

# Outline of Financial Results for the Fiscal Year Ended March 2017

A decorative graphic consisting of several overlapping, curved, light blue and yellow shapes that sweep upwards from the bottom left towards the top right, creating a sense of growth and movement.

April 26, 2017  
METAWATER Co., Ltd.

- I Highlights of Financial Results for the Fiscal Year Ended March 2017
- II Management Policy for the Fiscal Year Ending March 2018
- III Outline of Financial Results for the Fiscal Year Ended March 2017

## <Segment Information>

### ❑ Plant Engineering Business (PE Business)

This segment is primarily involved in various types of engineering work in the design and construction of mechanical equipment used for water treatment processes, sewage treatment processes, sludge treatment processes and fuelization processes. It is also involved in the design, procurement and construction of electric equipment used to operate, observe and control the said mechanical equipment.

### ❑ Service Solution Business (SS Business)

This segment is primarily involved in various kinds of repair work, operation, maintenance management (maintenance and check) and administration of mechanical and electric equipment for water treatment plants, sewage treatment plants, waste treatment facilities and recycling facilities.

## <Acronyms>

**EPC**      **Engineering, Procurement and Construction**

**O&M**      **Operation and Maintenance**

**PPP**      **Public-Private Partnership**

(Method of having private participation in the provision of public services)

**PFI**      **Private Finance Initiative**

(Method of public works which utilizes the private sector for the design and construction of public facilities, operation and maintenance management, and capital procurement)

**DBO**      **Design, Build and Operate**

(Method of public works which utilizes the private sector for the design and construction of public facilities, and operation and maintenance management)

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# Financial Highlights of FYE March 2017

## \*Profit & losses

Due to factors such as the effects of business reforms in North America including the AAS\* consolidation, sales and operating profit were largely as forecast

Net profit for the period will exceed the forecast due to the impact of tax effects at the US subsidiary

## \*Orders

Although the forecast was not reached due to factors such as delays in order timing, a record number of orders was received. Orders backlog has sustained its increasing trend

(Reference) FYE 3/'16 : 107.2 billion yen>> FYE 3/'17: 115.2 billion yen

## \* Dividends

Continue at 58 yen annually based on a stable dividend policy

(Billion yen)

	Orders Received	Net Sales	Operating Profit	Ordinary Income	Net Income for the Period *	Annual dividend (yen)
FYE 3/'17	<b>119.6</b> Change: -6.4 YoY: +7.1	<b>111.7</b> Change: -0.3 YoY: +8.6	<b>6.3</b> Change: +0.1 YoY: +0.9	<b>6.3</b> Change: +0.2 YoY: +1.1	<b>4.7</b> Change: +0.7 YoY: +2.0	<b>58</b> 〈Vote planned for May〉
FYE 3/'17 forecasts	<b>126.0</b>	<b>112.0</b>	<b>6.2</b>	<b>6.1</b>	<b>4.0</b>	<b>58</b>
FYE 3/'16	<b>112.5</b>	<b>103.1</b>	<b>5.4</b>	<b>5.1</b>	<b>2.8</b>	<b>58</b>

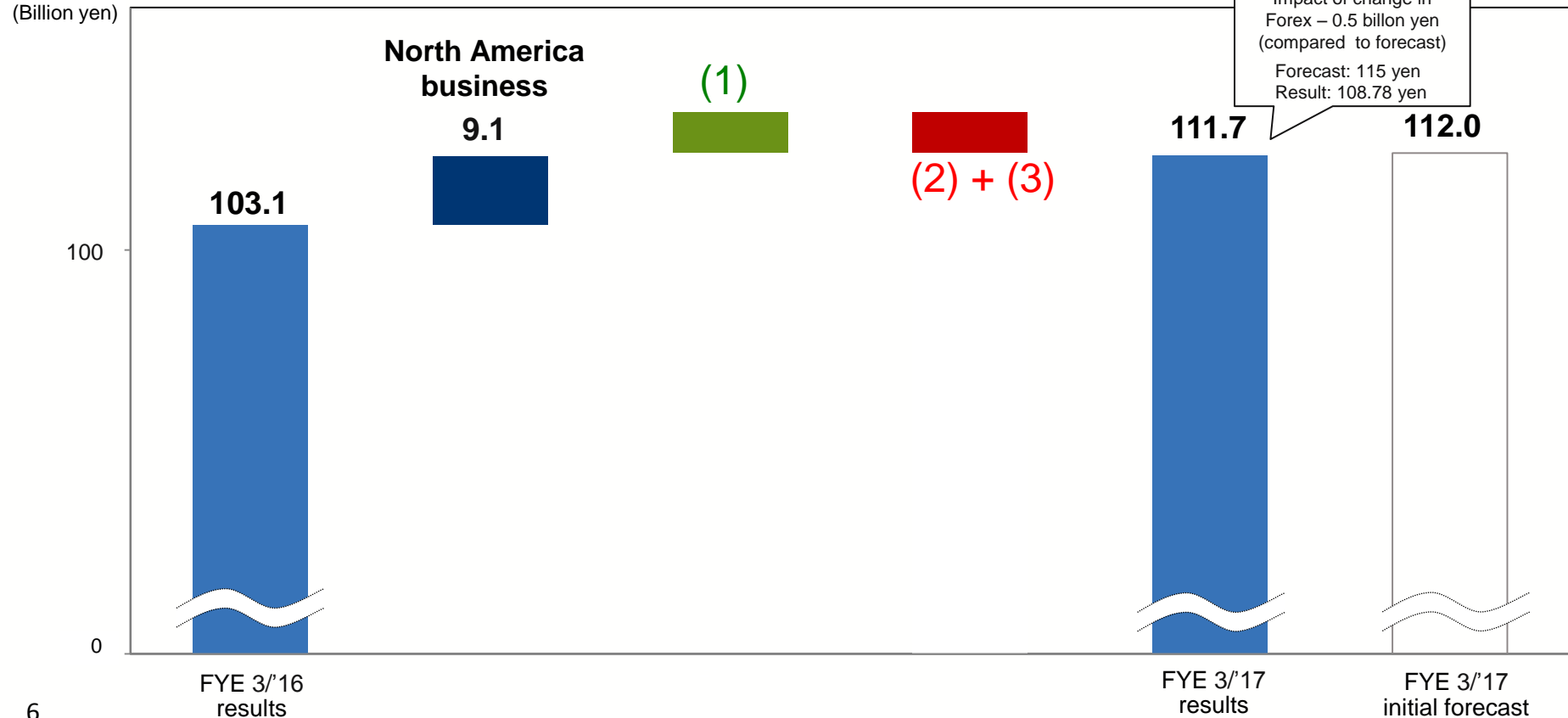
# FYE March 2017 Net Sales Results

Net sales are expected to be mostly in line with projections as revenue growth factors and revenue contraction factors cancel each other out.

[Revenue growth factors] (1) For orders received up to the end of 'FYE March 2016, the progress portion for the end of 'FYE March 2017 has increased as a result of a revision in the work plan.

[Revenue contraction factors] (2) The completion of some work will be delayed until 'FYE March 2018 or afterwards as a result of factors such as delays in civil engineering and construction work.

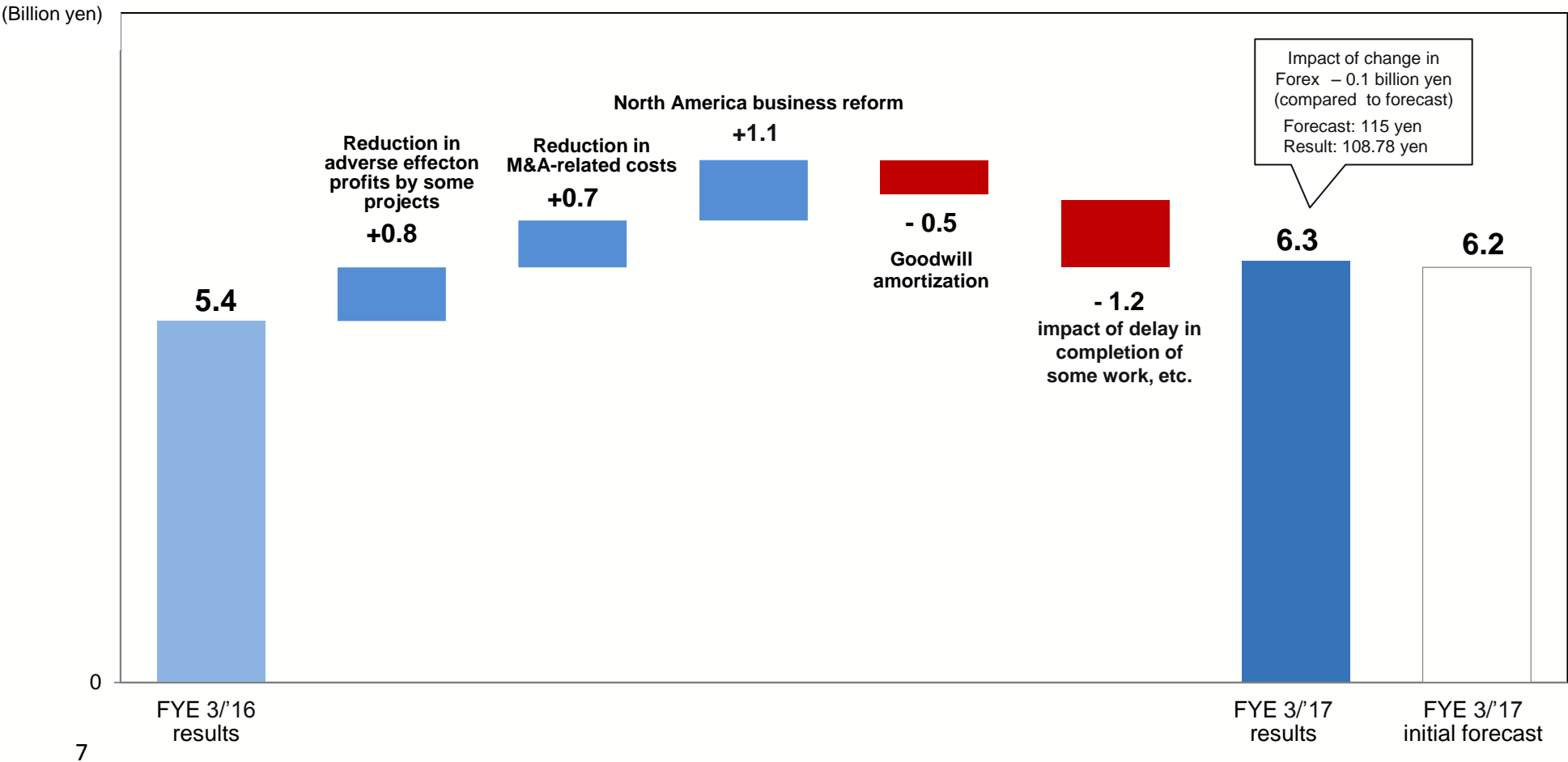
(3) Decline in progress during 'FYE March 2017 due to bulk of orders being received in the second half of 'FYE March 2017



# FYE March 2017 Operating Profit



While none of the risk factors incorporated in the initial forecasts occurred, results are expected to be mostly in line with projections due to factors such as the delay of completion of some work until the next fiscal year



## Orders taken for 14 large construction work projects of 1 billion yen scale (of which 6 are in Q4)

- \* Nagoya City Waterworks & Sewerage Bureau "Construction of Water Treatment Equipment in Horidome Water Treatment Center (Part 6)" (Aichi Prefecture) (Q4)
- \* Niigata City Waterworks Bureau "Replacement of Electrical Equipment in Aganogawa Water Purification Plant" (Niigata Prefecture) (Q4)
- \* Osaka City Waterworks Bureau "Kunijima Water Purification Plant Lower System Ozone Facility Function Augmentation Work" (Osaka Prefecture) (Q4)
- \* Tokyo Metropolitan Government Bureau of Waterworks "Installation of Electric Equipment in Kohoku Water Supply Station (temporary name) and One Other Location" (Q4)
- \* Waterworks Bureau, City of Kawasaki "Electrical Construction for Renovation of Iriezaki Water Treatment Center (Part 9)" (Kanagawa Prefecture) (Q4)
- \* Kodaira City/Higashiyamato City/Musashimurayama City "(Temporary name) Maintenance of 3 Cities' Joint Recyclables Processing Facility" \*(Tokyo Metropolitan Area) (Q4)
- \* Tokyo Metropolitan Government Bureau of Sewerage "Reconstruction of Grit Chamber Machine and Equipment in Azuma Pump Station No. 2" (Q3)
- \* Nagoya City Waterworks & Sewerage Bureau "Hojin Water Treatment Center – Construction of Water Treating Equipment (3)" (Aichi Prefecture) (Q3)
- \* Japan Sewage Works Agency "Hokubu River Basin Treatment Plant Sludge Treatment Facility Construction, Part 2" (Saitama Prefecture) (Q3)
- \* Tokyo Metropolitan Government Bureau of Sewerage "Nanbu Sludge Treatment Plant Dehydration and Incineration Electric Facility Reconstruction" (Q2)
- \* Okinawa Prefectural Enterprise Bureau "Second Sand Filter Base Machinery Development Project in Chatan Water Purification Plant (Part 1)" (Q2)
- \* Takayama City "Sludge Incinerator Service Life Extension Development in Miyagawa Sewage Treatment Plant" (Gifu Prefecture) (Q2)
- \* Kyoto City Waterworks Bureau "High Speed Filtration System Machinery Development in Fushimi Water Environment Conservation Center" (Kyoto Prefecture) (Q2)
- \* Tokyo Metropolitan Government Bureau of Sewerage "Morigasaki Water Reclamation Center (West) High-speed Filtration Facility Construction" (Q1)



9 completed large projects with orders taken at scale of 1 billion yen (of which 4 are in Q4)

- \* Tokyo Metropolitan Government Bureau of Sewerage "Minamitama Water Reclamation Center Sludge Incineration Equipment Maintenance and Construction (Part 3)" (Q4)
- \* Nagoya City Waterworks & Sewerage Bureau "Tsuyuhashi Water Treatment Center Water Treatment Facility Construction Work" (Aichi Prefecture) (Q4)
- \* Mie Prefecture Enterprise Bureau "Takano Water Purification Plant Improvement of Central Surveillance and Control Facilities" (Q4)
- \* Kanagawa Water Supply Authority "Sagamihara Water Purification Plant Emergency Power Generation Facility Update" (Q4)
- \* Construction Bureau of Osaka City "Ono Sewage Treatment Plant Settling Basin Facility Construction" (Osaka Prefecture) (Q3)
- \* Tokyo Metropolitan Government Bureau of Sewerage "Shingashi Water Reclamation Center Sludge Incineration Facility No. 3 Furnace Demolition" (Q3)
- \* Tokyo Metropolitan Government Bureau of Waterworks "Kanamachi Water Purification Plant Advanced Water Purification Facility No. 1 Electric Equipment Improvement" (Q3)
- \* Tokyo Metropolitan Government Bureau of Sewerage "Nanbu Sludge Treatment Plant Power Generation Facility Construction (Part 2)" (Q2)
- \* Saitama Sewage Works "Nanbu River Basin Treatment Plant No. 3 Sludge Incinerator Machinery and Equipment Improvement" (Q2)

## In addition to Europe and America, orders have also been taken for new projects in Asia

- \* Order received from Norway's Inrigo, Inc. for ceramic membrane filtration equipment for 2 water purification plants in Cameroon (Q4)
- \* Order received for total of 10 on-board ceramic membrane filtration units for Myanmar (Q4)
- \* Order received for ozone expansion at Wylie Water Purification Plant in Texas, USA (Q4)
- \* Order received for water treatment facility construction in Hoi An City, Vietnam (Q3)
- \* Order received for cross-media filter for Woodward Avenue Sewage Treatment Plant in Ontario, Canada (Q1)
- \* Order received for cross-media filter for South Austin Regional Sewage Treatment Plant in Texas, USA (Q1)
  
- \* Consolidation of AAS, Inc.'s\* profit and loss statement (4/'16~), transfer of North America business operations of MUSA\* to AAS, Inc. (5/'16~)

Reference: Completion of Butte Water Purification Plan adopting ceramic membrane filtration equipment in Montana, USA (FYE 3/'18)

\* AAS, Inc.: Aqua-Aerobic Systems, Inc. (Head Office: Illinois, USA; became subsidiary company 1/'16')

\* MUSA: METAWATER USA, Inc. (Head Office: New Jersey, USA; METAWATER subsidiary company)

Management, operation and maintenance at more than 70 sites in total FYE 3/'17 saw commissioning of 8 long-term contracts, comprehensive contracts and new contracts, and start of business in 5 new projects

## Commissions

- \* Chigasaki City "Oversize Garbage Processing Facility Operation and Management Business Commission" \*(Kanagawa Prefecture) (Q4)
- \* Kyoto City "Ishida Water Treatment Facility Operation and Management Commission" \*(Kyoto Prefecture) (Q4)
- \* Gero City "Gero City Water Supply Facility Operation and Management Business", "Gero City Water Supply Facility Operation and Management Business Part 2" (Gifu Prefecture) (Q4)
- \* Shizuoka City "Nakajima Purification Center and Nakajima Rainwater Pump Station Operation and Management Business" (Shizuoka Prefecture) (Q4)
- \* Nagaoka City "Operation and Management Business for Myouken Water Purification Plant and 4 Other Water Purification Plants" \*(Niigata Prefecture) (Q3)
- \* Kawasaki City "Kase Water Treatment Center/Treatment District Pump Station Inspection Business (long-term contract)" \*(Kanagawa Prefecture) (Q1)
- \* Utsunomiya City "Comprehensive Maintenance and Management Business for Kiyohara Water Treatment Center and 2 Other Sites (comprehensive commission)" \*(Tochigi Prefecture) (Q1)

\*Commissions and businesses started

To date, there has been participation in planning 27 of 57 PPP projects\* in the water and sewer services field (4 of 6 in FYE 3/'17 )

\*No. of PPP projects: According to research by METAWATER

## Orders received

- \* Nagoya City Waterworks & Sewerage Bureau "Sorami Sludge Recycle Center Project for Turning Sewage Sludge into Solid Fuel" (Aichi Prefecture) (Q4)
- \* Kitakyushu City "Drainage Management System Maintenance, Improvement and Management Project" (Fukuoka Prefecture) (Q3)
- \* Mitsuke City "Aoki Water Purification Plant Update Project" (Niigata Prefecture) (Q2), etc.

## Works completed

- \* Shizuoka City "Nakajima Purification Center Sludge Fuelization Facility Construction" \*(Shizuoka Prefecture) (Q4)
- \* Osaka City "Hirano Sewage Treatment Plant Project for Dessicate and Effluent Facility Treatment Maintenance" (Osaka Prefecture) (Q4)
- \* Aichi Prefecture "Toyokawa Purification Center Project for Maintenance/Administration of Sludge Treatment Facilities, etc." \*(Q3)

\*Works completed and businesses started

## Businesses started

- \* Started Arao City "Comprehensive Contract for Water Service Business, etc." business (Kumamoto Prefecture) (Q1)
- \* Started Kitakyushu Water Service Co., Ltd. business (Fukuoka Prefecture) (Q1)

Focusing on development of cutting-edge technologies for energy conservation/energy creation, environmental consideration and countermeasures against flash downpours, etc.

- \* Switch to practical application stage of FY2014 B-DASH\* “Actual proof project for unrefined air circulation-type water management technology” with guidelines
- \* Start of actual proof of FY2015 B-DASH\* “Actual proof project for rain water management technology in relation to local downpours in urban areas”
- \* Development of ultraviolet irradiation equipment for water treatment facilities using ultraviolet light emitting diodes (UV-LED)
- \* Acquisition of ISO55001 (Asset Management) certification
- \* Executed naming rights contract for Aichi Prefecture Sewage Science Museum

\* B-DASH (Breakthrough by Dynamic Approach in Sewage High Technology Project)

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# Forecast of Financial Results and Dividend of FYE3/'18

Regarding the forecast for 'FYE March 2018, perform a detailed survey of the implementation plans for projects from the backlog at the end of 'FYE March 2017 and the orders expected for 'FYE March 2018 that are to be implemented by the end of 'FYE 2018, and review if necessary when the 2Q results are calculated.

✧ Orders

In order to achieve the long-term vision(Refer to page 18), aim to achieve record-high orders for two consecutive fiscal years

✧ Profit & Loss

Aim to increase revenues and profits through an increase in the stock business including PPP and O&M, and by strengthening the overseas business with a focus on North America and Europe.

However, net income will decrease YoY as there will no longer be a tax effect for the US subsidiary.

✧ Dividends

Continue stable dividend payment

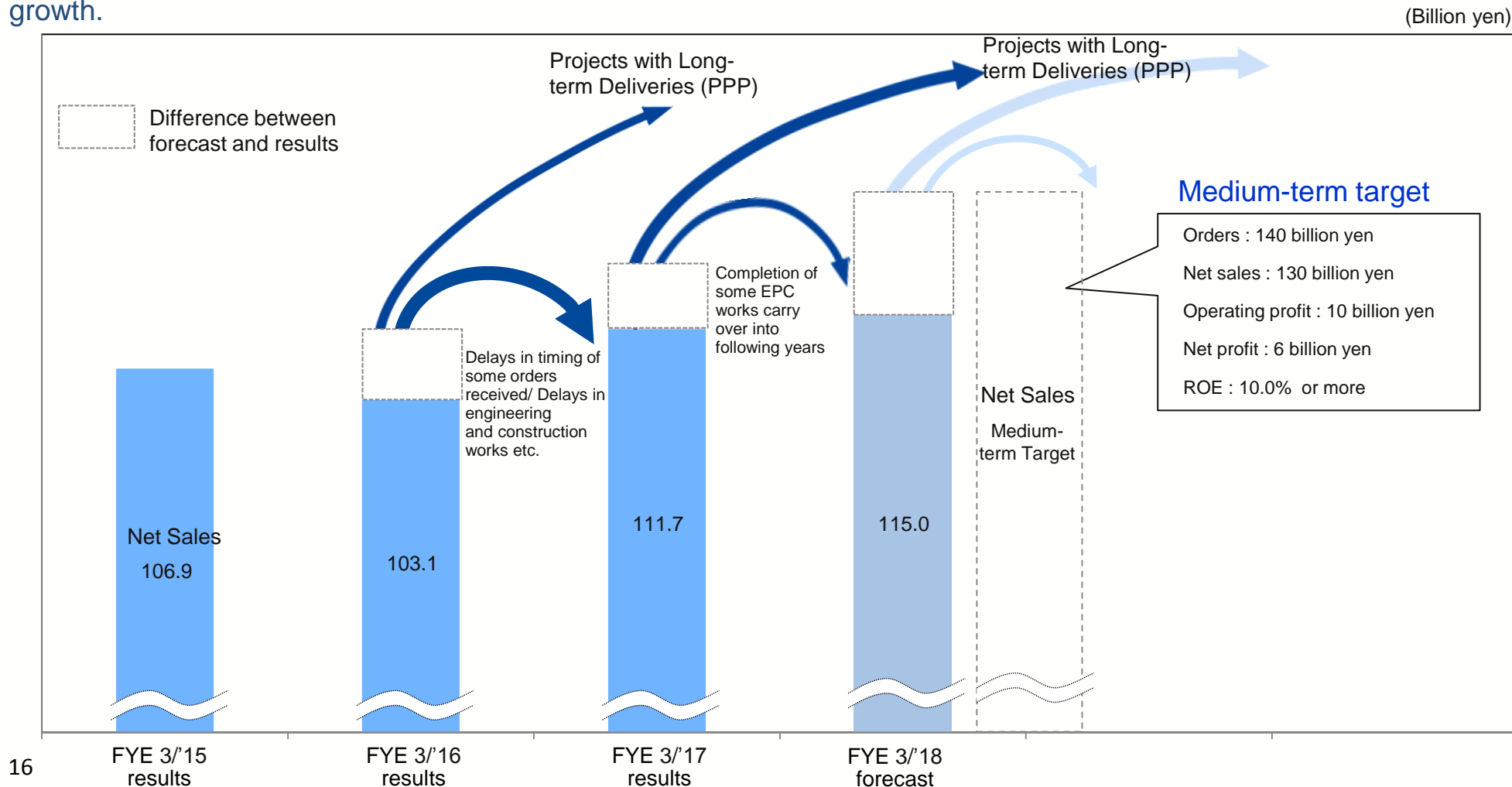
(Billion yen)

	Orders Received	Net Sales	Operating Profit	Ordinary Income	Net Income for the Period*	Annual dividend (yen)
<b>FYE3/'18</b> Forecast	125.0 YoY: +5.4 +4.9%	115.0 YoY: +3.3 +3.0%	6.5 YoY: +0.2 +2.7%	6.4 YoY: +0.1 +2.4%	4.2 YoY: -0.5 -11.4%	58
<b>FYE3/'17</b> Results	119.6	111.7	6.3	6.3	4.7	58 (Vote planned for May)

# Progress of the Medium-Term Business Plan (image)

Due to factors including an increase in the percentage of projects with long deliveries such as PPP and delays in the order timing and work completion timing for some projects, it is not expected that the sales and profit targets of the Medium-Term Business Plan will be achieved.

However, orders are steadily accumulating and progress has been made in establishing the foundations for future growth.

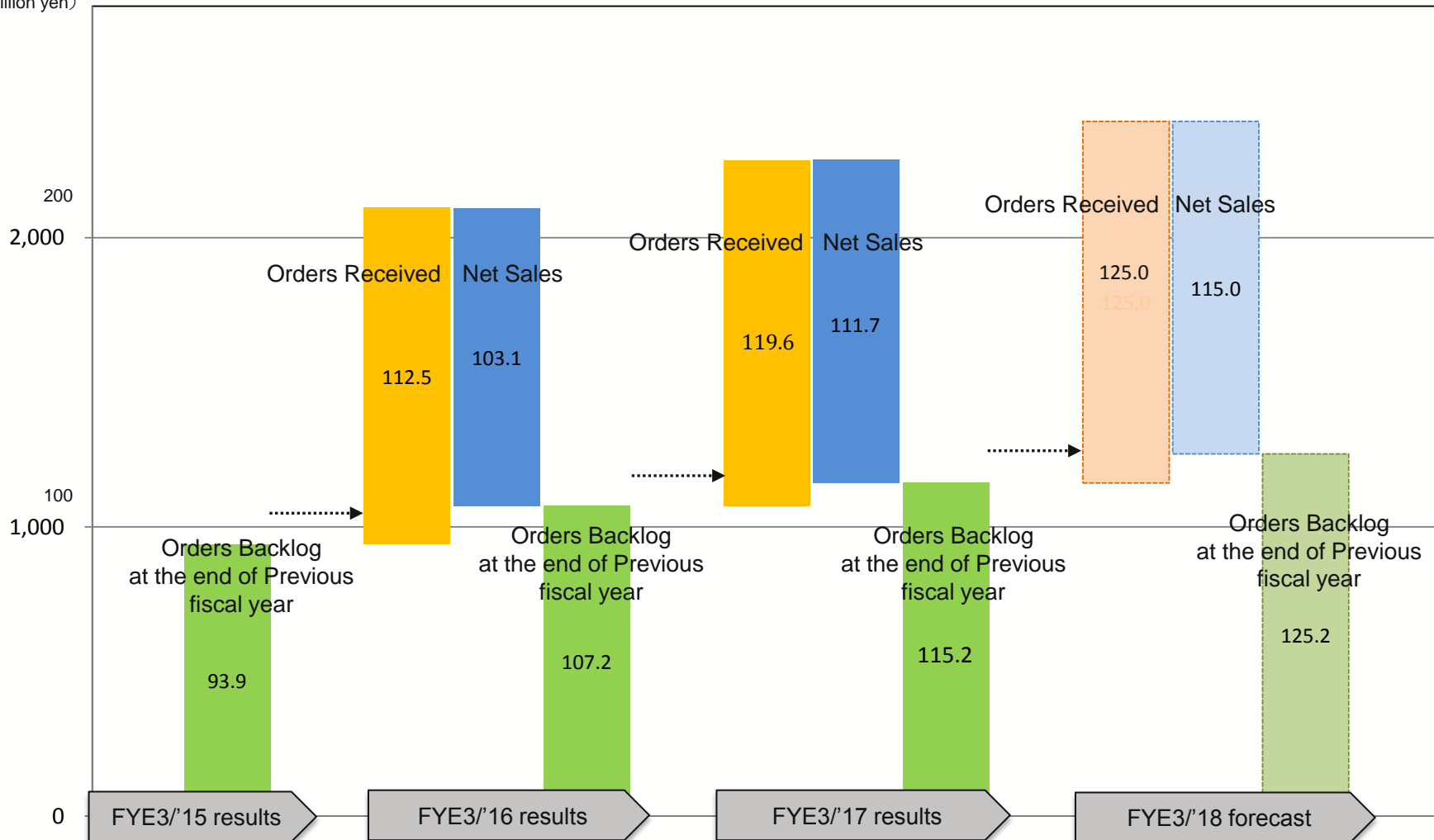




# Changes in Order Book, Orders, and Net Sales

“Orders backlog at the end of period”, “Orders backlog at the end of the previous fiscal year” + “Orders received during the current fiscal year” have grown every fiscal year

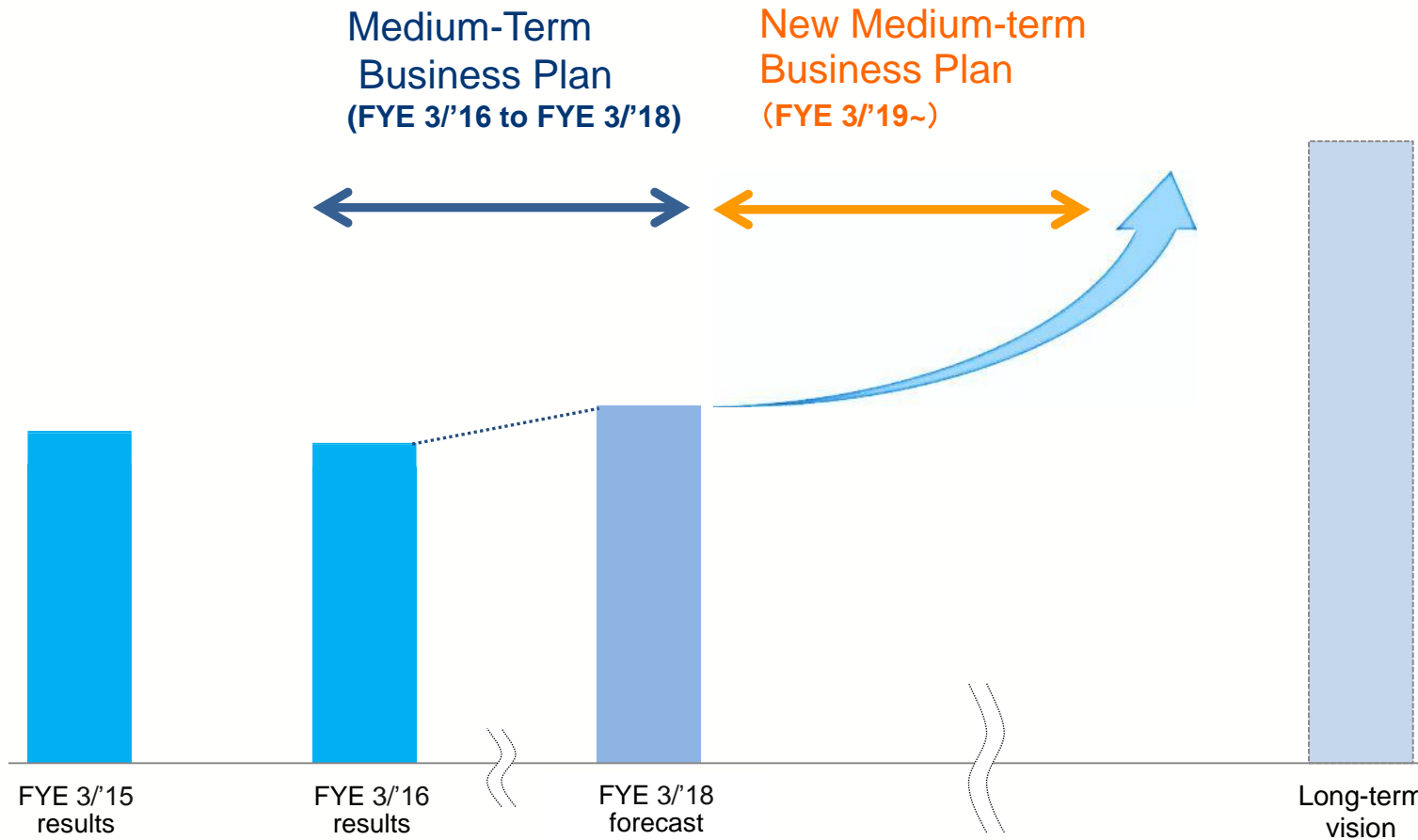
(Billion yen)



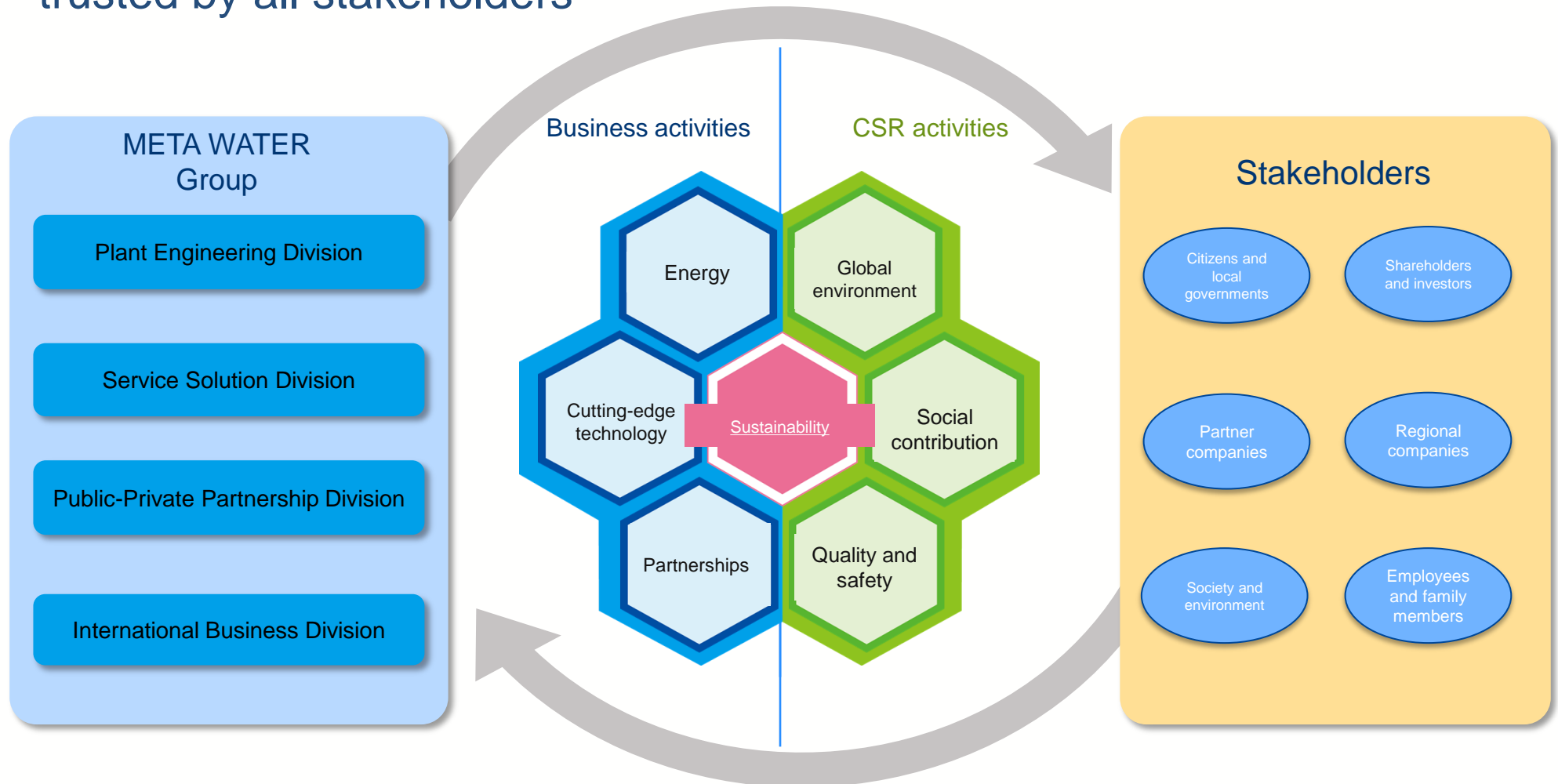
The order backlog and orders received are current as of the announcement of financial results for the relevant fiscal year

# Efforts to Achieve the Long-term Vision

After identifying the timing that projects with long deliveries such as PPP will contribute to sales, a new Medium-Term Business Plan will be announced around spring of the next fiscal year

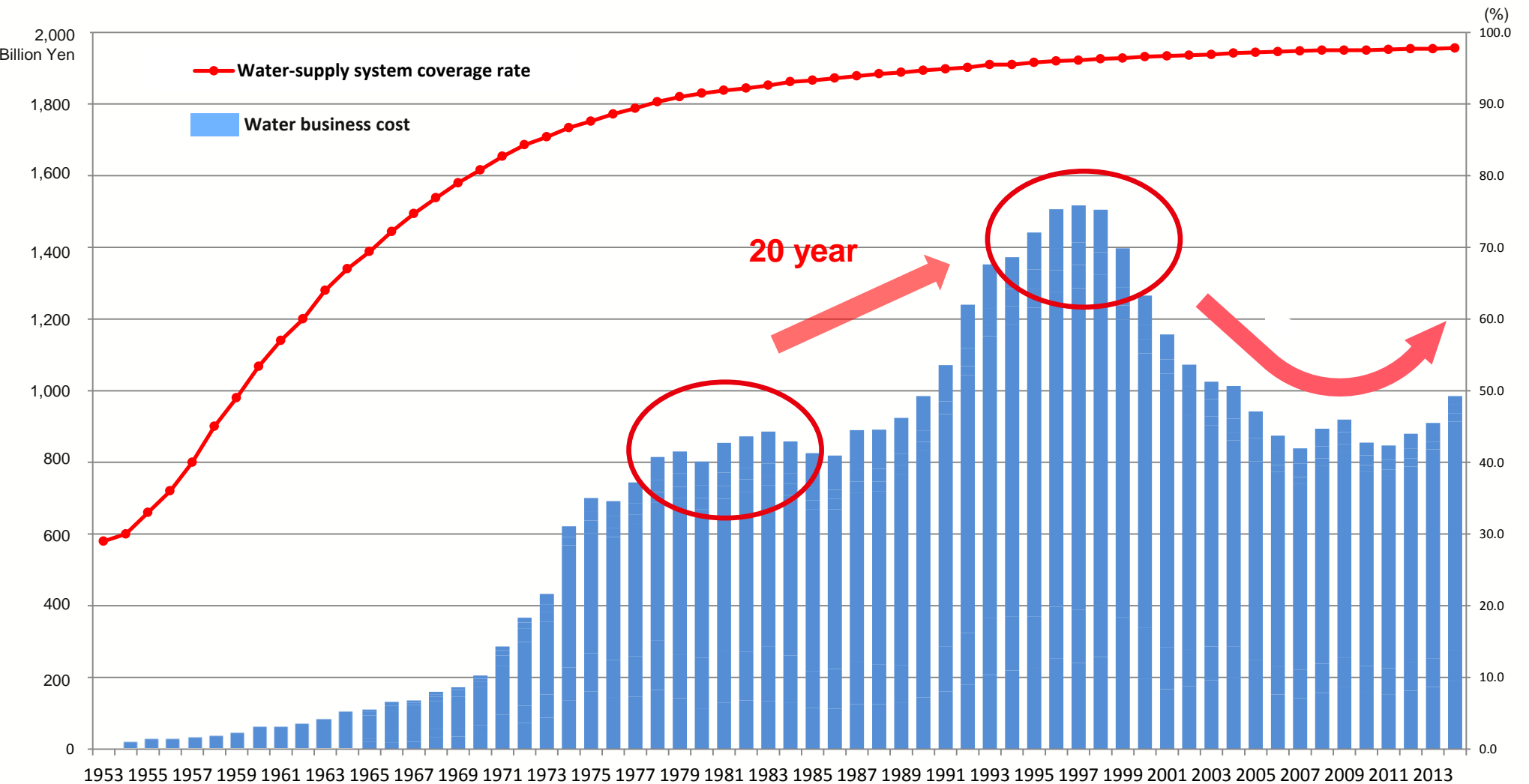


Put customers and the field first in an aim to become a company  
trusted by all stakeholders



# Water Business Cost Trends

Water business costs are expected to start increasing after the bottoming out in 2010

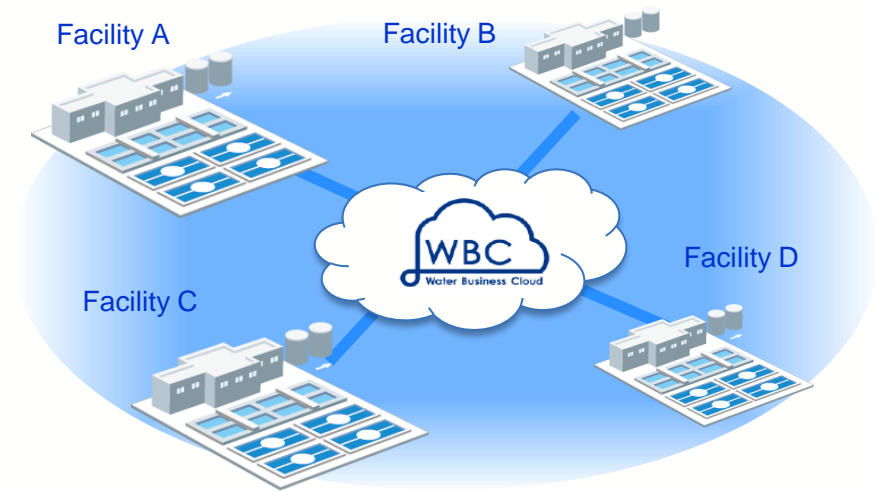


# Expand scope of water and sewage business through further comprehensiveness and wider area service

[PPP first phase:  
Image of further comprehensiveness]

Characteristics: order placement for performance

[PPP second phase:  
Image of wider area management]



[Up until now]

Characteristics: order placement for specifications



EPC

1 to 3  
years

Machinery  
equipment

electrical  
equipment

O&M

1-year  
renewal

Operation

Maintenance

DBO

PFI

Fund raising

DB

3 to 6 years

Management

Design

Civil engineering

Construction

Machinery  
equipment

Electrical  
equipment

O&M

15 to 20 years

Management

Operation

Maintenance

Concessions, etc.

DB

3 to 6 years

Management

Design

Civil engineering

Construction

Machinery  
equipment

Electrical  
equipment

O&M

15 to 20 years

Management

Operation

Maintenance

Company  
operations

Business  
planning

Asset  
management

Fee collection

+

Leverage our strengths in an aim to grow from an average of two orders per year up until now to at least three orders per year

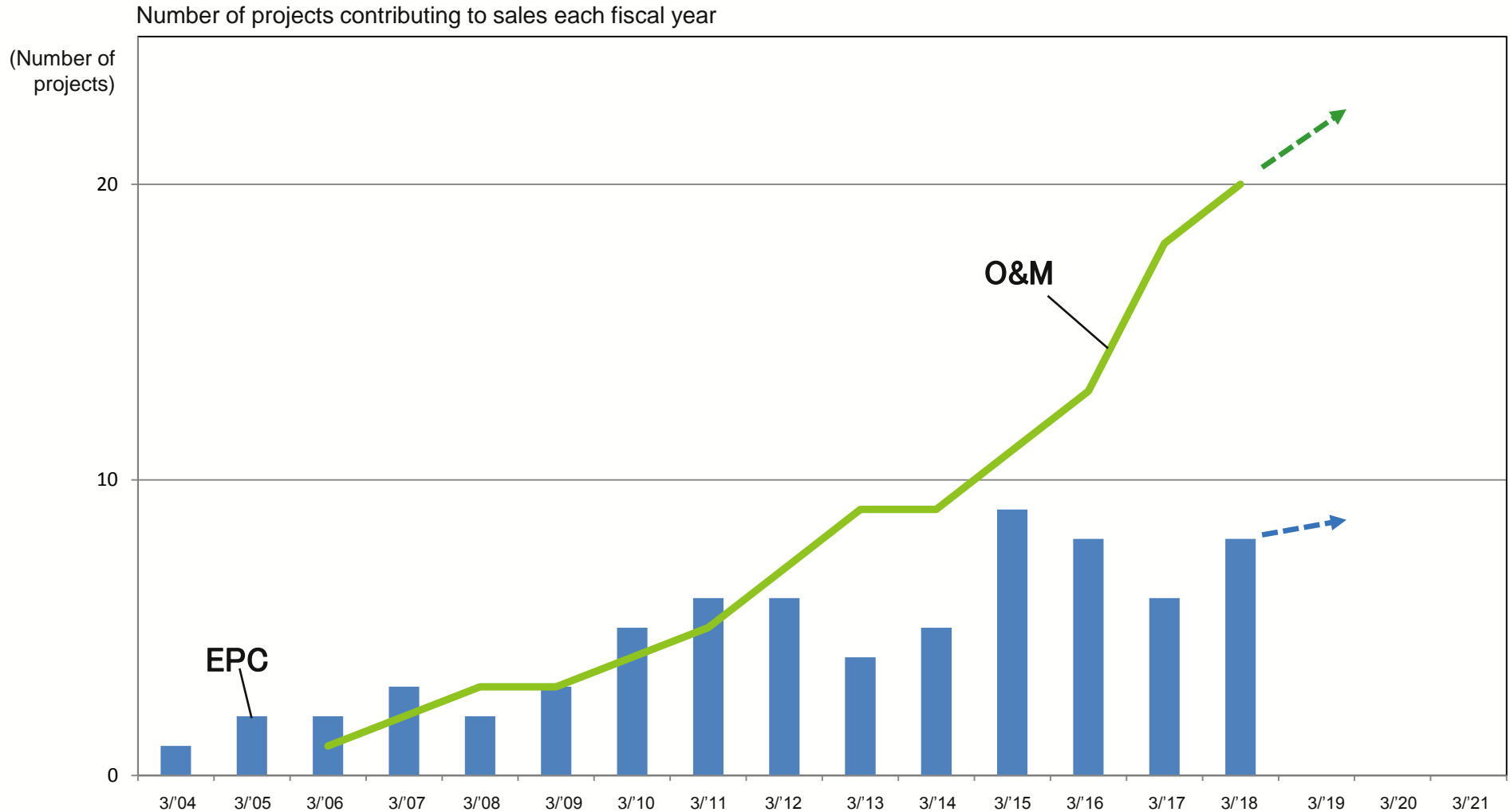
## (Strengths)

- Mechanical technology + electrical technology + ICT + operations, maintenance, and management know-how
- Have participated in 27 of 57 water and sewage PPP projects
- Partnerships with civil engineering, building, and regional companies
- Have CSR and fund raising capabilities as a companies listed on the First Section of the Tokyo Stock Exchange

## Progress of the number of participation

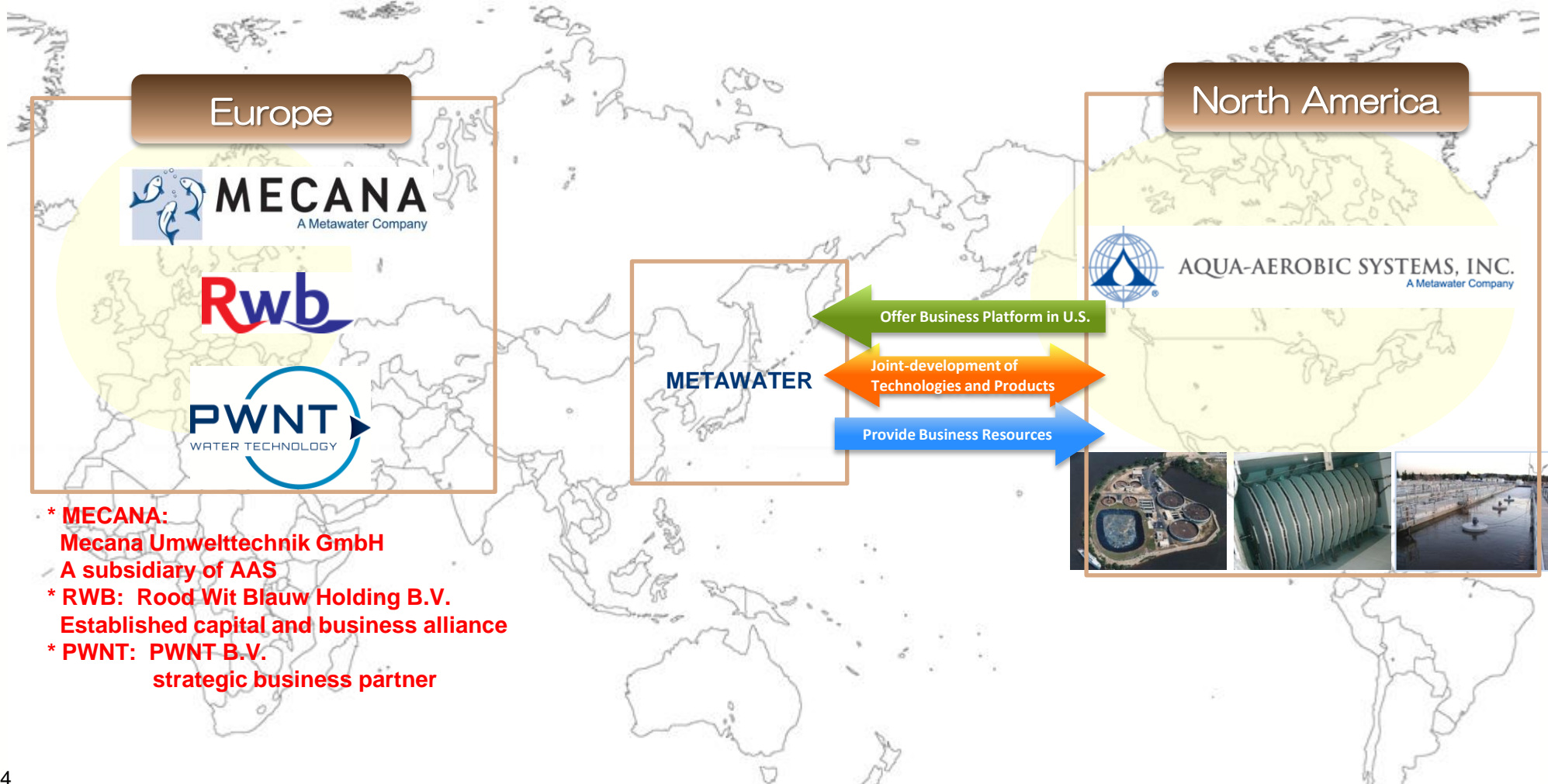
	3/'04	3/'05	3/'06	3/'07	3/'08	3/'09	3/'10	3/'11	3/'12	3/'13	3/'14	3/'15	3/'16	3/'17
Number of Participation	1	2	1	1	0	3	3	2	1	1	4	1	4	4
Avarage	1.0					2.0					3.3			

## Following EPC, increase in sales contribution by the stock business of O&M



Business in North America, Conduct business by AAS

Business in Europe, Conduct business mainly through MECANA\*, RWB\*, or PWNT





EPC business: Respond to update demand with differentiating technologies

O&M Business: Expand stock business by leveraging ICT know-how

## EPC

Ceramic membrane  
filtration system



Ozone treatment system



High-speed filtration system



Monitoring and  
control  
equipment



Sludge incinerator



Power receiving  
and transmission  
equipment

Fuel cells



## O&M



## Diverse R&D utilizing partnerships

### B-DASH Project of the Ministry of Land, Infrastructure and Transport

### Open innovation at WBC through partnerships

#### Demonstration study for Spontaneously- oxydized Multi Biological Treatment Process (FY2014)

##### 【Entrustees】

- Kochi City • Kochi University
- Japan Sewage Works Agency
- METAWATER Co., Ltd.



#### Demonstration study for rainwater management technologies in response to local torrential rain in urban areas (FY2015)

##### 【Entrustees】

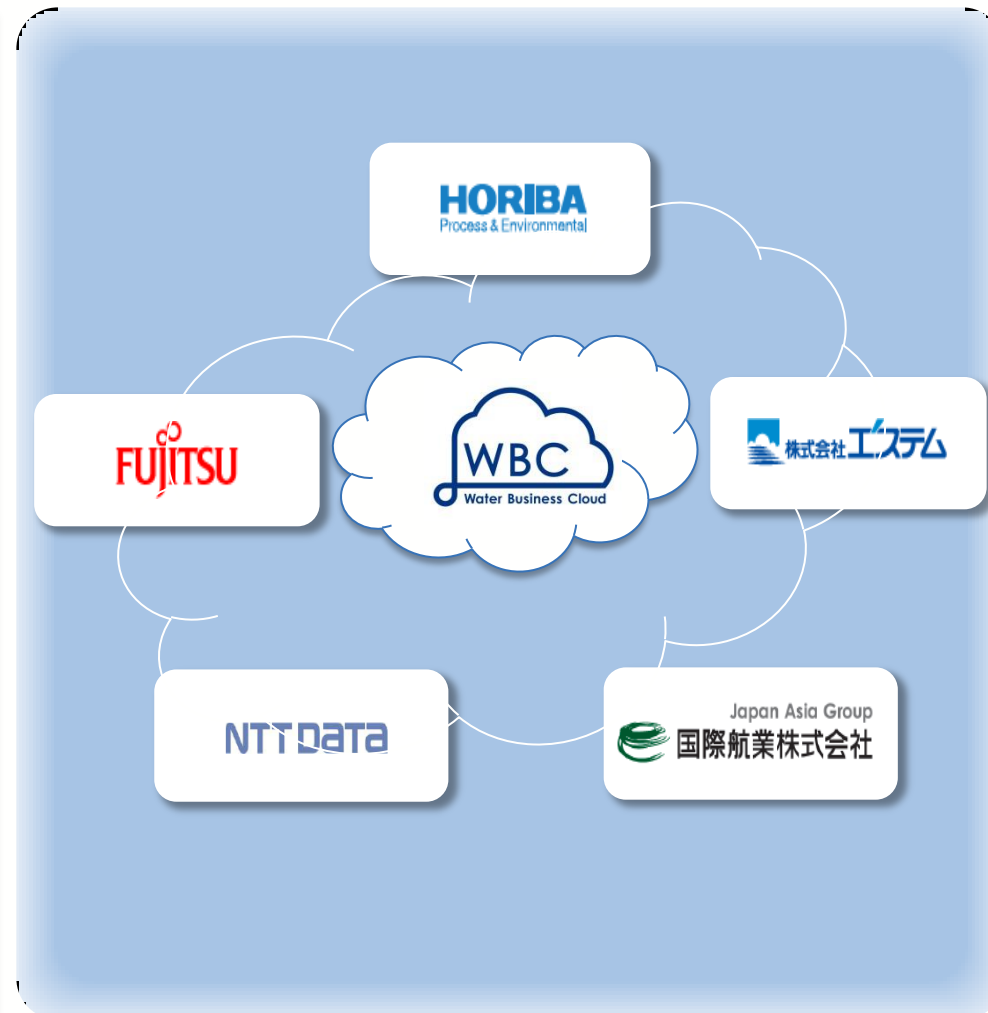
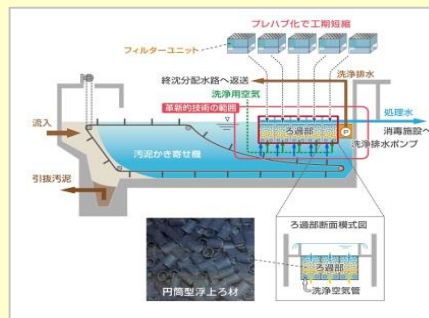
- METAWATER Co., Ltd. • NiX CO.,LTD.
- Furuno Electric Co., Ltd.
- EMORI Infotech Co.,Ltd.
- Nihon Suido Consultants Co., Ltd
- Kobe University • Fukui City • Toyama City



#### Demonstration study for technologies for improving final sedimentation processing capabilities (FY2017)

##### 【Entrustees】

- METAWATER Co., Ltd、
- Japan Sewage Works Agency、
- Matsumoto City



In an aim to be a work-friendly and challenging company, promote productivity improvements while developing working environments

## Initiatives up until now

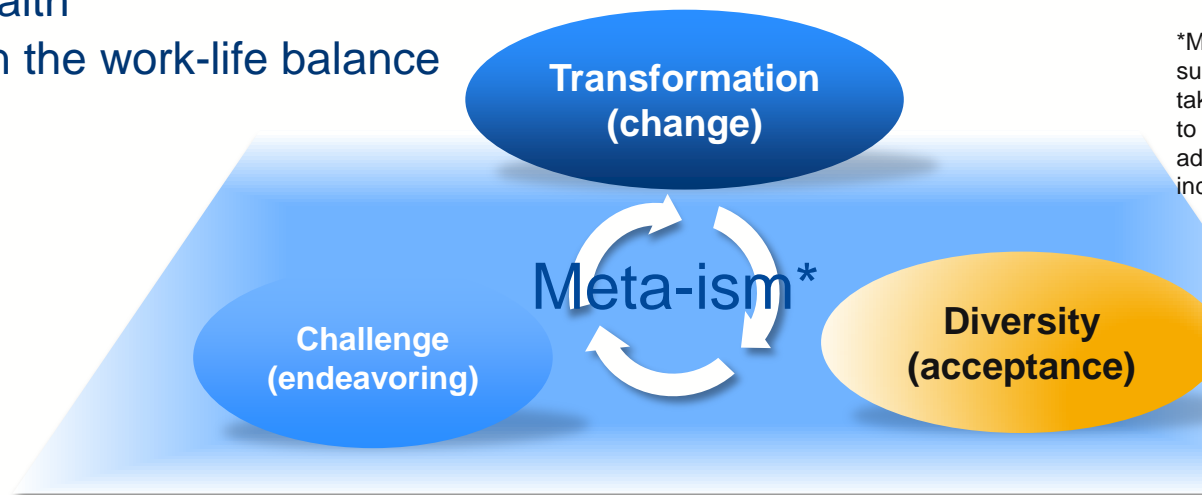
- Promotion of diversity
- Introduction of non-core time flex system
- Workplace inspections by a Safety and Health Committee
- Promotion of adoption of IT in operations

+

## New initiatives

- Introduction of rules for setting the time for leaving the company
- Expanded application of the residing work system
- Trial of ZERO over time working

- Creation of self-growth opportunities
- Promotion of health
- Improvements in the work-life balance



\*Meta-ism: Indicates a stance of supporting individuals with a spirit of taking on challenges on their own in order to generate transformations and advancing diversity in which diverse individuals work together

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### III Outline of Financial Results for the Fiscal Year Ended March 2017

1. Consolidated Statement of Income
2. Segment Information
3. Consolidated Balance Sheets
4. Consolidated Cash Flows

# Consolidated Income Statement (FYE3/'17)

(Billion yen)

	FYE3/'16 1- 4Q	FYE3/'17 1- 4Q	Change
<b>Net Sales</b>	103.1	111.7	+8.6
<b>Operating Profit</b>	5.4	6.3	+0.9
<b>Operating Margin</b>	5.2%	5.7.%	+0.5%
<b>Ordinary Income</b>	5.1	6.3	+1.1
<b>Net Income attributable to parent company shareholders</b>	2.8	4.7	+2.0

\*Rounded to the nearest 10 million yen

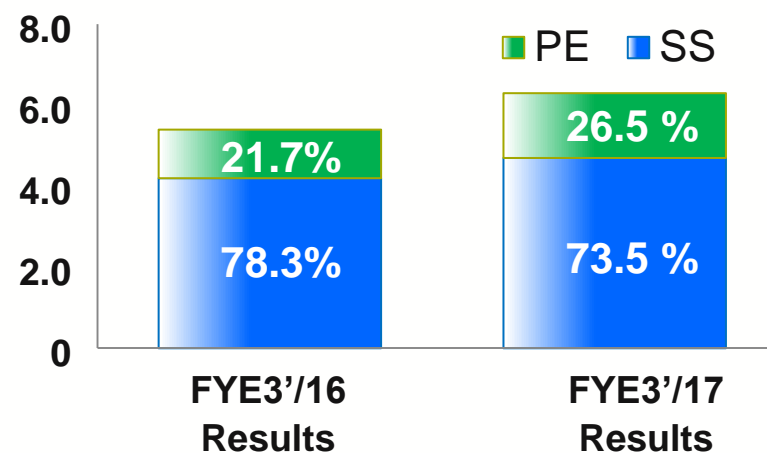
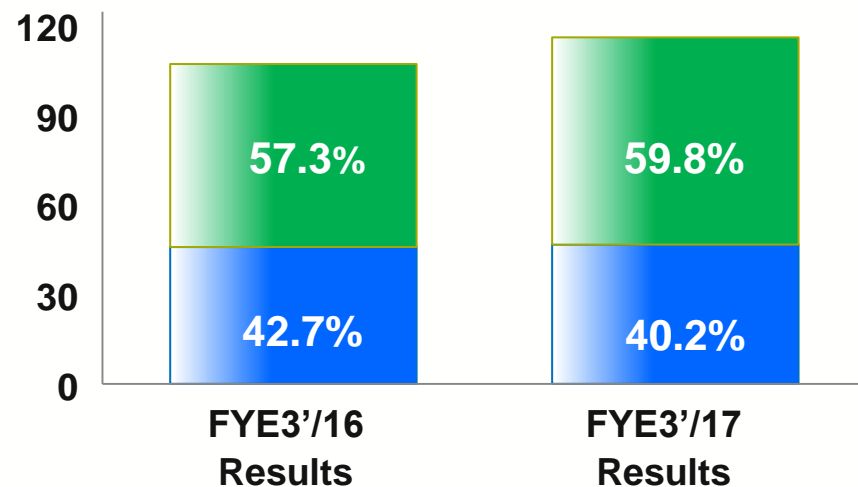


# Segment Information

(Billion yen)

	Net Sales		
	FYE3/'16	FYE3/'17	Change
PE	59.0	66.8	+7.8
SS	44.1	44.9	+0.8
Total	103.1	111.7	+8.6

	Operating Profit		
	FYE3/'16	FYE3/'17	Change
PE	1.2	1.7	+0.5
SS	4.2	4.7	+0.4
Total	5.4	6.3	+0.9



# Consolidated Balance Sheet

METAWATER

(Billion yen)

	End of FYE3/'16	End of FYE3/'17	Change
Cash and deposits	20.9	24.2	+3.3
Notes and accounts receivable-trade	70.8	67.9	-2.9
Inventories	6.9	7.2	+0.4
Deferred Tax assets	1.4	1.6	+0.2
Others	3.1	2.6	-0.5
<b>Total current assets</b>	<b>103.1</b>	<b>103.6</b>	<b>+0.5</b>
Tangible fixed assets	3.2	3.1	-0.2
Intangible fixed assets	9.3	8.2	-1.1
Others	5.2	6.2	+0.9
<b>Total fixed assets</b>	<b>17.8</b>	<b>17.4</b>	<b>-0.4</b>
<b>Total assets</b>	<b>120.9</b>	<b>121.0</b>	<b>+0.1</b>

	End of FYE3/'16	End of FYE3/'17	Change
Accounts payable-trade	35.9	30.8	-5.1
Advance received	5.8	8.7	+2.9
Short-term loans payable <sup>*1</sup> (0.8)	1.2	(0.8) 1.1	-0.1
Others	8.0	8.0	—
<b>Total current liabilities</b>	<b>50.9</b>	<b>48.5</b>	<b>-2.4</b>
Long-term loans payable <sup>*2</sup> (13.4)	16.0	(12.4) 14.8	-1.1
Others	5.9	5.4	-0.5
<b>Total fixed liabilities</b>	<b>21.8</b>	<b>20.2</b>	<b>-1.7</b>
<b>Total liabilities</b>	<b>72.7</b>	<b>68.7</b>	<b>-4.0</b>
<b>Total net assets</b>	<b>48.2</b>	<b>52.3</b>	<b>+4.1</b>
<b>Total liabilities/ net assets</b>	<b>120.9</b>	<b>121.0</b>	<b>+0.1</b>



# Status of Consolidated Cash Flow

(Billion yen)

	FYE3/'16	FYE/3/'17	Change
Cash and Cash equivalents at the end of previous FY	29.6	20.0	-9.6
Operating cash flow	0.1	7.8	+7.7
Investing cash flow	(11.0)	(1.5)	+9.5
Free cash flow	(10.9)	6.2	+17.2
Financing cash flow	0.9	(2.7)	-3.6
Increase(decrease) in cash and cash equivalents resulting from Change in scope of consolidation	0.4	(0.2)	-0.6
Cash and Cash equivalents at the end of current FY	20.0	23.4	+3.4

# Full-year Financial Forecast

(Billion yen)

	FYE3/'17 (results)	FYE3/'18 (forecast)	Change
<b>Net Sales</b>	111.7	115.0	+3.3
<b>Operating Profit</b>	6.3	6.5	+0.2
<b>Operating Margin</b>	5.7%	5.7%	—
<b>Ordinary Income</b>	6.3	6.4	+0.1
<b>Net Income attributable to parent company shareholders</b>	4.7	4.2	-0.5
<b>Orders Received</b>	119.6	125.0	+5.4

## 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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