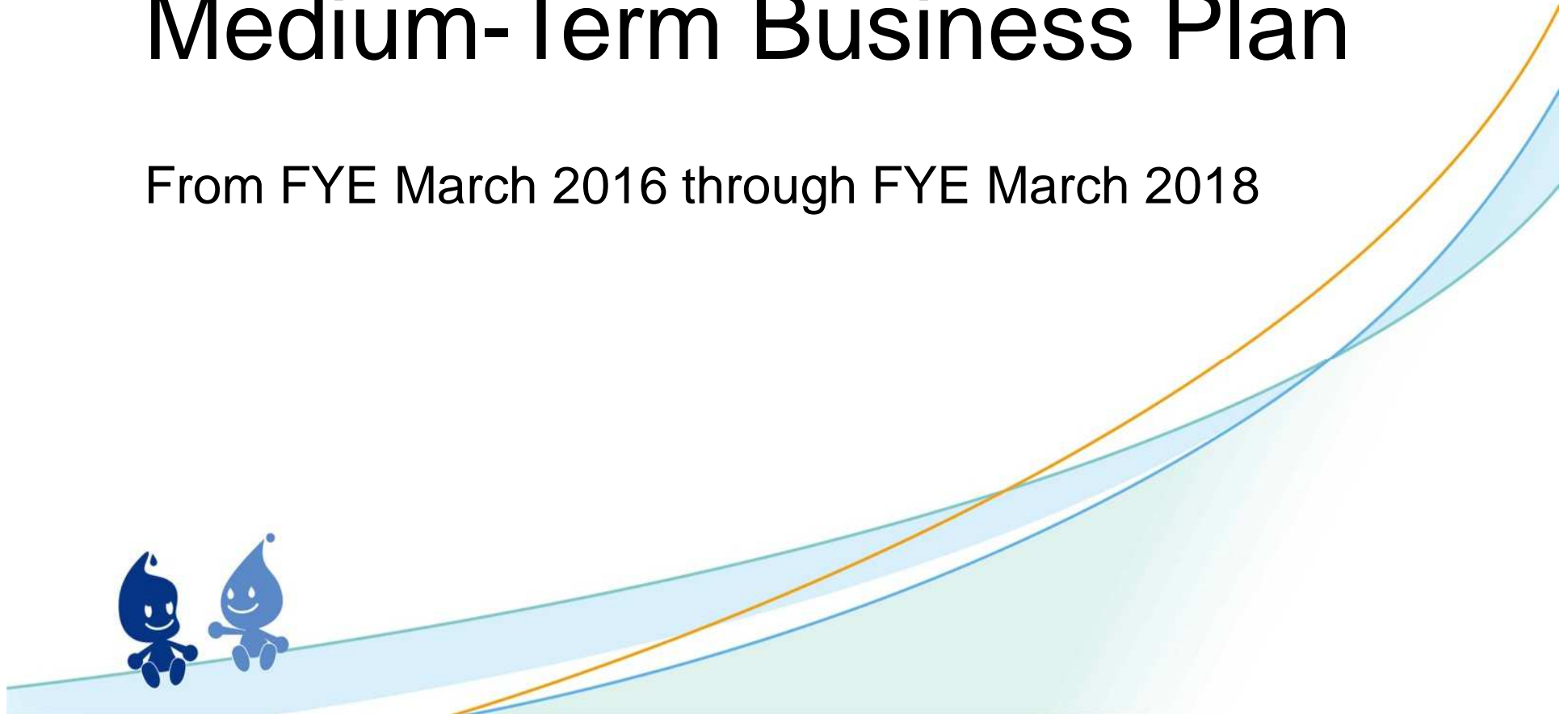


TRANSLATION - FOR REFERENCE ONLY



Medium-Term Business Plan

From FYE March 2016 through FYE March 2018



1. Medium-Term Business Plan
2. Basic Policy
3. Business Strategy by Segment
 - Plant Engineering Segment
 - Service Solution Segment
4. Promotion of CSR Activities

Segment Information

Plant Engineering Segment

This segment is primarily involved in various types of engineering work related to the design and construction of mechanical equipment used for water treatment processes in water treatment plants, sewage treatment processes and sludge treatment processes in sewage treatment plants as well as the design and construction of electrical equipment used to operate the said mechanical equipment.

Service Solution Segment

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

Abbreviations

EPC: Engineering, Procurement and Construction

Designing and construction of water and sewerage facilities and equipment

O&M: Operation and Maintenance

Operation and maintenance of water and sewerage facilities and equipment

PPP: Public Private Partnership

Broadly refers to methods by which the private sector is involved in the provision of public services.

PFI: Private Finance Initiative

A method for public business by which the private sector is utilized for the designing, construction, maintenance, operation of and fund-raising for public facilities.

DBO: Design, Build and Operate

A method for public business by which the private sector is used for the designing, construction, maintenance, and operation of public facilities.

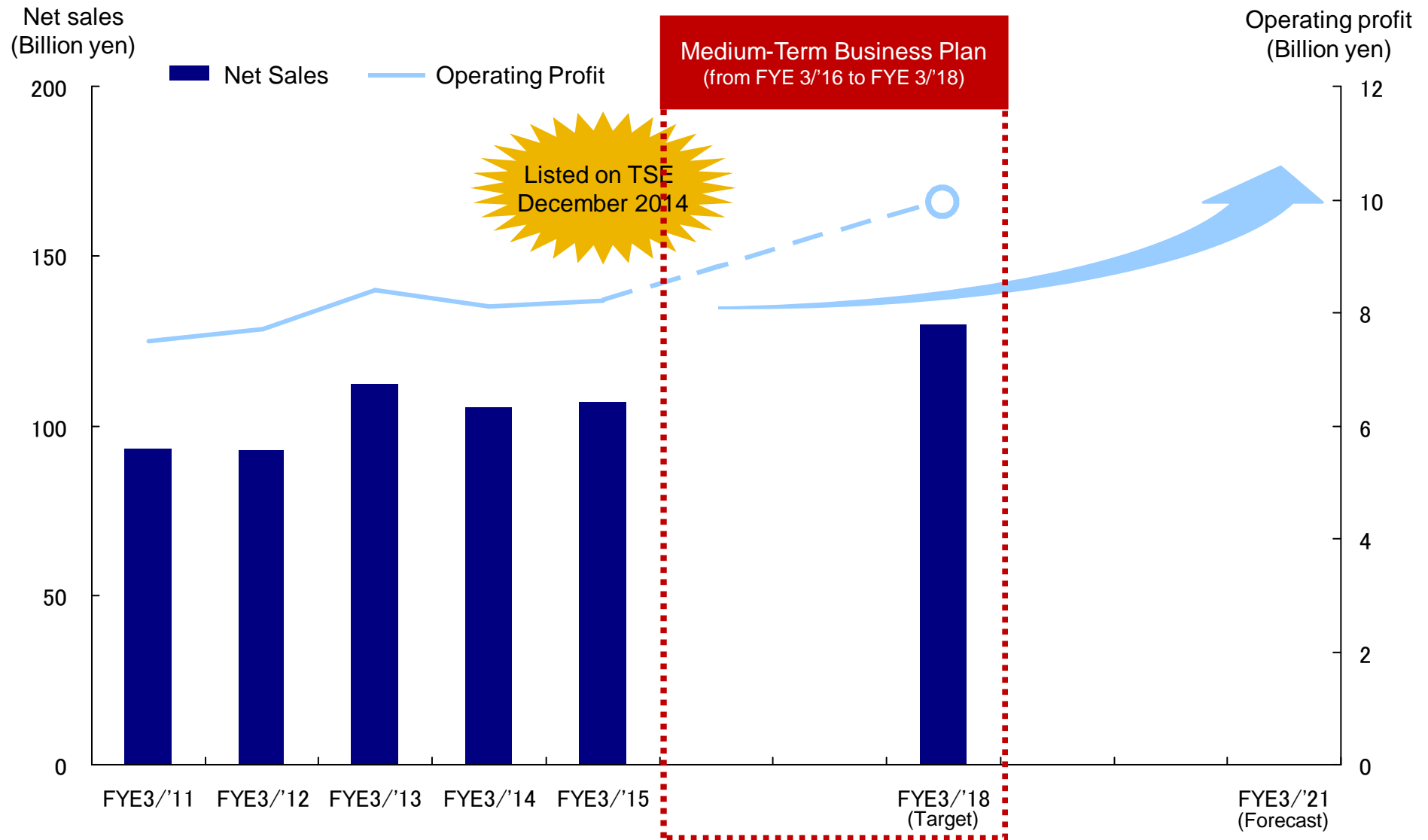
Medium-Term Business Plan



1-1. Targets of Medium-Term Business Plan

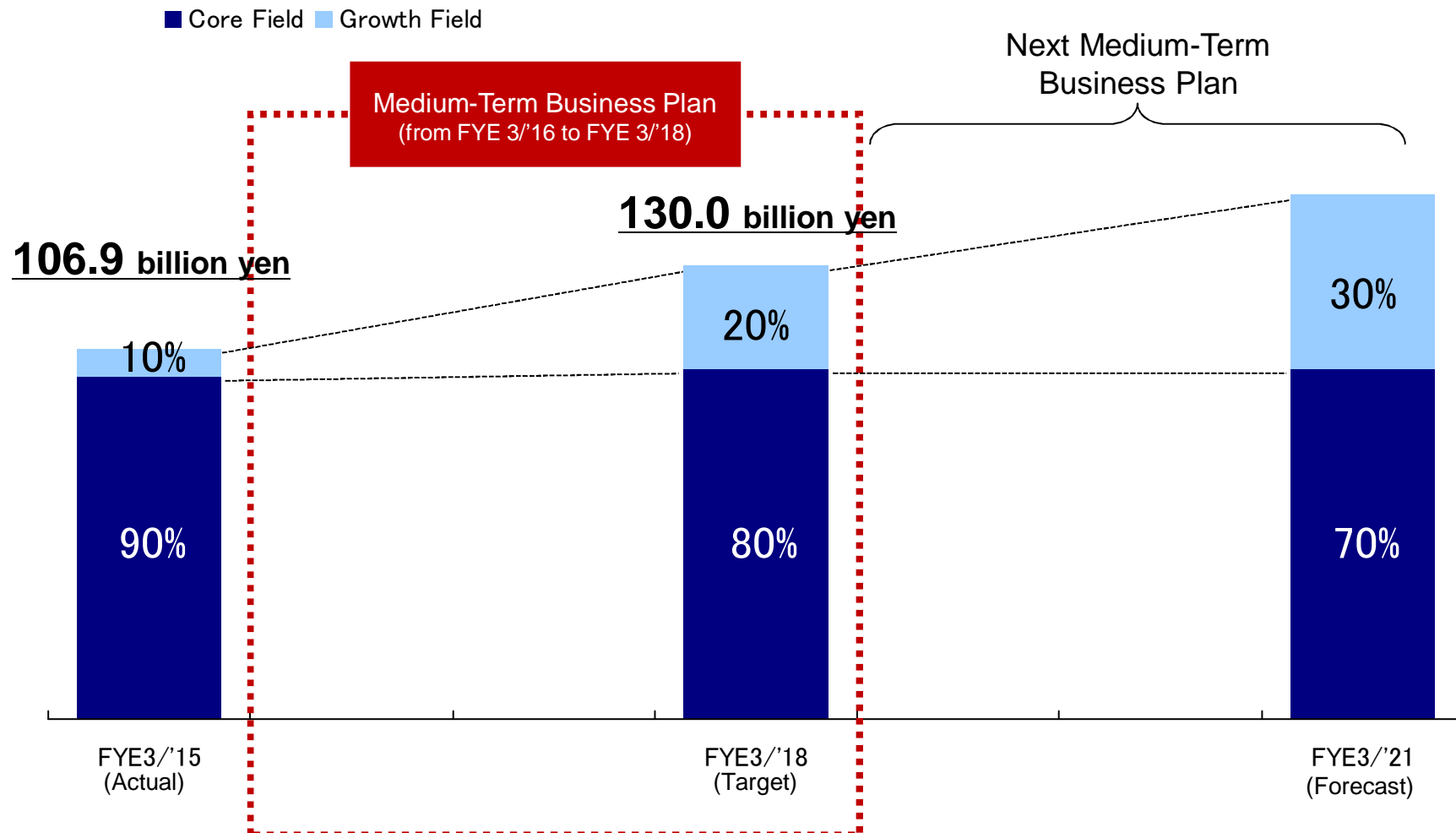
	FYE March 2015 Actual	FYE March 2018 Target
Orders	117.0 billion yen	140.0 billion yen
Net sales	106.9 billion yen	130.0 billion yen
Operating profit	8.2 billion yen	10.0 billion yen
Net income	5.0 billion yen	6.0 billion yen
ROE	10.4 %	10.0 % or more

1-2. Trends of Performance and Targets (1/2)



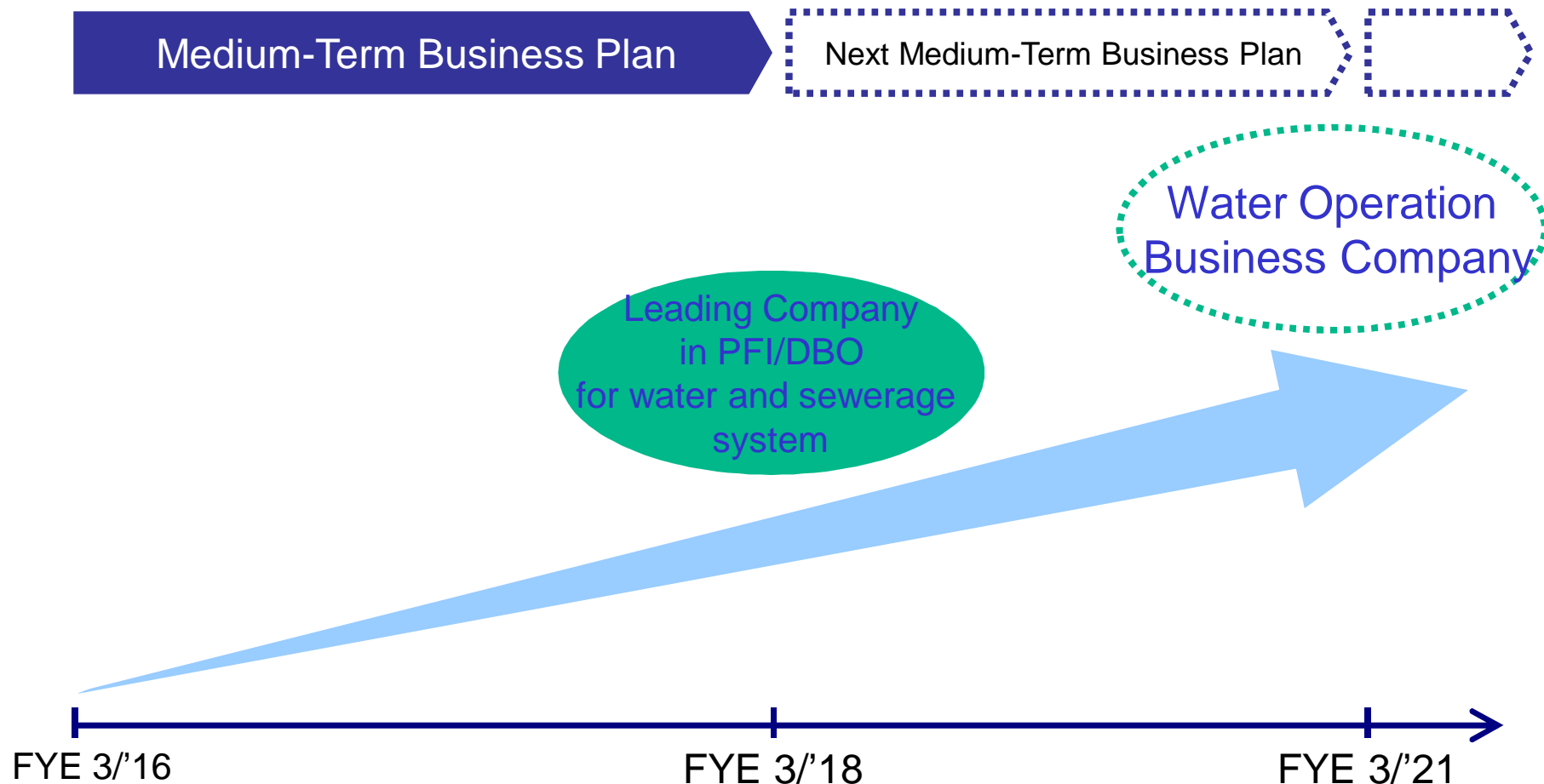
(*) Consolidation with METAWATER Service Co., Ltd. and three special purpose companies (SPCs) started in FYE March 2013, and with METAWATER USA Inc. in FYE March 2014.

Maintain Sales in Core Field and Expand Business Size in Growth Field



(*) Core field refers to EPC and O&M segment in Japan; Growth field means PPP and overseas segments.

Medium-Term Business Plan with an Eye on Water Operation Business in the Future



1-3. Positioning of Medium-Term Business Plan (2/2) **METAWATER**

Contribute to the continuity of water and sewerage business together with local communities, as a good partner of water and sewerage business operators.

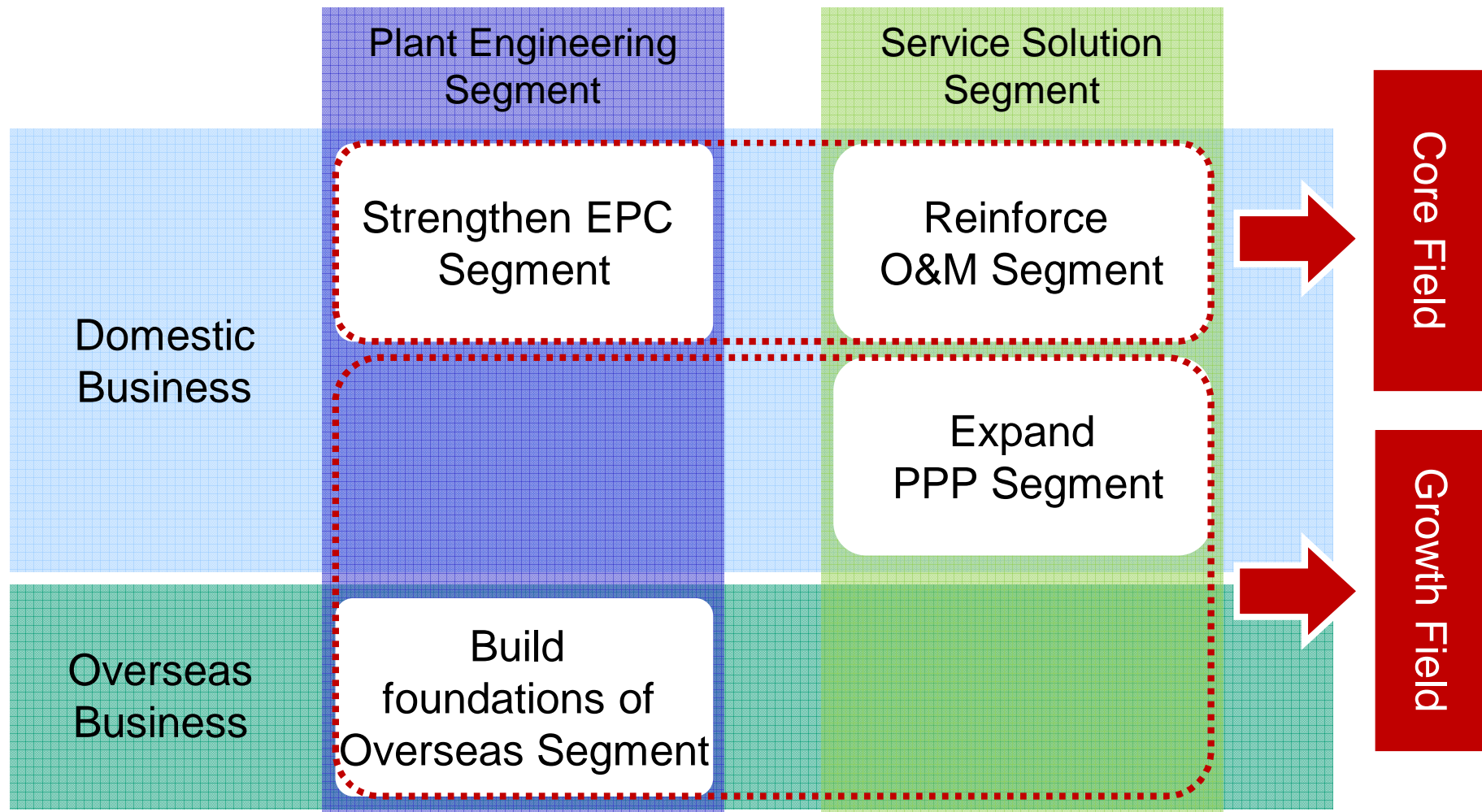


Basic Policy

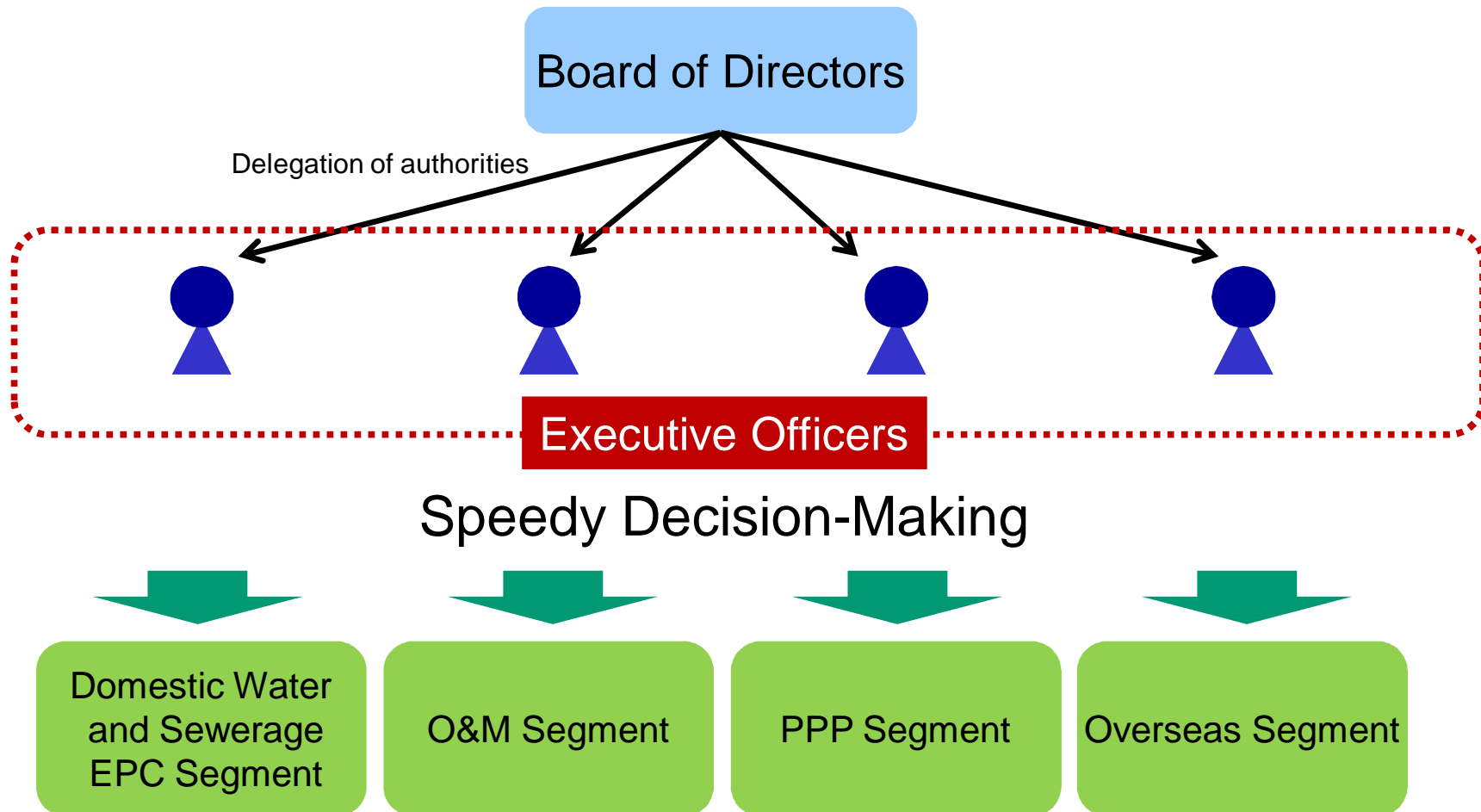


Domestic Market	<ul style="list-style-type: none">• A rise in demand for renovation and renewal of water and sewerage facilities due to aging.• Financial difficulties and engineer shortage at water and sewerage business operators.• Expansion of area to be outsourced to private sector in the water and sewerage business field.
Overseas Market	<ul style="list-style-type: none">• Expectations that demand for water will increase due to a population increase in the future.• Revitalization of investment in the water and sewerage field.

Strengthen the core field (EPC and O&M in Japan) Expand business in the growth field (PPP and overseas)



Introduction of an executive officer system to speed up decision-making on business strategies.

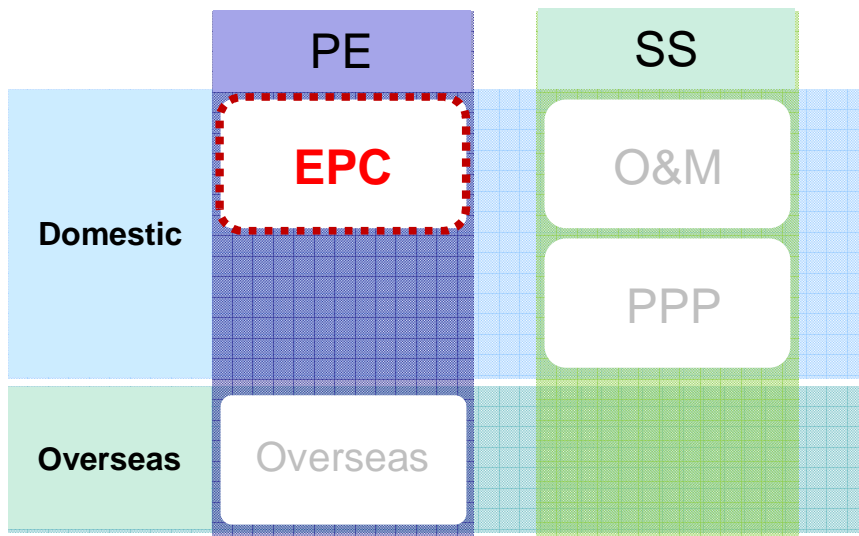


Business Strategy by Segment

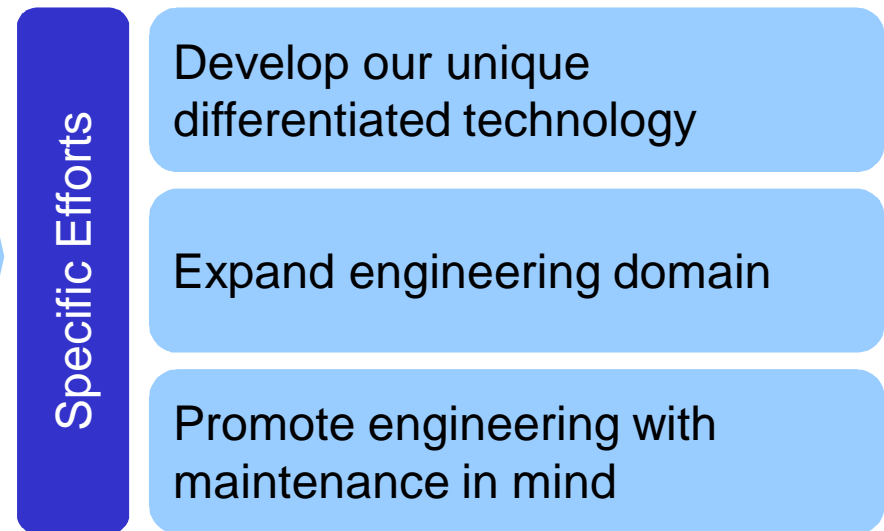


Strengthen EPC segment in the water and sewerage field

Basic Policy



Measures based on Basic Policy



Main products that support EPC segment



Ceramic membrane filtration system
(Delivered to projects including Kawai Water Purification Plants in Yokohama)

Circulating-type multi-layer combustion furnace

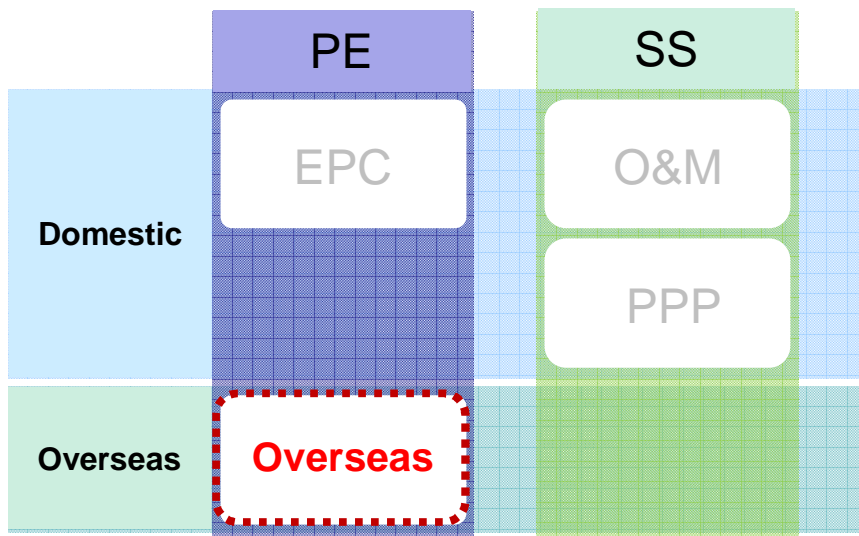


Ozone processing system

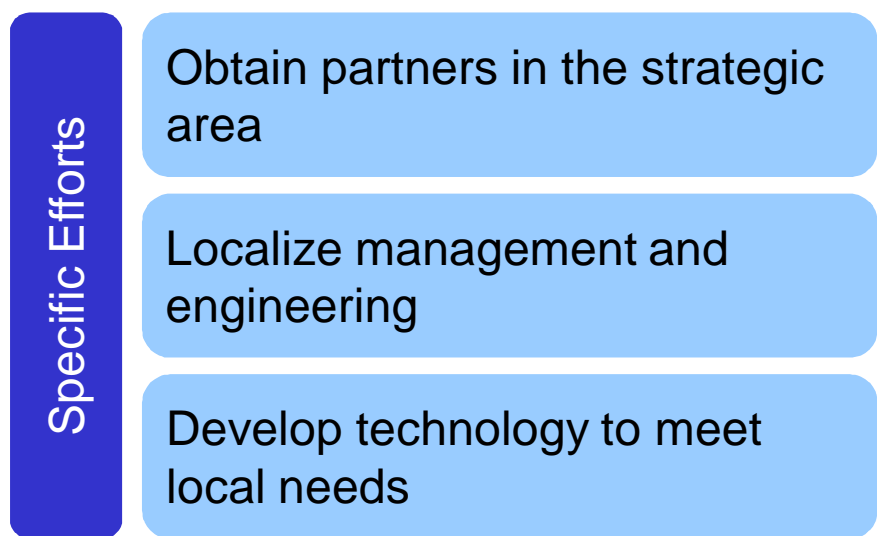


Target North America and Europe to expand business size

Basic Policy



Measures based on Basic Policy



Main products that support Overseas segment



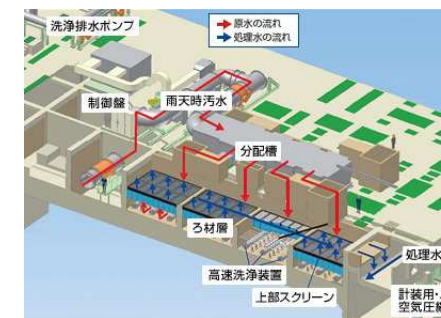
◀ Ozone processing system
(Delivered to Boston, the US, and others)



▶ CeraMac® and Ceramic membrane
(Delivered to water treatment plants in Andijk, the Netherlands)



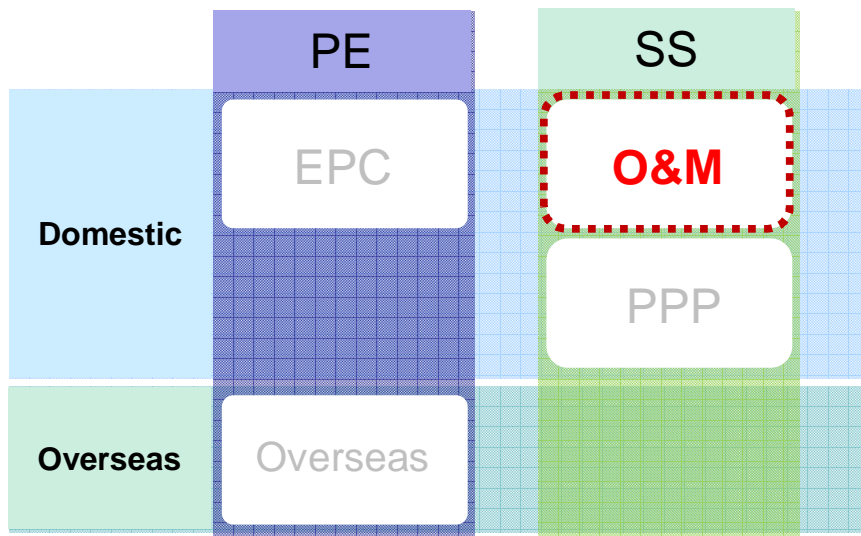
(*) "CeraMac ®" is a trademark of PWN Technologies.



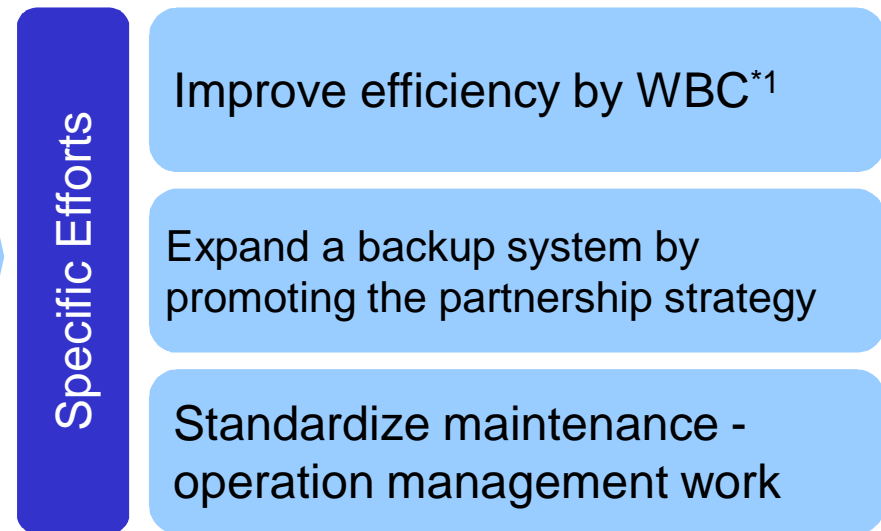
▶ Fast rainwater treatment system

Reinforce O&M segment in the water and sewerage field

Basic Policy



Measures based on Basic Policy



*1: Water Business Cloud. Our unique ICT.

Main accomplishments in O&M segment



Maintenance-operation management work

Concluded a DBO contract with the renewal project of Takizawa Water Purification Plant in Aizuwakamatsu City and others.

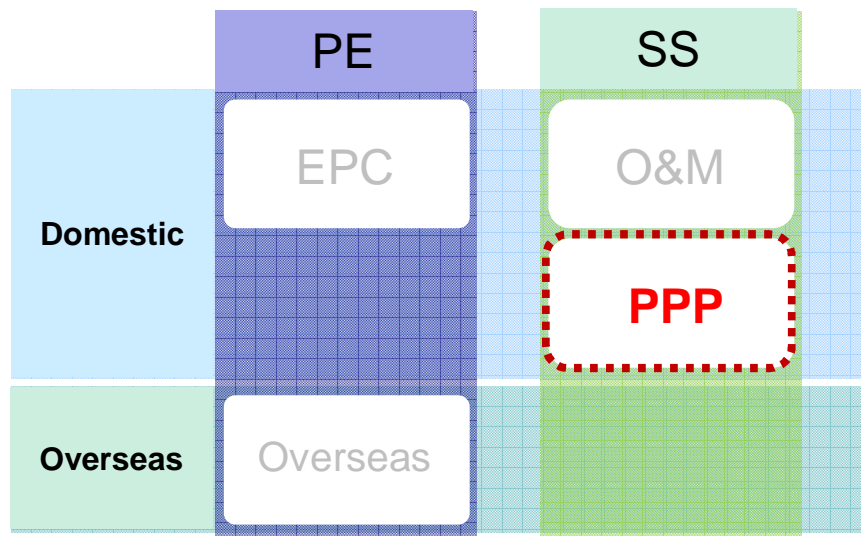


Maintenance-operation management of Kawada Water Recycling Center (2012 to 2014)

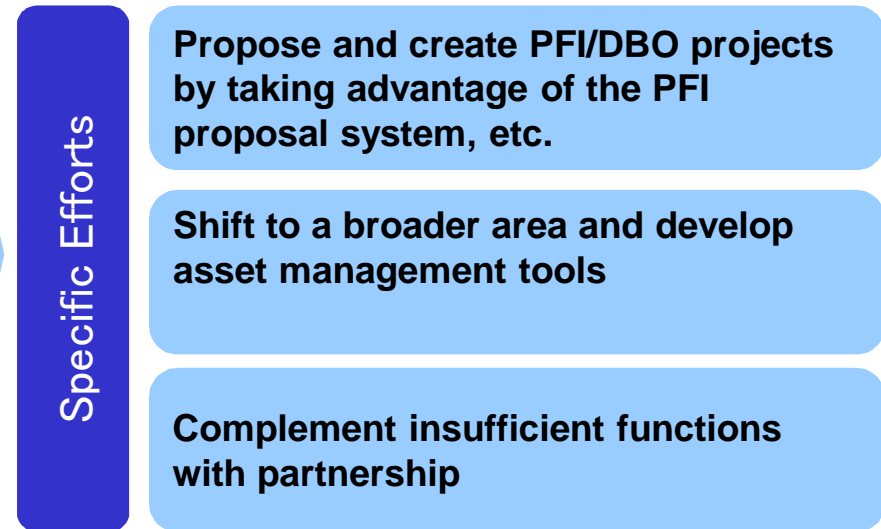
Maintenance-operation management of broad-area sewerage-sludge treatment plants in the eastern basin in Hyogo Prefecture (2013 to 2015)

Expand the business size by creating PPP projects and efficient management

Basic Policy



Measures based on Basic Policy



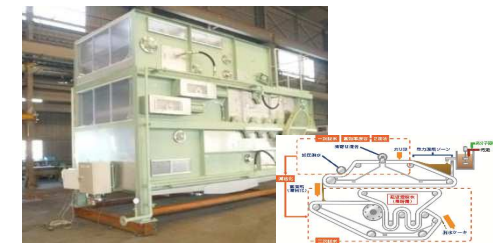
Main accomplishments in PPP segment



▲ Yokohama City: Redevelopment project of Kawai Water Purification Plant



▲ Aizuwakamatsu City: Renewal project of Takizawa Water Purification Plant



▲ Aichi Prefecture: Development and operation of sludge treatment facilities in Toyokawa Water Purification Center

	Main Contents
Business Investment	<ul style="list-style-type: none">• Expand the engineering domain.• Complement insufficient functions with partnership.
R&D Investment	<ul style="list-style-type: none">• Develop our unique differentiated technology.• Shift to a broader area and develop asset management tools.



From Term ending March 2016 to Term ending
March 2018 Total: 20 billion yen Level

Promotion of CSR Activities



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4. Efforts in CSR Activities

Based on a lively corporate culture, continue to be a fair and honest company and a good corporate citizen, contributing to society and the environment through business

Basic CSR	Compliance	Comply with laws, regulations and internal rules.
	Information disclosure and control	Disclose and control information properly.
	Internal control	Execute internal control without fail and expand its scope.
	Personal information protection	Strengthen personal information protection and information security.
CSR related to Business	Risk management	Minimize business management risks and operational risks.
	Countermeasures against disaster and business continuation	Promote business continuation management in case of an incident.
Value creation CSR	Environmental harmony	Promote activities to reduce environmental loads.
	Utilization and development of human resources	Utilize and develop diverse human resources and promote human rights.
	Contribution to society	Participate in community activities regionally.

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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