

TRANSLATION - FOR REFERENCE ONLY

Company	METAWATER Co., Ltd.
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## Notice Regarding the Introduction of a Stock Benefit Trust (J-ESOP)

The Company hereby announces that, at the Board of Directors meeting held on May 29, 2024, the Company issued a resolution for the introduction of an incentive plan involving a Stock Benefit Trust [J-ESOP] (with the plan hereinafter being referred to as the “Plan” and the trust established in connection with the Plan under a trust agreement concluded with Mizuho Trust & Banking Co., Ltd. hereinafter being referred to as the “Trust”) to provide its own shares to employees as a means to enhance the linkage between the Company’s stock price and business performance and the treatment of employees.

### 1. Implementation Background

The Company’s corporate philosophy is “Continue, to make it sustainable.” In order to contribute to the realization of a sustainable environment and society by putting this philosophy into practice, the Company has established a talent philosophy based on the idea that people are its most precious assets. The aim of this move is to cultivate a talent pool at the Company which has perspectives rooted in sustainability and which can shoulder the tasks of solving water-related and environmental issues. Based on that talent philosophy, the Company is also promoting the development of an environment which is conducive of the recognition of diversity and acceptance of diverse talent, as well as an environment in which employees can demonstrate their individuality and abilities to the fullest and perform their duties actively.

The Company has decided to introduce the Plan as “an aspect of human capital investment” purposed with further promoting the execution of operations aimed at sustainable growth through the raising of employees awareness when it comes to the Company’s medium- to long-term business performance and stock price, as well as with ensuring that the increase in stock price resulting from the improvement of the Company’s corporate value will serve to contribute to the building of the wealth of employees. The Company believes that the introduction of this system will contribute to the future retention of talent and to the improvement of employee motivation, thereby contributing to the sustainable growth of the Company.

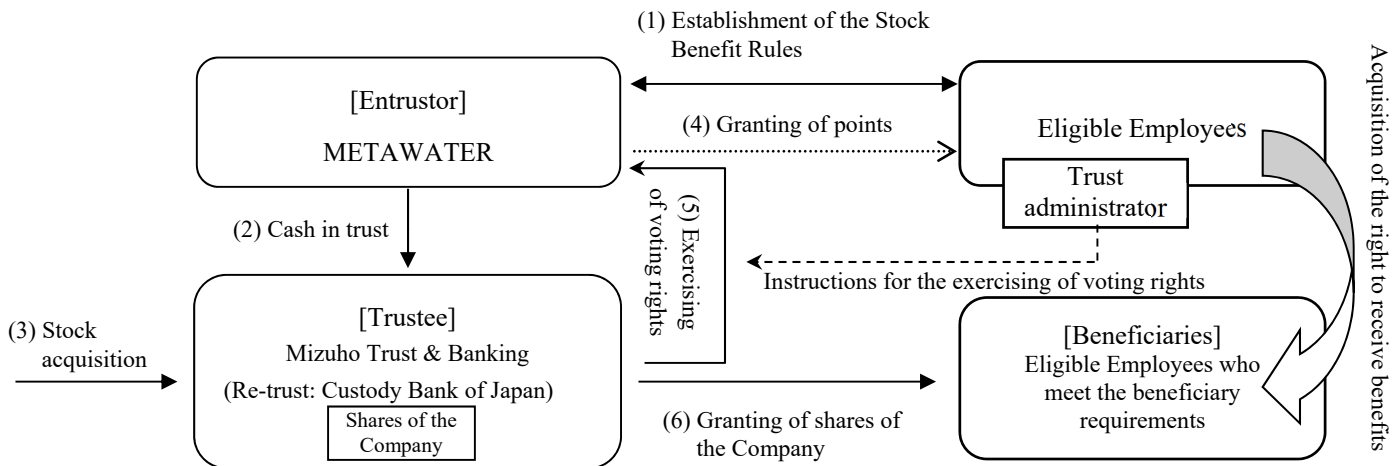
### 2. Plan Overview

The Plan involves a trust-based arrangement that is modelled on the ESOP (Employee Stock Ownership Plan) arrangement found in the United States. It provides Company shares to employees who meet certain requirements (hereinafter referred to as “Eligible Employees”) in accordance with the Stock Benefit Rules established by the Company in advance.

The Company grants points to Eligible Employees according to their individual contributions and other such elements, and provides Company shares equivalent to the number of points when Eligible Employees acquire the right to receive benefits under certain conditions. Shares (including future shares) to be distributed to Eligible Employees are to be acquired with money that is put into the trust beforehand and are separately managed as assets in trust.

The timing in terms the setting-up of trusts, monetary amounts, and other elements pertaining to the Plan will be announced as soon as details are decided upon.

[Structure of the System]



- (1) Upon the introduction of the Plan, the Company will establish Stock Benefit Rules.
- (2) The Company will entrust money (non-grantor trust) to Mizuho Trust & Banking (re-trust: Custody Bank of Japan) in order to acquire shares to be provided to Eligible Employees in the future in accordance with the Stock Benefit Rules.
- (3) Shares of the Company will be acquired through the exchange market or by means of underwriting the disposal of treasury stock of the Company using the money held in trust in step (2).
- (4) The Company will award points to Eligible Employees in accordance with the Stock Benefit Rules.
- (5) The Trust exercises voting rights based on instructions provided by the Trust administrator.
- (6) The Trust will provide the Company's shares to Eligible Employees who meet the beneficiary requirements set forth in the Stock Benefit Rules (with said employees hereinafter referred to as "Beneficiaries") in accordance with the number of points granted to the Beneficiaries in question.