

TRANSLATION - FOR REFERENCE ONLY

Company METAWATER Co., Ltd.
Representative Kenji Yamaguchi, President and Representative Director
(Securities code: 9551 Prime Market of Tokyo Stock Exchange)
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Matters Concerning Controlling Shareholders, etc. (Year Ended March 31, 2023)

Matters related to controlling shareholders, etc. in regard to NGK INSULATORS, LTD. and Fuji Electric Co., Ltd., which are other affiliates of METAWATER Co., Ltd. (the “Company”), for the year ended March 31, 2023 are as follows.

1. Company name, etc. of the parent company, controlling shareholder (excluding parent company), any other affiliates, or the parent company of any other affiliates

(As of March 31, 2023)

Name	Classification	Ownership (%)			Financial instruments exchange, etc. on which share certificates, etc. issued are listed
		Direct ownership	Other holdings	Total	
NGK INSULATORS, LTD.	Other affiliate	20.93	0.00	20.93	Tokyo Stock Exchange, Inc. Nagoya Stock Exchange, Inc.
Fuji Electric Co., Ltd.	Other affiliate	20.88	0.00	20.88	Tokyo Stock Exchange, Inc. Nagoya Stock Exchange, Inc. Securities Membership Corporation Fukuoka Stock Exchange

2. Name of the parent company, etc. recognized as having the greatest influence on the Company, and the reasons therefore

Name	Reasons why influence on the Company is considered to be equal
NGK INSULATORS, LTD. Fuji Electric Co., Ltd.	<ul style="list-style-type: none"> Both companies are major shareholders, with NGK INSULATORS, LTD. holding 20.93% and Fuji Electric Co., Ltd. holding 20.88% of the Company’s voting rights. The Company has business transactions with both companies, but the annual amount of transactions with the Company varies depending on the orders received by the Company.

3. Positioning of the Company in corporate group of parent company, etc. and other relationships between the Company and parent company, etc.

The Company is an equity-method affiliate of NGK INSULATORS, LTD. and Fuji Electric Co., Ltd., but neither company is involved in the business activities or management decisions of the Company, and the Company makes its own decisions.

The Company engages in transactions such as outsourcing the manufacture of ceramic membranes, etc. to NGK INSULATORS, LTD., outsourcing the manufacture of switchboards, etc. to Fuji Electric Co., Ltd. In doing so, the Company refers to market trends and other factors, and makes decisions after negotiations on a case-by-case basis, based on estimates, in the same manner as for general transactions.

By appointing highly independent Outside Directors and Outside Auditors from the viewpoint of protecting general shareholders, the Company aims to increase the objectivity of management decision-making and improve the soundness and transparency of the Company. The Company has established standards for the independence of outside officers, and 3 Outside Directors (Kaoru Aizawa, Fumiko Kosao, and Tsuneo Tanai) and 2 Outside Auditors (Taku Fukui and Masami Kusunoki) have been designated as independent officers and registered with the Tokyo Stock Exchange as they fulfill these standards and the requirements for independent officers set by the Tokyo Stock Exchange.

4. Matters concerning transactions with controlling shareholders, etc.

Year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Type	Name of company, etc. or individual	Location	Share capital or contributions (millions of yen)	Contents of business or occupation	Ownership of voting rights, etc. (ownership) (%)	Relationship with related parties	Nature of transaction	Transaction amount (millions of yen)	Items	Year-end balance (millions of yen)
Other affiliate	NGK INSULATORS, LTD.	Mizuho-ku, Nagoya	69,849	Development, manufacture, sale, service, etc. of products related to energy infrastructure, ceramics, electronics, process technology, etc.	(Ownership) Direct 20.93	Purchase of products	Purchase of products, etc. (Notes 1)	1,423	Accounts payable	1,177
							Acquisition of the company stock (Note 2)	2,776	-	-
Other affiliate	Fuji Electric Co., Ltd.	Kawasaki-ku, Kawasaki	47,586	Development, production, sales, services, etc. pertaining to products related to power electronics energy, power electronics industry, semiconductors, power generation and food distribution, etc.	(Ownership) Direct 20.88	Purchase of products	Purchase of products, etc. (Notes 1)	8,824	Accounts payable	3,884
							Acquisition of the company stock	2,776	-	-

(Notes) 1. Transaction terms and conditions and policy for determining transaction terms and conditions, etc.

Prices and other terms and conditions of transactions are determined after negotiations on a case-by-case basis, with reference to market trends and other factors, and are based on estimates, in the same manner as for general transactions.

2. Regarding the acquisition of the company stock, based on the resolution of the Board of Directors meeting held on November 29, 2022, the acquisition was conducted through off-floor trading (ToSTNet-2) based on the most recent closing price of the Tokyo Stock Exchange.