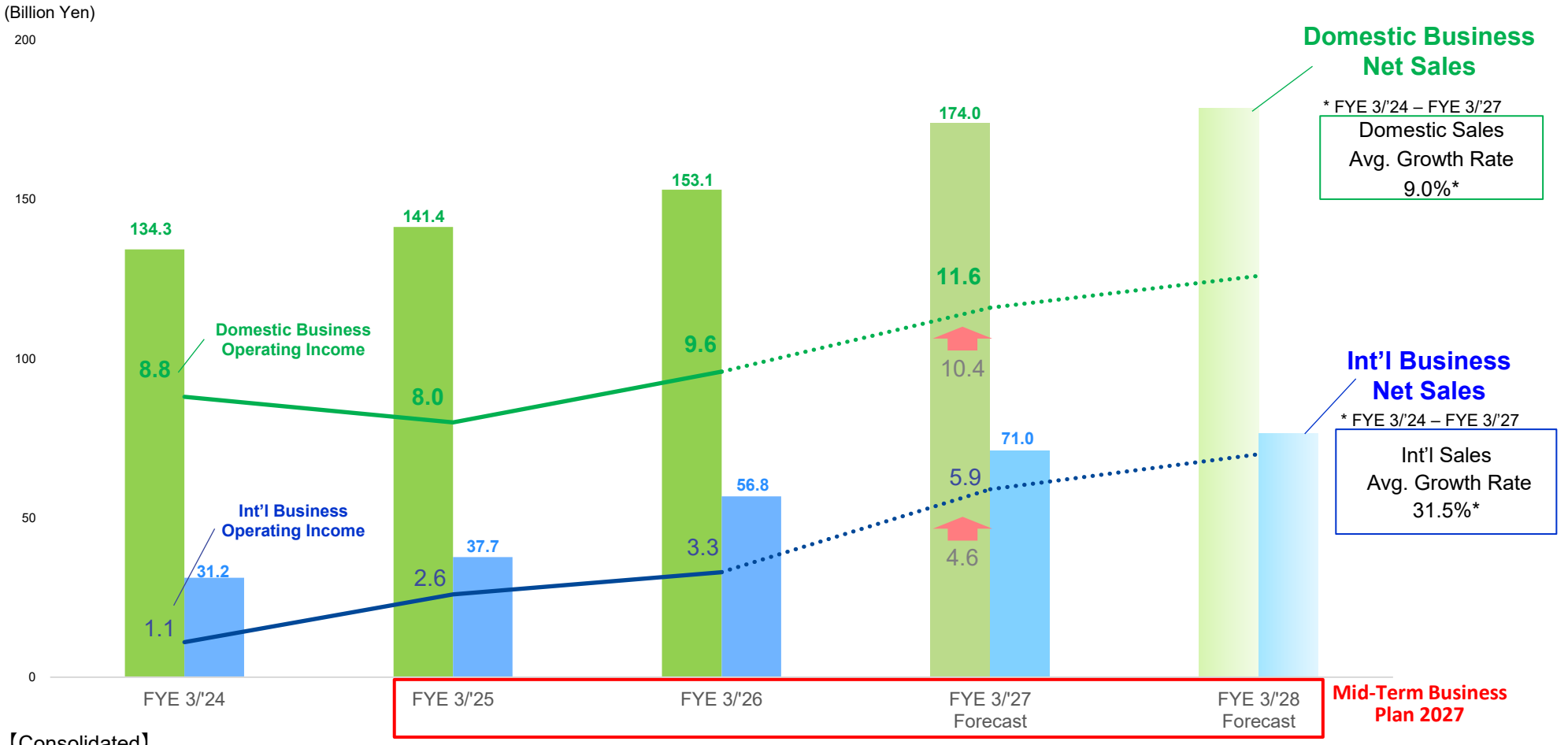
Net Sales & Operating Income: Domestic vs. International Breakdown

Domestic: Steady sales conversion backed by record-high order backlog.

International: Sales expansion driven by AAS core products.

⇒ Aiming for record-high net sales and operating income on a consolidated basis



【Consolidated】

	FYE 3/'24	Of which, international	FYE 3/'25	Of which, international	FYE 3/'26	Of which, international	FYE 3/'27 Forecast	Of which, international
Net Sales	165.6	(18.8%)	179.1	(21.0%)	209.8	(27.1%)	245.0	(29.0%)
Operating Income	9.9	(11.1%)	10.6	(24.5%)	12.9	(25.6%)	17.5	(33.7%)

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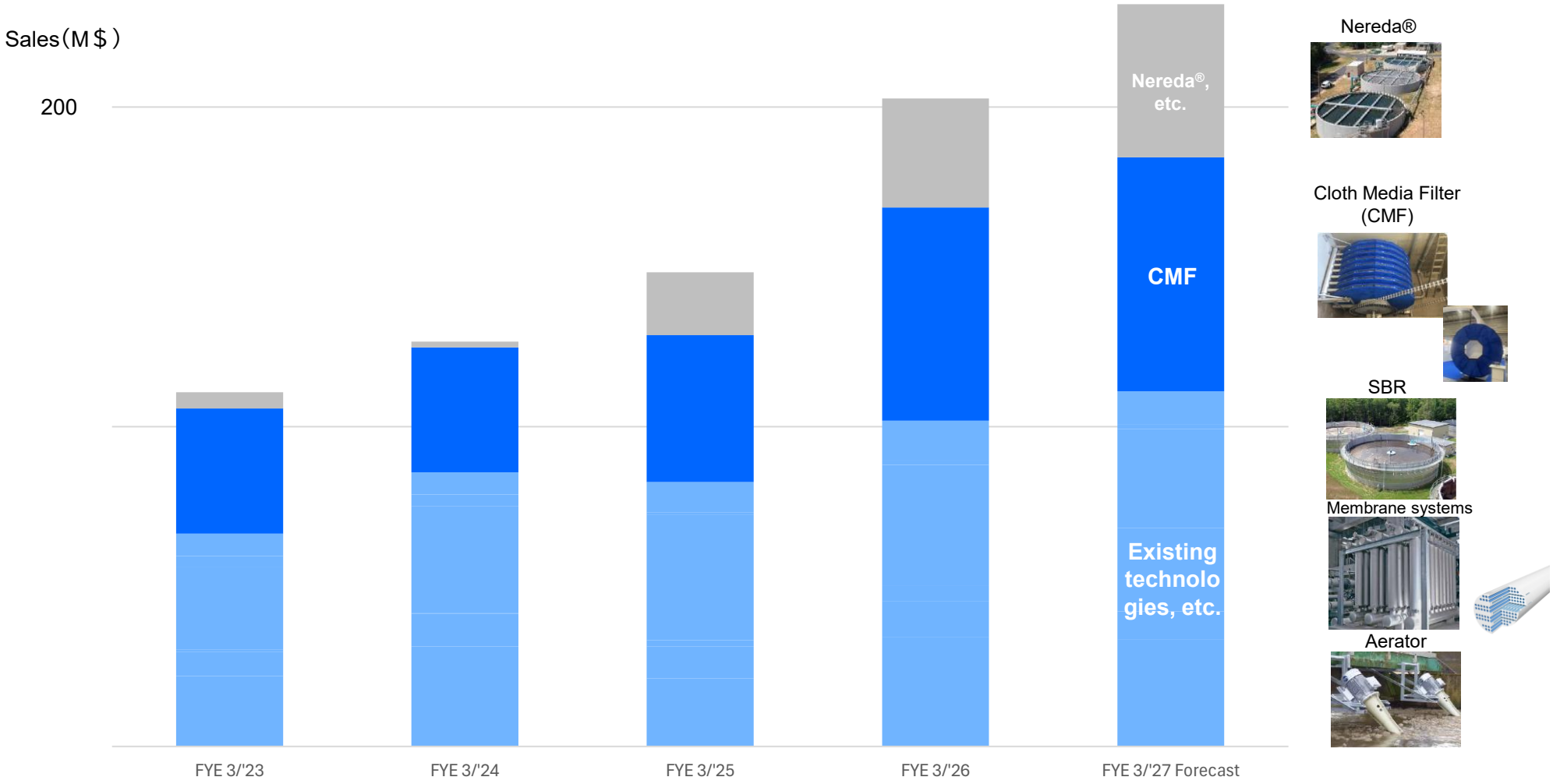
Sales Trend of Aqua-Aerobic Systems, Inc. (AAS)

Driving business expansion through new solutions, including flagship CMF, new technology Nereda®, and PFAS mitigation.



*AAS Non-consolidated

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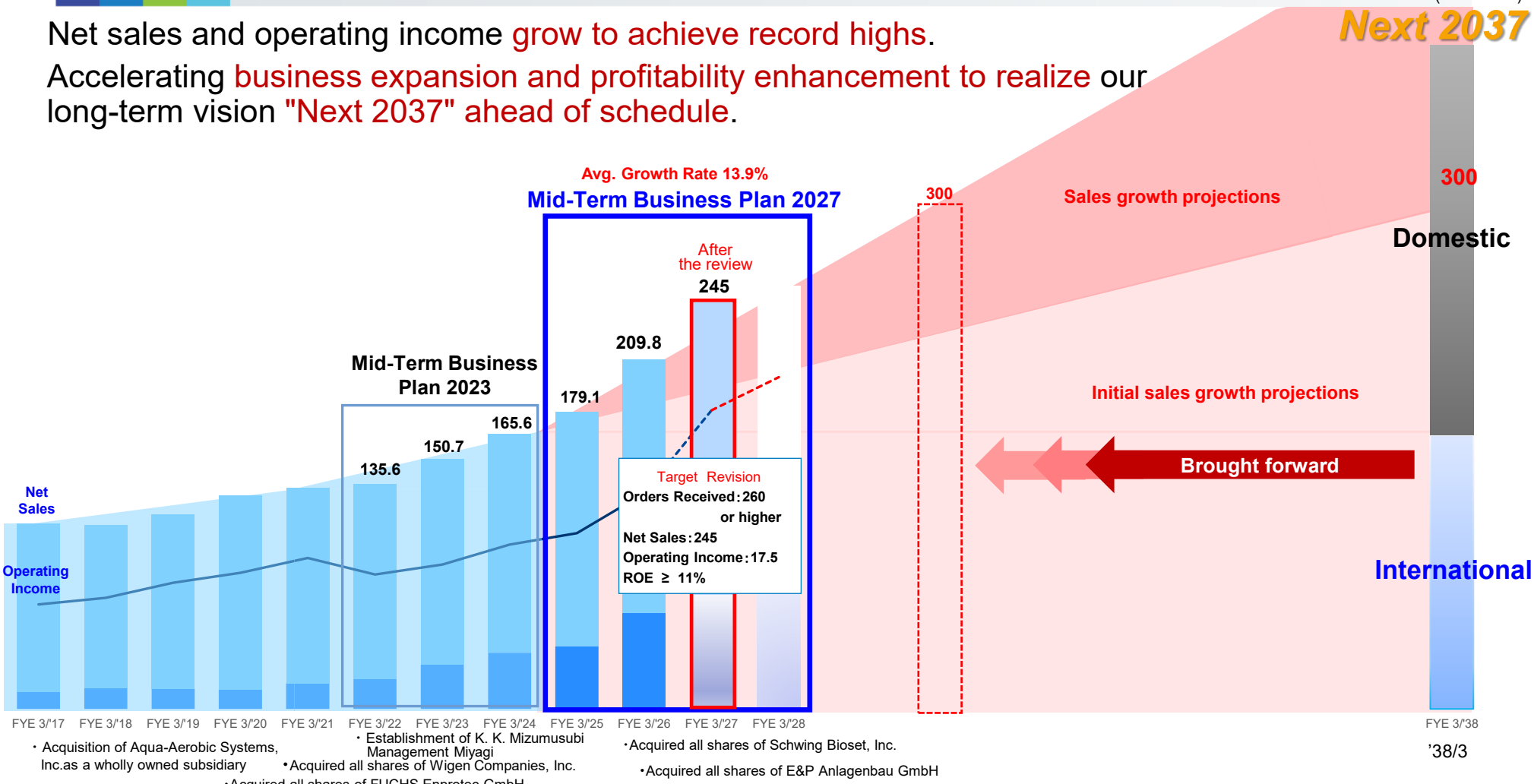
`Mid-term Business Plan 2027'
⇒ Long-Term Vision (Temporary name) Next 2037

Net sales and operating income grow to achieve record highs.

Accelerating business expansion and profitability enhancement to realize our long-term vision "Next 2037" ahead of schedule.



Dec '14 IPO

10 years in business

Hop — corporate structure enhancement

Step — Establish foundation for growth

Second Step — Business Expansion + Foundation Enhancement

20 years in business

Next Stage — to the Profitability Enhancement Stage

30 years in business

Sustainability KPIs

2024
100% of electricity used at all 52 domestic sites and field offices generated from renewable energy sources.

2030
70% GHG reduction in Scope1.2
50% reduction for customer through product/system installation

⇒2050
Becoming Carbon Neutral

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Contents

Ⅰ Outline of Financial Results for the Second Quarter of the Fiscal Year Ending March 2027

Ⅱ Revision to full-year Earnings and Dividend Forecasts for the Fiscal Year Ending March 2027

Ⅲ Supplementary to the `Mid-term Business Plan 2027'

Ⅳ Reference Materials

METAWATER

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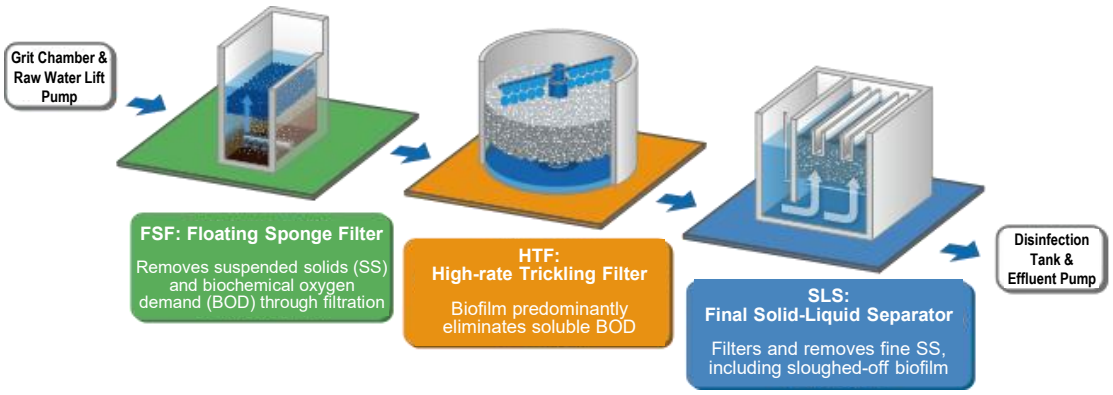
Received the 9th JAPAN Construction International Award from MLIT

The "Project for Sewerage System Development in Phnom Penh," the first public wastewater treatment plant project in Phnom Penh, Cambodia, in which METAWATER participates, received the 9th "The Japan Construction International Award " hosted by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

The newly completed Cheung Aek Wastewater Treatment Plant adopted the "Pre-treated Trickling Filter (PTF) Method," developed by METAWATER for emerging economies and already deployed in Hoi An, Vietnam, and other areas, achieving a domestic wastewater treatment capacity of approximately 5,000 m³/day.

The technology earned high praise for meeting local needs by offering energy savings, space efficiency, and easy operation and maintenance.

Pre-treated Trickling Filter (PTF) Method



Representatives of participating companies in the "Project for Sewerage System Development in Phnom Penh" attending the award ceremony

* The Japan Construction International Award - established by MLIT that commends (1) “Quality Infrastructure” projects that Japanese companies have participated overseas, (2) small and medium-sized construction-related companies which are pioneers in their overseas business, and (3) pioneering activities such as R&D and capacity building that contribute to the realization of “Quality Infrastructure” abroad

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Segment Information and Acronyms

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

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

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

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

- **Operation Business**

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

- **International Business**

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

Acronyms

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

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Disclosure Policy

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

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

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

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

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

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

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

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