



Outline of Financial Results for the Third Quarter of the Fiscal Year Ending March 2026



January 28, 2026
METAWATER Co., Ltd.

- I Highlights of the Third Quarter Financial Results for the Fiscal Year Ending March 2026
- II Outline of Financial Results for the Third Quarter of the Fiscal Year Ending March 2026
(Statement of Income ▪ Balance Sheets ▪ Cash Flows)
- III Supplementary to the ‘Mid-term Business Plan 2027’

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Financial Highlights for Q1-3 FYE 3/26 (consolidated)

Orders Received

Although the Operation business experienced a reactionary decline due to large-scale projects and lump-sum bookings of multi-year projects in the previous fiscal year, **orders exceeded the previous period's level thanks to large-scale projects in the System Solution business and strong performance in the International business.**

(Reference) Order backlog: 343,697M yen end Q3 FYE 3/25 ⇒ 379,567M yen (+35,870M yen) end Q3 FYE 3/26

Net Sales and Income

The Environmental Engineering business and the North American subsidiary of the International business performed well, leading to **increased revenue across all segments.**

Improved profitability in the International business and the Environmental Engineering business led to profit growth, achieving **significant increases in all profit levels.** (Ordinary profit includes FX gains of 409M yen)

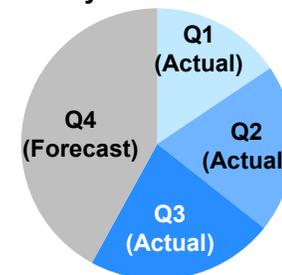
FYE 3/26 Forecast

Performance through Q3 is largely on track, and we **maintain the full-year earnings forecast** (upward revision) announced on October 27, 2025.

(Million Yen)

	Orders Received	Net Sales	Operating Income	Ordinary Income	Net Income
Q1-3 FYE3/26 Results	180,009 YoY: +12,926 +7.7%	122,980 YoY: +24,524 +24.9%	3,248 YoY: +3,601	3,645 ^{*1} YoY: +3,984	2,284 YoY: +3,269
Q1-3 FYE3/25 Results	167,082	98,456	-352	-338 ^{*2}	-984
FYE3/26 Forecast (As of Oct. 2025)	242,000	210,000	13,000	12,800	8,900

FYE 3/26 Sales Breakdown by Quarter



Quarterly Trend



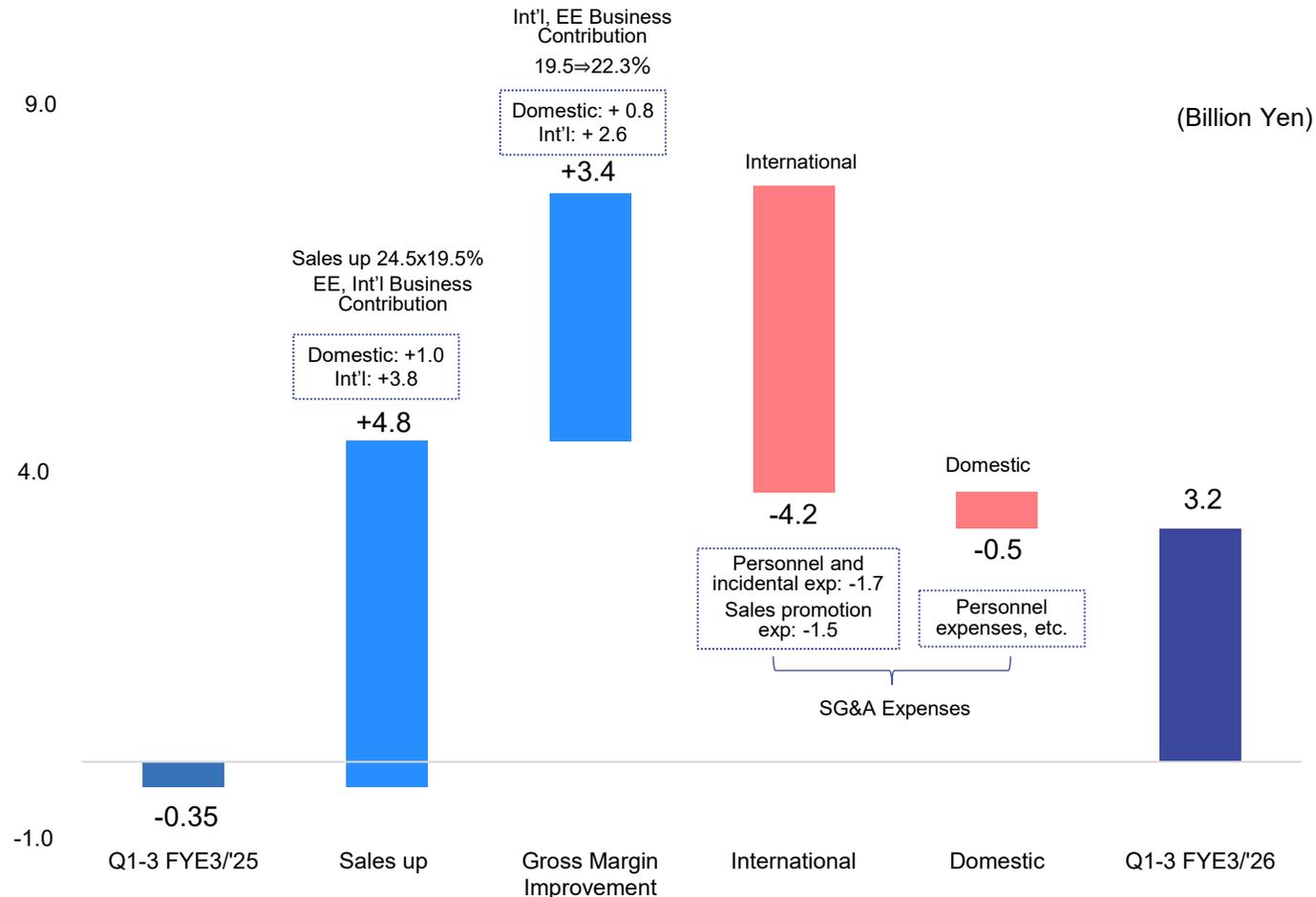
Interim DPS (Yen)
35
24

(Annual) 70

* Figures are rounded down to the nearest million yen (the same applies to subsequent Q1-3 figures) ※1 FX gain 409M Yen ※2 FX gain 215M Yen

YoY Change in Operating Income (Q1-3 FYE 3/'26)

Contributing factors include increased revenue from the International and the Environmental Engineering businesses, as well as improved profitability.



Q1-3 FYE 3/'26 Segment Information (Consolidated)



Orders Received: Although the operating business experienced a reactionary decline due to large-scale projects and lump-sum bookings of multi-year projects in the previous year, **orders exceeded the previous period's level thanks to large-scale projects in the SS Business and strong performance in the International Business.**

Net Sales: The EE business and the North American subsidiary of the International business performed well, leading to **increased revenue across all segments.**

Operating Income: Despite the impact of depreciation expenses at K.K.Mizumusubi Management Miyagi in the Operation business, **operating income increased YoY, driven by higher sales and improved profitability, particularly in the EE and International business.**

(Million Yen)

	Orders Received			Net Sales			Operating Income (Operating margin)		
	Q1-3 FYE 3/'25	Q1-3 FYE 3/'26	Change	Q1-3 FYE 3/'25	Q1-3 FYE 3/'26	Change	Q1-3 FYE 3/'25	Q1-3 FYE 3/'26	Change
Environmental Engineering Business	41,006	43,604	+2,597	27,943	34,223	+6,279	-92 —	1,371 (4.0%)	+1,463
System Solution Business	45,952	58,635	+12,683	26,679	28,826	+2,146	-2,284 —	-2,148 —	+135
Operation Business	49,915	33,393	-16,522	18,233	18,803	+570	859 (4.7%)	623 (3.3%)	-235
International Business ^{*1}	30,208	44,376	+14,168	25,599	41,126	+15,527	1,164 (4.5%)	3,401 (8.3%)	+2,237
Total	167,082	180,009	+12,926	98,456	122,980	+24,524	-352 —	3,248 (2.6%)	+3,601

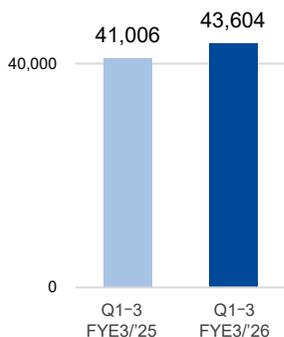
*1 FX: Q1-3 FYE3/'25 1\$=151.4JPY; Q1-3 FYE3/'26 1\$=148.0JPY *2 FX impact on sales was -842M yen, and OP was -83M yen

Segment Overview (1)

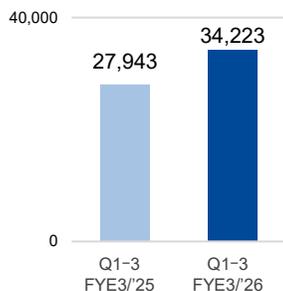
(Million Yen)

Environmental Engineering Business

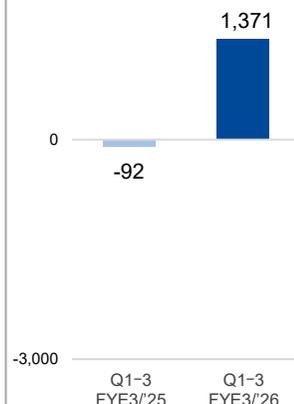
Orders Received



Net Sales

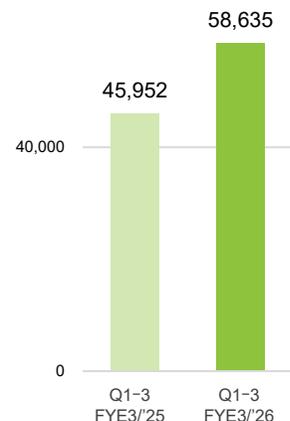


Operating Income

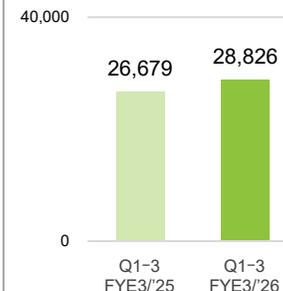


System Solution Business

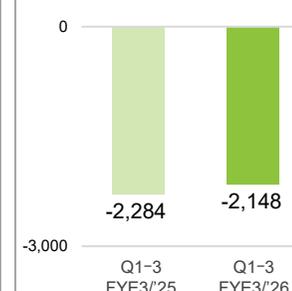
Orders Received



Net Sales



Operating Income



【 Orders Received / Order Backlog 】

Orders received decreased YoY in both the Water Environment business and the Resource Environment business

Order backlog: 115,025M yen → 110,894M yen

【 Net Sales / Operating Income 】

Both sales and operating income increased YoY, as large-scale construction projects in the Water Environment business, as well as repair work in the Resource Environment business progressed smoothly

【 Orders Received / Order Backlog 】

Orders received increased YoY in both the System Engineering and Customer Engineering businesses.

Order backlog: 84,355M yen → 101,135M yen

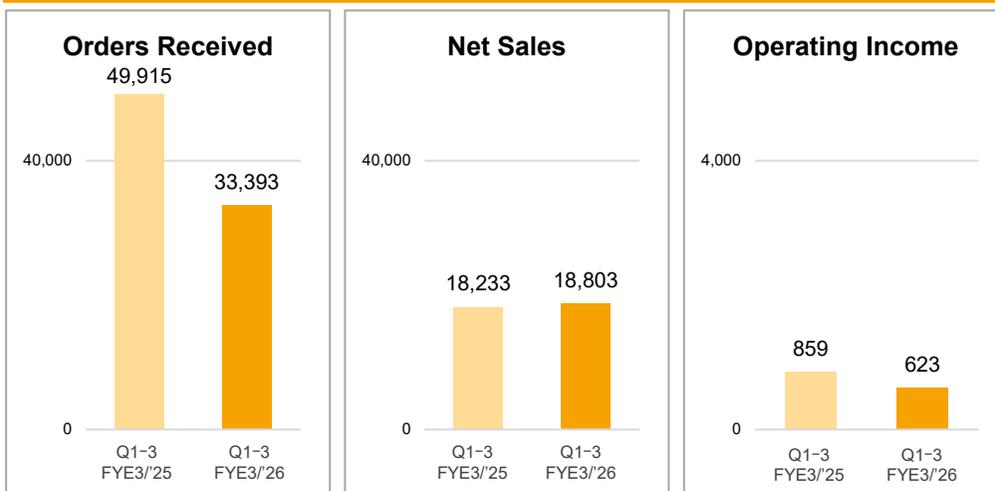
【 Net Sales / Operating Income 】

In the System Engineering business, large-scale projects progressed smoothly, with both sales and operating income exceeded the previous period. In the Customer Engineering business, repair projects progressed smoothly, with both sales and operating income remained at the same level as the previous period.

Segment Overview (2)

(Million Yen)

Operation Business



【 Orders Received / Order Backlog 】

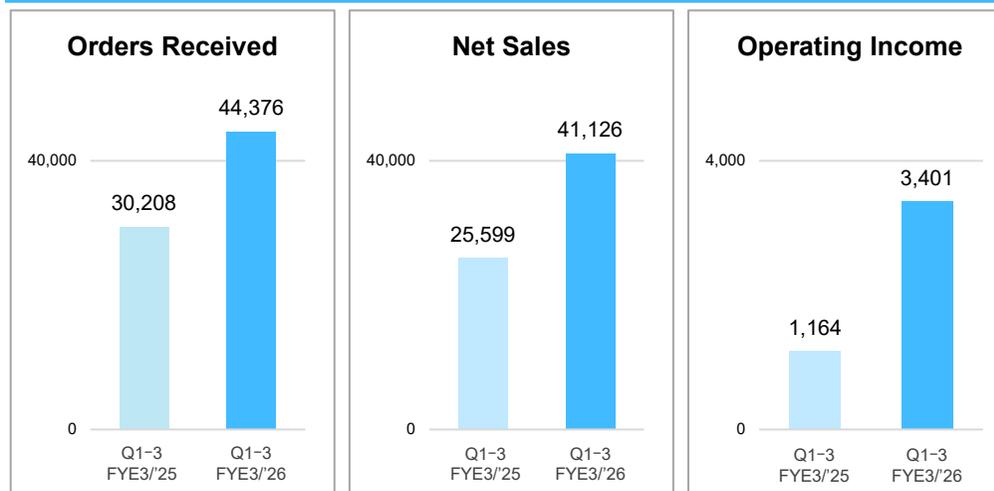
Orders received declined YoY due to the recoil from multi-year contracts booked by the service subsidiary in the previous year.

Order backlog: 110,628M yen → 117,609M yen

【 Net Sales / Operating Income 】

Although sales increased steadily and exceeded the previous year, operating income fell YoY due to the impact of some low-margin projects.

International Business



【 Orders Received / Order Backlog 】

Orders increased YoY, driven primarily by strong demand for core products at our North American and European subsidiaries.

Order backlog: 33,687M yen → 49,927M yen

【 Net Sales / Operating Income 】

Both sales and operating income were up YoY, as sales of core products at subsidiaries in North America and Europe remained strong.

* Of which, FX impact: Net sales -842M yen, and operating income -83M yen.

* After amortization of goodwill and other intangible fixed assets related to the acquisition of overseas subsidiaries (700M yen).

* FX rates: 1\$ = 151.4yen for Q1-3 FYE 3/25, 1\$ = 148.0yen for Q1-3 FYE 3/26.

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Q1-3 FYE 3/'26 Consolidated Statement of Income

	Q1-3 FYE3/'25	Q1-3 FYE3/'26	Change
Net sales	98,456	122,980	+24,524
Gross profit	19,213	27,467	+8,254
Operating income	-352	3,248	+3,601
(Operating margin)	-0.3%	2.6%	+2.9%
Non-Operating income/expenses	13	397	+383
Ordinary income	-338	3,645	+3,984
Extraordinary gains / losses	—	78	+78
Income before taxes and other adjustment	-338	3,724	+4,063
Income taxes	314	1,177	+862
Profit attributable to non-controlling interests	330	262	-68
Profit attributable to owners of parent	-984	2,284	+3,269

(Million Yen)

Net Sales YoY Δ	
Mainly strong performance in Int'l Business	+15,527
Of which, FX impact: -842	
Operating Income YoY Δ	
Sales increase	+4,782
Gross Margin improvement (19.5%→22.3%)	+3,443
SG&A increase	-4,653
Non-Operating Income YoY Δ	
FX impact (215 ⇒ 409)	+193
Valuation loss on foreign currency denominated assets	

End of Q3 FYE 3/26 Consolidated Balance Sheets

Assets: Cash and deposits increased due to collection of accounts receivable and contract assets at the end of Q3 FYE 3/26.

Liabilities: Accounts payable decreased due to payment of procurement costs.

(Million Yen)

	End of FYE 3/25	End of Q3 FYE 3/26	Change
Cash and deposits	36,278	39,582	+3,303
Trade receivable and contract assets	109,214	71,044	-38,169
Work in process and supplies	10,999	23,218	+12,219
Others	3,685	11,169	+7,483
Total current assets	160,178	145,014	-15,163
Tangible fixed assets	6,674	12,171	+5,496
Intangible fixed assets	17,706	21,761	+4,054
Deferred tax assets	2,622	4,323	+1,701
Others *3	9,601	10,279	+677
Total fixed assets	36,605	48,535	+11,930
Total assets	196,783	193,549	-3,233

	End of FYE 3/25	End of Q3 FYE 3/26	Change
Accounts payable-trade	30,806	22,768	-8,037
Short-term loans *1 payable	(805) 805	(764) 764	-41
Contract liabilities	12,944	22,250	+9,305
Others	21,328	16,203	-5,124
Total current liabilities	65,885	61,986	-3,898
Bonds payable/ Long-term loans *2	(14,620) 39,620	(13,900) 38,918	-702
Others	5,927	8,056	+2,128
Total fixed liabilities	45,547	46,974	+1,426
Total liabilities	111,433	108,961	-2,471
Total net assets	85,350	84,588	-762
Total liabilities & net assets	196,783	193,549	-3,233

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

Q1-3 FYE 3/'26 Consolidated Cash Flows

Significant increase in operating cash flow due to incoming payments for large projects

(Million Yen)

	Q1-3 FYE 3/'25	Q1-3 FYE 3/'26	Change	
Cash and Cash equivalents at the end of previous FY	14,219	35,683	+21,464	
Operating cash flow	8,783	22,505	+13,722	Accounts receivable collection +9,018
Investing cash flow	-1,501	-12,255	-10,753	Acquisition of SBI, etc.
Free cash flow	7,282	10,250	+2,968	
Financing cash flow	1,660	-6,881	-8,542	
Cash and cash equivalents at end of period	23,161	39,052	+15,890	

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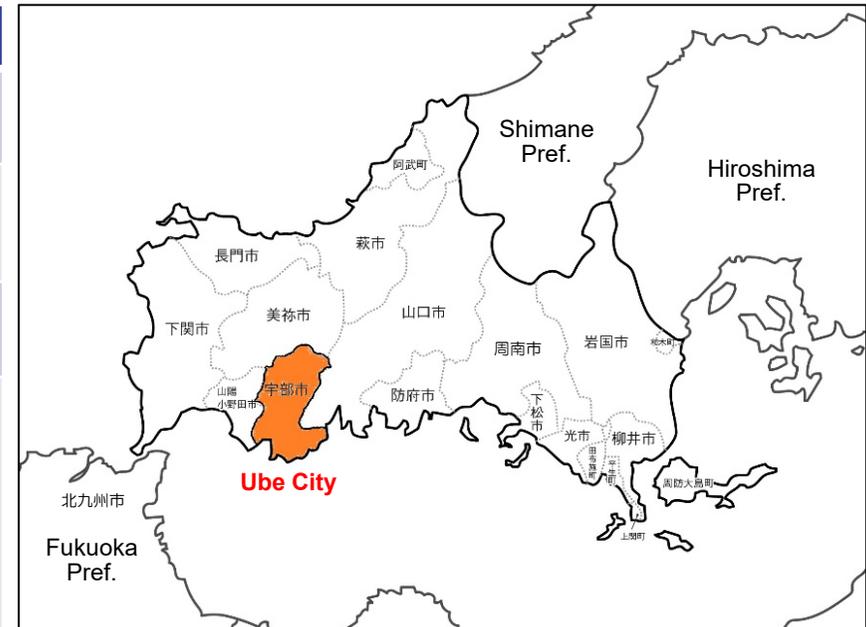
Won Water PPP (Concession) Project Following Miyagi and Kumamoto Projects

Project Name: “Ube City Public Sewerage Western Treatment District Operation Project”

In November 2025, the special purpose company (SPC) “Ube Aqua Front Co., Ltd.”, with METAWATER as the lead entity, signed an execution contract with Ube City for the “Ube City Public Sewerage Western Treatment District Operation Project.”

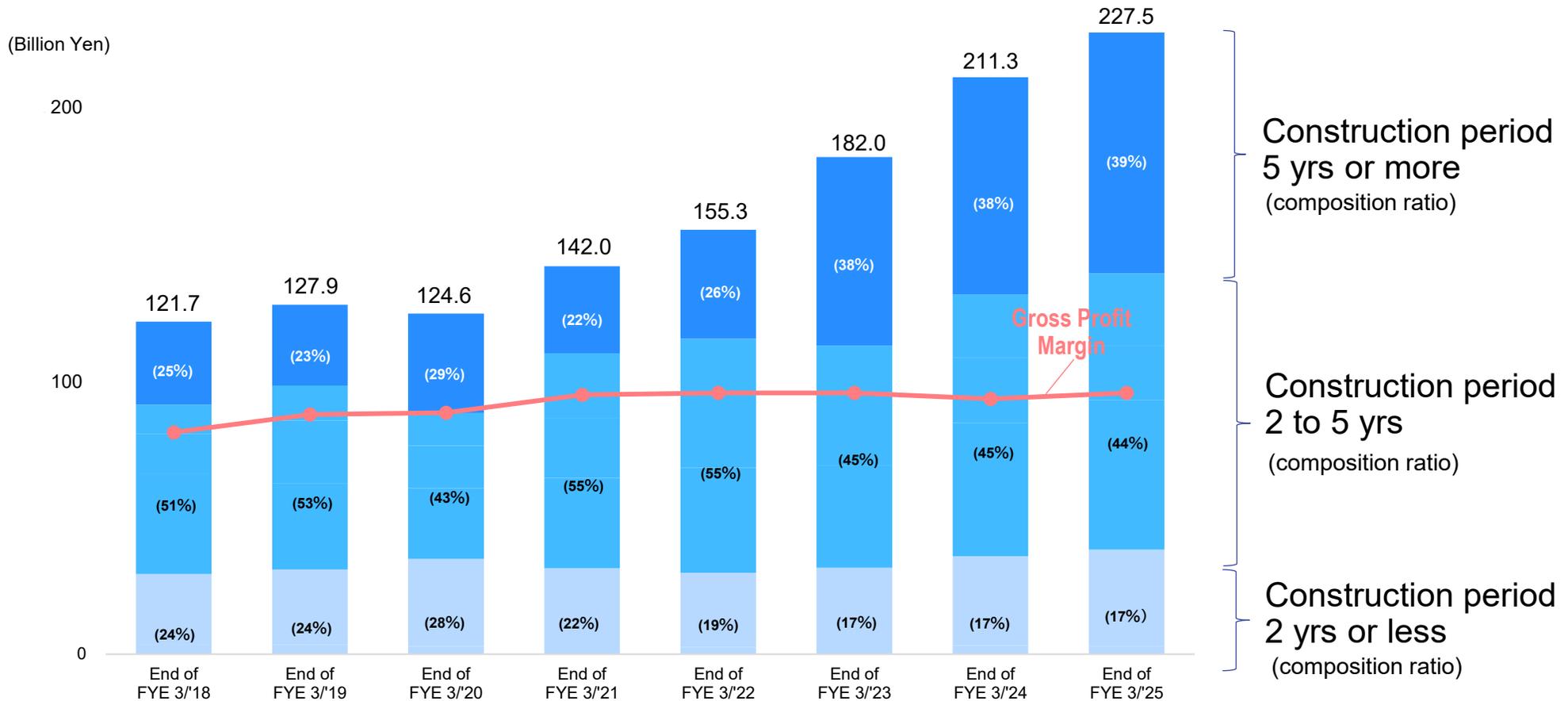
This project is a public-private partnership (PPP) initiative implemented by Ube City utilizing the PFI method (concession approach). Ube City retains ownership of the facility while comprehensively outsourcing the management and operation of the “Western Treatment Center” and the operation of its off-site facilities for a 30-year period.

Project Overview	
Project Scheme	Concession (Public Facility Management Project) and comprehensive private outsourcing
Scope of Services	Operation of the Western Wastewater Treatment Plant, and maintenance and management of pump stations and manhole pump stations
Project Term	April 2026 to March 2056 (30 years)
Project Entity	Ube Aqua Front Co., Ltd. (Special Purpose Company) 【Investing Companies】 METAWATER Co., Ltd. (Representative) FUJI SOGYO CO., LTD. UD Engineering Co., Ltd. Maemura Denki Koji Co., Ltd. DAIEI KENSETSU Co., Ltd. Mitsubishi UBE Cement Corporation (MUCC)



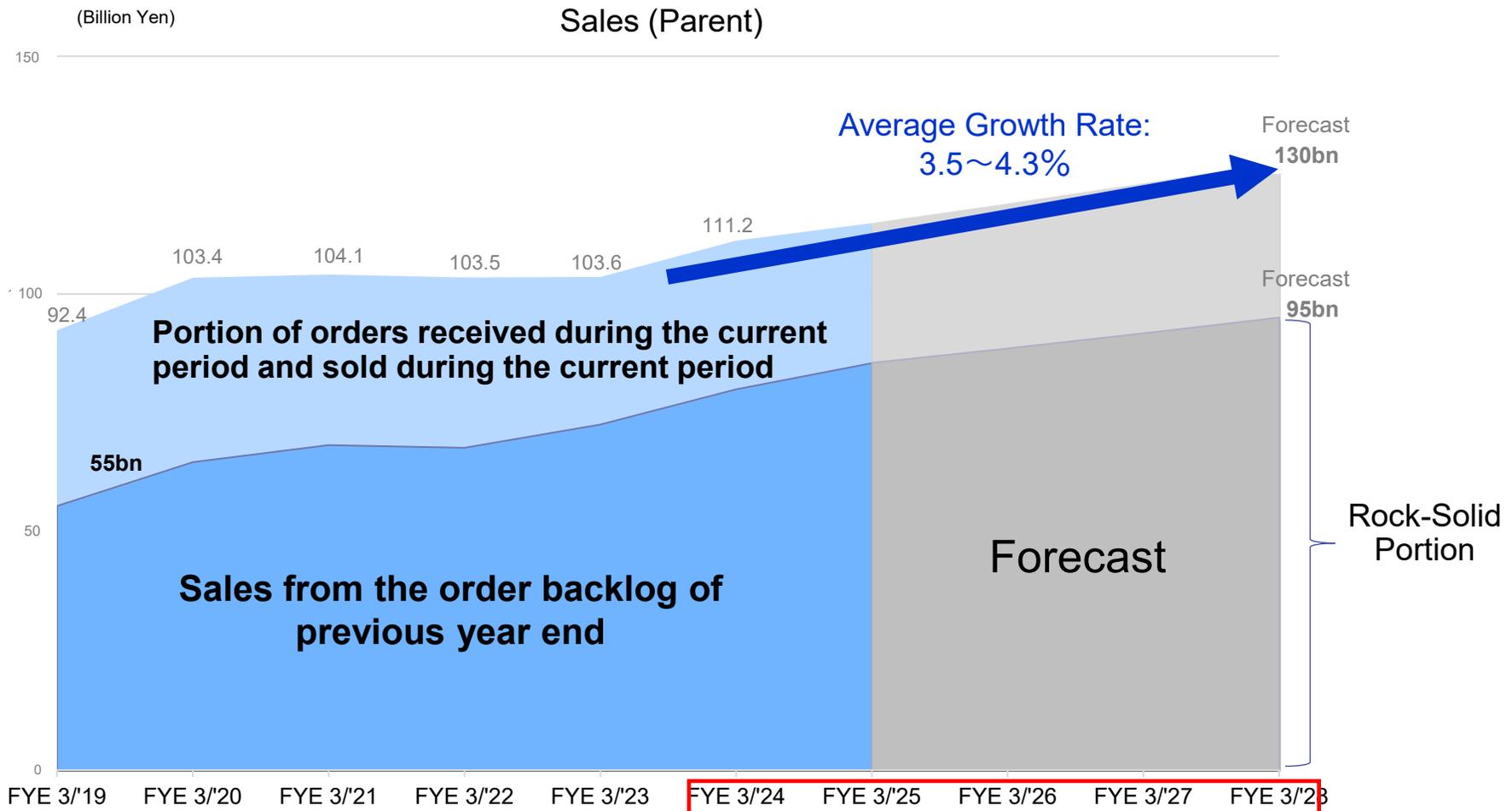
Order Backlog (Non-Consolidated) and Gross Margin Trend

The order backlog continues to hit record highs each quarter, driven by factors such as an increase in long-term, large-scale DBO projects. The gross margins (unrealized) within the order backlog have maintained a stable level, indicating the soundness of the project portfolio.



Projected Sales from Backlog (Non-consolidated)

Sales have been stable and steadily increasing as orders carried over from the previous fiscal year's end are being fulfilled.



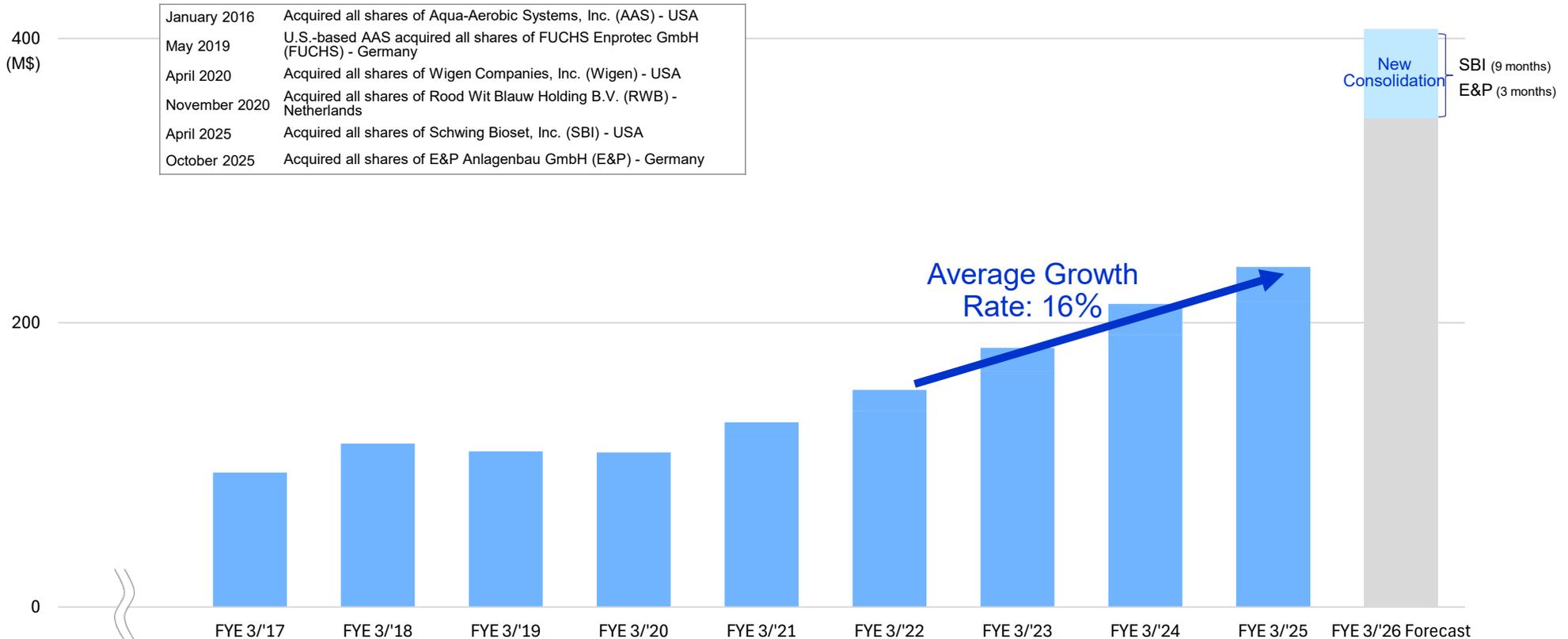
❖ Sales forecasts based on order backlogs at the end of the FYE 3/'25 and beyond use the average sales growth rate over the most recent 3 years.

International Business(*) Sales Trend

* Subsidiaries in the North America and Europe only

North America: Expanding the lineup centered on Aqua-Aerobic Systems (AAS).

Europe: Aiming to strengthen synergies among group companies centered on E&P in Germany and build a business foundation in Europe.



Segment Information

- 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.

Disclosure Policy

1. Basic Policy

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

2. Basics of information disclosure

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

3. Method of information disclosure

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

4. Communication after information is disclosed

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

5. Silent Period

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

6. Forward-looking statements

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

7. Establishment of Internal Structure

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



Contact regarding this document

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