VALQUA
Corporate Report

Corporate Profile &
Sustainability Report 2025-2026











CONTENTS

Corporate Profile & Sustainability Report 2025-2026

- THE VALQUA WAY / Corporate Report 2026 — 03

OUR COMPANY

- Top Message — 04
- Overview of VALQUA Group Businesses — 06
- VALQUA's Relationship to Society — 08

OUR STRATEGY

- Special Feature 1 — 10

  Enhancing safety and security at production sites

  VALQUA's digital business

- Special Feature 2 — 12

  Strengthening overseas production capacity to thoroughly support the global semiconductor market

  Launch of the new plant of VALQUA ADVANCED VIETNAM CO., LTD.

OUR SUSTAINABILITY

- Sustainability management — 14
- Defining sustainability materiality — 15
- Sustainability materiality — 16
- Environment — 18
- Safety and health — 21
- Supply chain management — 22
- Human resources and human rights — 23
- Customer satisfaction — 25
- Community — 26
- Corporate governance — 28
- Compliance — 31
- List of Officers — 34

DATA SECTION

- VALQUA Group Network — 36
- Corporate Data — 38

THE VALQUA WAY

Value & Quality

Create value and improve quality

Core Principle

- For the benefit of society
- With fairness
- For stakeholders worldwide
- Through creative technology

Four Corporate Principles

Ten Action Principles

1. Run a business that contributes to society
2. Be an inspiration to customers
3. Hold respect for individuality and personality
4. Earn the trust of stockholders
5. Exist in harmony with the community
6. Always treat safety and health with top priority
7. Respect compliance and work with full honesty
8. Aim for environmentally friendly production
9. Conserve and utilize resources effectively
10. "Learn and grow" with a spirit to face challenges

Corporate Report 2026

Editorial Policy	This Corporate Report contains information about the VALQUA Group's basic thoughts on sustainability, initiatives pertaining to material sustainability issues, and descriptions on corporate information such as management information. We hope to have all of our stakeholders gain an understanding of the current VALQUA Group, and comprehension of our Group's intended business and sustainability activities. This Report is available in printed form, and is posted on our website at the same time.
Month and Year of Issue	Issued in July 2026 (Previous Issue in July 2025)
Reporting Period	April 1, 2025 to March 31, 2026 (Some information after April 2026 is also included)
Responsible Department and Contact Information	Planning Section, General Affairs Group, VALQUA, LTD. **E-mail:csr@valqua.com**
Scope of Reporting	VALQUA, LTD. and its 14 consolidated subsidiaries
Reference Guidelines, Etc.	GRI Standards, ISO 26000, the UN Global Compact, Sustainable Development Goals (SDGs), and RBA Code of Conduct
Reporting Media	PDF version: Summarizes high-priority sustainability related activities in the form of an annual report. **https://www.valqua.co.jp/social/report/** Web edition: Exhaustive posting of latest information and additional information on our website. Updated frequently. **https://www.valqua.co.jp/social/**










TOP MESSAGE

Toward the Next 100 Years Based on "THE VALQUA WAY"

Representative Director, Chairman & CEO & CWO

Toshikazu Takisawa

The VALQUA Group will celebrate the 100th anniversary of its founding in January 2027. Since our founding in 1927, we as VALQUA have built up a business foundation based on our Core Principle of "Value & Quality (Create value and improve quality)" while meeting the expectations of society and customers that are changing with the times, and have supported the development of a wide range of industries, including the semiconductor, plant, automobile, rocket, and ship industries, through high performance elastomer products, high performance plastics products, and seal products.

Today, the world is entering an era of unprecedented change and complexity, including geopolitical risks, environmental and energy constraints, and accelerating technological innovation. An environment like this requires a flexible and strong corporate structure that anticipates change and continues to take on challenges as well as decisions based on unwavering principles. At the core of this is the "VALQUA WAY," our Corporate Philosophy on which all management decisions and actions are based.

"The VALQUA WAY," with the Core Principle of "Value & Quality," is the VALQUA Group's compass, consisting of the Four Corporate Principles of "For the benefit of society," "With fairness," "For stakeholders worldwide," and "Through creative technology," and Ten Action Principles. By consistently putting this philosophy into practice from management to worksites, we are working to enhance our corporate value over the medium to long term and build the trust of society.

In recent years, in addition to providing hardware products (H), we have been developing services (S) that utilize the knowledge we have cultivated over many years and striving to evolve into an H&S company. As an initiative to practice management based on our philosophy, we are promoting well-being management.

Our Group's vision for well-being is to foster a corporate culture in which employees can work in good physical and mental health, respect each other, and take on challenges with pride. We believe that these consistent efforts will lead to increased corporate value and contributions to society.

In 2026, we opened the Well-being Innovation Square (WiS) in Toyosu, Tokyo. The WiS is a hub of corporate culture where diverse human resources gather, interact, and foster free thinking and innovation. We will cultivate multifaceted perspectives and creativity through learning and dialog not bound by traditional frameworks and develop human resources that will pave the way for the future.

We also believe that the harmony between "benefit" and "profit" is important for the sustainable growth of a company. "Benefit" is the trust and brand value built by sincere management based on principles and "profit" is a management foundation that supports corporate management and enables investment in human resources, technological innovation, and shareholder returns. Actions based on principles foster trust, which leads to profit and investment in further growth. Realizing this virtuous cycle is our management goal.

The VALQUA Group aims to achieve sound and sustainable growth through a balance of benefit and profit by deepening its well-being management based on the "THE VALQUA WAY," which it has carried on since its foundation under the spirit of being "With fairness." With the 100th anniversary as a starting point, we will accelerate our evolution into an H&S company, create new value for stakeholders around the world, and contribute to the sustainable development of society.

TOP MESSAGE

Outlook in the Second Year of the Medium-Term Business Plan

Promote the building of a business foundation for the next 100 years

In FY 2025, as the second year of the Medium-term Business Plan "NF2026," we worked to strengthen our foundation for growth in anticipation of our 100th anniversary. While uncertainties such as the situation in the Middle East heightened, against the backdrop of the rapid spread of AI, investment in the semiconductor market continued on an unprecedented scale, and the year was one in which we felt more than ever the rising expectations of customers in our company. In this business environment, we worked to achieve sound and sustainable growth while balancing risk management and growth investment.

In the semiconductor-related business, we saw growing global demand as a growth opportunity for us and started operations at new plants in Tahara City, Aichi Prefecture, and Vietnam to strengthen our global stable supply system. In addition to providing products, we also made significant progress in building our solutions business by expanding our digital business and making Torque System a Group company. We will contribute to solving the problems faced by Japanese industry, such as the shortage of technicians at maintenance sites and improvements in safety and comfort, by creating new value. Furthermore, in response to geopolitical risks, we have reviewed our global business portfolio to build a strong management foundation that is resilient to change. In FY 2026, our 100th anniversary, we aim to achieve new record profits by linking these measures to solid results as the culmination of NF2026.

The 100th anniversary of our founding in January 2027 marks a turning point for us to look back on our history and a new start for the next 100 years. As a "force behind the scenes" of all industries, we have supported the development of society and grown over the past 100 years by continuously meeting the needs of the times with unique technologies. Although the business environment may change, we believe that the pioneering spirit of continuing to take on challenges without fear of change is our DNA that has supported the development of the company. We aim to become a company that is continuously needed by our stakeholders with our bases around the world working together to contribute to the development of society under the principle "Value & Quality," which is the origin of our name.

Basic Policy of Medium-term Business Plan New Frontier 2026 (NF2026)

In an environment of rapid global fragmentation and drastic changes in business models due to digitalization, let's strive to create new value for the highest satisfaction of stakeholders from multiple perspectives under "THE VALQUA WAY!"

1. Establish a perspective to pursue the essential in a rapidly changing world and develop human resources in line with this.
2. Further reform and strengthen the supply chain in response to increasing geopolitical risks.
3. Monetize new AI / IT Solutions Business through accelerating digital innovation.
4. Thoroughly prevent technology leakage and identify new areas and technologies.
5. Thorough glocalization through "Think Globally, Act Locally."

Corporate image we aim for in the coming 100th anniversary (2027)
A Challenging Company that Challenges the Future and the Unknown

- Endless pursuit and monitoring of growth strategy
- Strengthening the management foundation that will solidify company growth
- Active engagement in "environment, society, and corporate governance" in becoming a better global citizen

Representative Director, President & COO

Toshiharu Takisawa



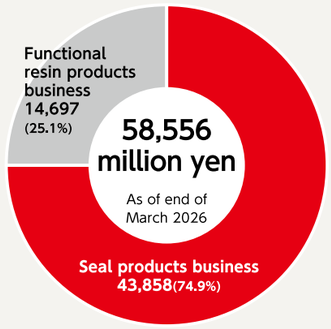
Overview of VALQUA Group Businesses

With business areas such as the seal products business and high performance plastics products business, the VALQUA Group has global reach.

VALQUA Group Businesses

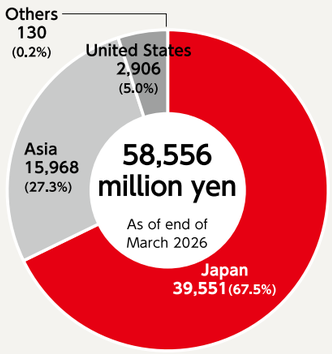
Sales by segment (¥M)

*Rounded down to nearest 1 million yen



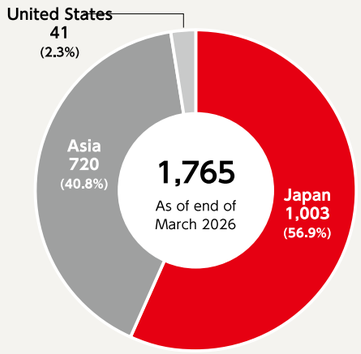
Sales by region (¥M)

*Rounded down to nearest 1 million yen



Number of employees by region

*Including temporary employees (183) on average



*The decrease in sales in the United States is due to a change in destinations for some customers.

For other data, visit our website. https://www.valqua.co.jp/

Business Overview

Seal products business



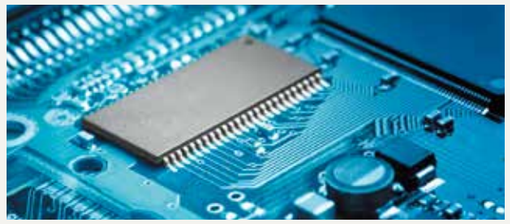
Mainly development, production, and sale of seal products for plants and equipment, elastomer products, and automotive part-related seals

The VALQUA Group provides seals for use in piping and equipment, as well as DX and digital products, to various industries. By integrating the value of new "seal engineering services," we will further enhance our contribution to all industries, including the equipment and plant markets.



MONiPLAT®
フランジカルテ
VALQUA SPM

High performance plastics products business



Mainly the development, production, and sale of fluorocarbon resins and other high performance plastics products

These products, which take full advantage of the exceptional properties of high performance plastics, are used in many fields, including semiconductor devices and industrial machinery. With strategic products for frontier industries and the plant market as our main axis, we are improving our supply chain to provide value globally.





The history of VALQUA

Showa era

1927 January	Founded as NIPPON BRAKE LINING SEISAKUSHO in Osaka for the manufacture and sale of brake linings for automobiles and high-speed machinery.
1932 April	Established NIPPON VALQUA INDUSTRIES, LTD. Began producing industrial gaskets.
1941 June	Began manufacturing synthetic rubber gaskets and joint sheets for airplanes.
1952 February	Completed research work on the fabrication of fluorocarbon resin and was the first company to successfully commercialize the product in Japan. Began manufacturing and sales of such resin under the trade name "VALFLON."
1969 July	Established the joint venture TAIWAN VALQUA INDUSTRIES, LTD.
1975 September	Listed as a publicly quoted company in the First Section of the Tokyo Stock Exchange.
1988 July	Established the joint venture, VALQUA INDUSTRIES (THAILAND), LTD.

Heisei era

1993 November	Established Nara Works. Started manufacturing of highly-functional rubber products.
1998 June	Established VALQUA AMERICA, INC.
2000 March	Established joint venture TAIWAN VALQUA ENGINEERING INTERNATIONAL, LTD.
2000 December	Established VALQUA SEAL PRODUCTS (SHANGHAI) CO., LTD.
2002 September	Established VALQUA (SHANGHAI) TRADING CO., LTD.
2004 March	Established VALQUA KOREA CO., LTD.
2006年 January	Opened M·R·T Center in Machida, Tokyo.
2008 April	Established VALQUA VIETNAM CO., LTD.
2017 March	Acquired NISSHIN GULF COAST, INC. and made it a consolidated subsidiary.
2017 November	Established VALQUA INDUSTRIES SINGAPORE PTE. LTD.
2018 October	Changed company name to VALQUA, LTD.

Reiwa era

2022 April	Moved from First Section of Tokyo Stock Exchange to Prime Market.
2025 April	VALQUA MIKAWA FRONTECH CO., LTD. Tahara Plant started operations.
2025 August	Acquired the present VALQUA TORQUE SYSTEM CO., LTD. and made it a consolidated subsidiary.
2026 March	Established VALQUA ADVANCED VIETNAM CO., LTD.

VALQUA's Relationship to Society

Our "products & services" play an active role in all sorts of places.

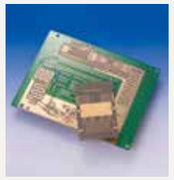
A Medical equipment, automobiles, and aerospace equipment



Fluorocarbon resin cut tape

Advanced technology is used to cut fluorocarbon resin tape to produce a product with superior air-tightness, slidability, and electrical insulation.

B Communication equipment and mobile phone base stations



Fluorocarbon resin material

Substrate material with the outstanding electrical characteristics and weather resistance of polytetrafluoroethylene (PTFE) contributes to safe, rapid, high-capacity data communication in antennas and self-driving vehicles.

C Construction machinery



O-ring

These are typical static and dynamic seal products. They accommodate a wide range of industrial needs thanks to the use of rubber material well suited to the application.



Thrust plate

When inserted into the gap in hinged moving parts of excavators, etc., thrust plates play roles such as adjusting the gap, preventing squeaking, and preventing galling.

D Transformers



Processed fluorocarbon resin products

The high electrical insulation performance of these products is used to good advantage in devices that eliminate the effect of lightning and control the amount of power transfers.

E Chemical plants



Fluorocarbon resin lined ball valve

Adoption of highly chemical resistant fluorocarbon resin in all parts that come into contact with fluids gives these valves broad applicability to fluid control.



Fluorocarbon-resin envelop gaskets

Made of highly chemical resistant material, these gaskets prevent liquid chemicals and gasses from leaking through the joints of piping and equipment.



Fluorocarbon resin lined product

These pipes use the characteristics of fluorocarbon resins – chemical resistance and surface smoothness – to ensure the purity of the fluids that pass through them.

F Automobiles



Gasket for automatic transmission (AT)

These are the gaskets used in the hydraulic control device (valve body) that controls the AT. By sealing the oil within the device, they make possible smooth, responsive gear changes.

G Rockets and satellites



Metal hollow O-rings

These are high performance gaskets that can even prevent leakage in outer space. They are used not only in rockets and satellites, but also in equipment that requires high temperatures, high pressure, and high vacuum.

H Semiconductor plants



Fluorocarbon resin lined tank

Liquid chemical tanks with inner linings consisting of fluorocarbon resin sheets are indispensable in the storage of the ultra-high purity chemicals used in semiconductor manufacture.



Fluorocarbon resin lined ISO container

These containers transport ultra-high purity chemicals essential to the semiconductor manufacturing processes to their destinations while maintaining purity.



High performance elastomer

Products surface-treated with a special low-impurity rubber maintain the clean environment that is indispensable to semiconductor manufacture.



Bonded gate seal

These are high performance elastomer and metal seals with a unitary structure. With high sealability, they are used in transfer gate valves for silicon wafers.

I Steel production plants



High performance sheet gasket

Heat resistance has been greatly improved compared to previous products. This product is used in plants as a sealing material for piping flanges through which various fluids flow.



Spiral wound gasket

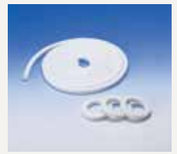
This high-strength sealing material, made from a combination of metallic materials, supports the safe operation of plants that operate under high temperatures and pressures.



Low friction seal (LFR SEAL®)

This seal material has outstanding slidability and was developed for use in the rotating and oscillating parts of various kinds of production equipment.

J Ships



Gland packing

These are products that prevent leakage from around the working axis, and they are used mainly in rotary pumps and valves that fulfill the function of conveying fluids or blocking their flow.

Digital solutions in the maintenance field

MONiPLAT®



The long-awaited optional function ZeroVisit added to the MONiPLAT® equipment inspection platform. Supports not only digitization of inspection but also dramatic efficiency improvement of patrol inspection by remote monitoring using IoT sensors.

VALQUA SPM



Covers various tasks including daily maintenance of the plant, progress management of shutdown maintenance work, next day work request (electronic daily report), and flange fastening management. The system provides cloud-based centralized management of operations related to maintenance and construction.

QuickValue™



A platform that allows users to request quotes and place orders for fluorocarbon resin and other resin cut products simply by uploading drawings.

素材Pro™

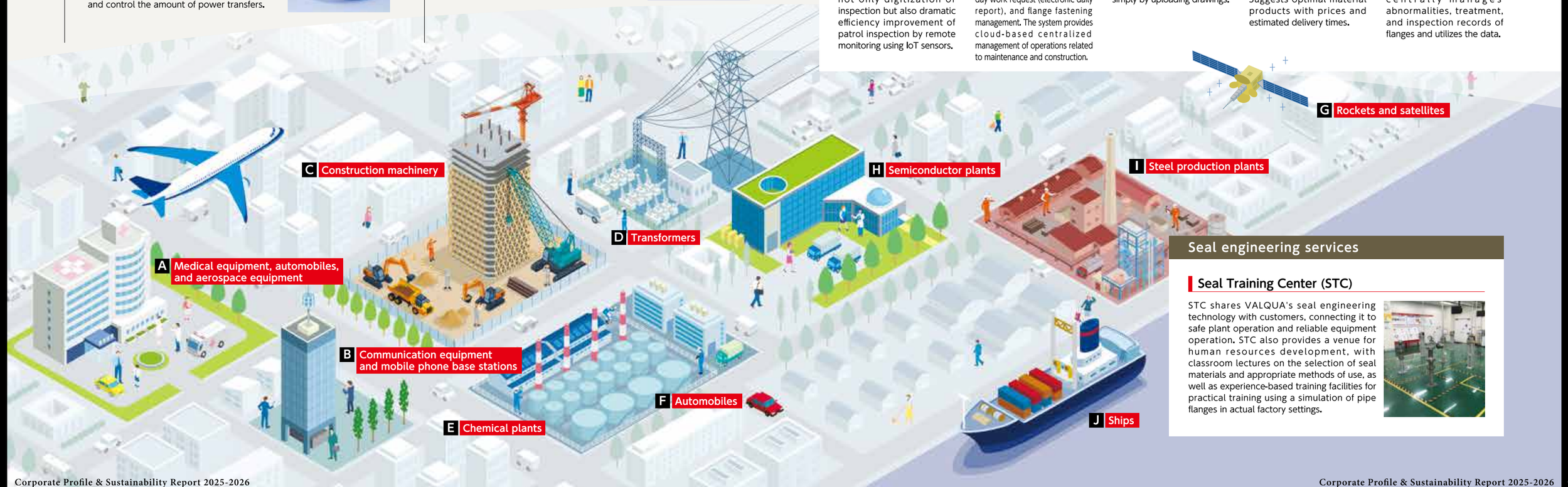


A system that allows users to search, request quotes, and place orders for plastics products with a single click. Suggests optimal material products with prices and estimated delivery times.

フランジカルテ



Visualizes the soundness of a flange based on its irregularity. The flange management system centrally manages abnormalities, treatment, and inspection records of flanges and utilizes the data.



Seal engineering services

Seal Training Center (STC)

STC shares VALQUA's seal engineering technology with customers, connecting it to safe plant operation and reliable equipment operation. STC also provides a venue for human resources development, with classroom lectures on the selection of seal materials and appropriate methods of use, as well as experience-based training facilities for practical training using a simulation of pipe flanges in actual factory settings.

VALQUA's Relationship to Society

Special Feature 1

Enhancing safety and security at production sites

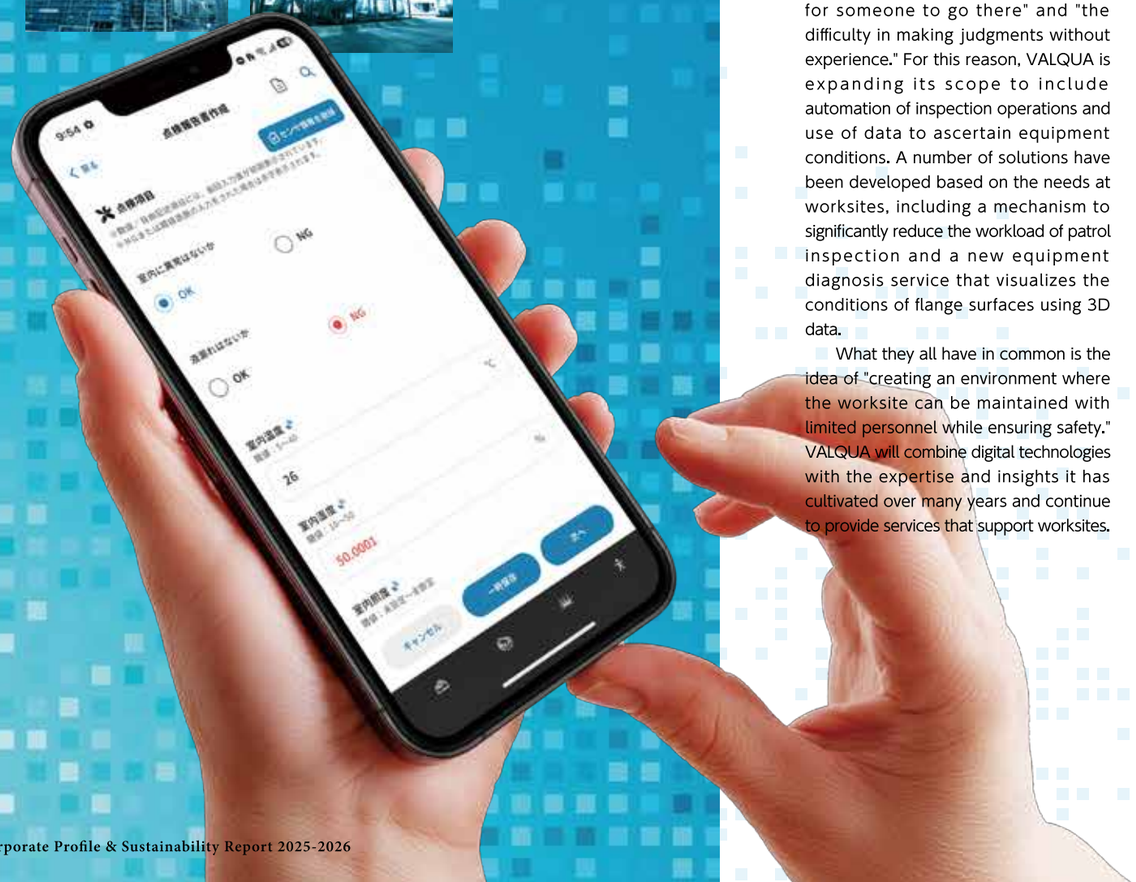
VALQUA's digital business

As the situation of aging equipment, labor shortages, and a shrinking pool of skilled technicians becomes increasingly serious, VALQUA has used its unique digital technologies to create new solutions for production worksites.
This special feature presents the future of "safety and security" that we as VALQUA aim to achieve, focusing on our initiatives to improve the efficiency of patrol inspection and our new services to visualize the conditions of equipment.









Equipment inspection platform combining the expertise and insights of production worksites with digital technologies

In the Japanese manufacturing industry, aging of equipment and shortages of human resources are becoming serious, and how to maintain safety and productivity at worksites has become a major issue. In particular, equipment inspection is "an essential operation to ensure safety," but it often relies on paper forms and the judgment of skilled workers and there were demands for greater efficiency and standardization.

In response to this situation, VALQUA has been working to digitize the inspection operation itself and launched MONiPLAT®, an equipment inspection platform, in 2021. It provides a system designed to prevent inspection omissions and variations while reducing the labor of recording through functions such as electronic inspection forms, photo management, and abnormality notification. As of 2025, more than 2,000 companies have introduced this system, indicating its diffusion as an operational infrastructure at worksites.

Meanwhile, there were issues that remained at worksites, such as "the need for someone to go there" and "the difficulty in making judgments without experience." For this reason, VALQUA is expanding its scope to include automation of inspection operations and use of data to ascertain equipment conditions. A number of solutions have been developed based on the needs at worksites, including a mechanism to significantly reduce the workload of patrol inspection and a new equipment diagnosis service that visualizes the conditions of flange surfaces using 3D data.

What they all have in common is the idea of "creating an environment where the worksite can be maintained with limited personnel while ensuring safety." VALQUA will combine digital technologies with the expertise and insights it has cultivated over many years and continue to provide services that support worksites.

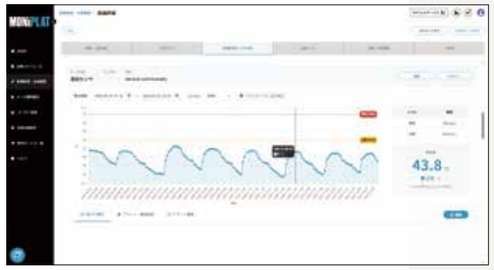
Evolving digital service 1

MONiPLAT CBM ZeroVisit®

ZeroVisit is a new function of MONiPLAT® developed to reduce the workload of patrol inspection and eliminate the labor of recording. IoT sensors periodically collect equipment data such as temperature, vibration, and electric power, and automatically fill out inspection sheets, create graphs, and report abnormalities in a centralized manner. By automating tasks such as "looking, writing, and transcribing" that used to be necessary, the personnel can focus on the originally required decision-making.

When an abnormality occurs, an alert is sent automatically, allowing the equipment conditions to be ascertained without the need for constant patrols. This optimizes the frequency of patrols, reducing working hours and maintaining inspection quality at the same time. In addition, companies using MONiPLAT® can smoothly implement the system and data can be acquired at night and on holidays, leading to early detection of signs.

ZeroVisit is a service expected to become the next standard for inspection that will improve safety at worksites while changing work styles.



Sensor data displayed in a time-series graph, allowing the conditions to be ascertained

Unmanned inspection achieved by ZeroVisit

The key value of ZeroVisit is its capability to automate "recording," the most time-consuming among inspection tasks. Sensors regularly capture data and automatically reflect it on inspection sheets, greatly reducing the need for personnel to patrol the worksite. In fact, we have confirmed a case in which inspection man-hours were reduced by 77% per month. An alert is sent when any problem occurs, which leads to the realization of a new inspection style of "visiting the worksite only when necessary." It also reduces human errors and improves safety.

Up to now, the only means of alerting was via "e-mail," halving ZeroVisit's advantage of allowing immediate action to be taken in the event of an error. In the future, however, we plan to introduce a system that can notify of abnormalities detected by sensors not only by "e-mail" but also by "phone." An environment has become available in which even busy people can ascertain abnormalities in real time, and the rapid on-site response that ZeroVisit aims to achieve will become more reliable.

Comments from the MONiPLAT CBM development team

The development team members visited worksites many times with actual equipment to check the conditions for missing data and alert occurrence. Different worksites had different conditions, such as areas where communication was unstable and points where workers stopped, necessitating detailed adjustments to suit the worksite. We were relieved to hear from customers that this helped reduce man-hours. In the future, we plan to increase the types of sensors that can be used and further expand the types of signals that can be handled to meet the needs of a wider scope of inspection.

Evolving digital service 2

フランジカルテ®

Many Japanese plant devices have been in operation for more than 50 years, increasing the risk of leakage due to aging. Flanges that connect pipes are particularly prone to flaws and strains, directly leading to leakage accidents. Conventional inspection, however, often relies on visual and tactile inspection by workers, making it easy for judgment to vary and taking time.

To address this issue, VALQUA has developed a diagnostic service that visualizes the flange surface using 3D data. Using a handheld 3D scanner, the flange surface data is acquired as point cloud data to analyze flaws, irregularities, circumferential and radial strains, etc., with high precision. The data is presented in an easy-to-understand manner as a color-coded report, which allows anyone to make judgments based on the conditions.

Since the measurement can be completed in about two hours, it is easy to implement even for plants with limited downtime allowed, making efficient inspection possible. In addition, the progress of deterioration can be ascertained by comparison with past data, which can provide the basis for determining the appropriate timing of repair.

This service is expected to be a new form of equipment diagnosis that will both standardize judgment and reduce the risk of leakage, thereby enhancing on-site safety.

Flange Health Record changing the "vision" on worksites

Flange inspection, in which judgment of flaws and strains often depends on the experience of the worker, has posed a heavy burden of judgment especially on inexperienced workers. The Flange Health Record shows the conditions with color codes based on 3D data, facilitating an immediate decision on "where to focus first." In addition, the progress of strain can be checked by overlaying the data of the previous year, which makes the basis of judgment clear. This allows everyone to discuss based on the same information, greatly eliminating the dependency of inspection on individuals. Its capability to prioritize in a short period of time is also highly evaluated at worksites with limited downtime allowed.





Left: Measuring flange irregularities with a handheld 3D scanner
Right: Calculation of the degree of flange opening also possible

Future of the digital business

VALQUA's digital business has developed while meeting the challenges of worksites based on the mission of "ensuring safety." Initiatives to improve the efficiency of inspection operations and services to visualize the condition of equipment have evolved operations that relied on experience and intuition into data-based decisions.

In the future, we will make further use of the data collected by each service to develop a system that allows more accurate understanding of the deterioration trends of equipment. By expanding the data infrastructure centered on MONiPLAT®, we aim to achieve predictive maintenance and planned maintenance covering the entire life cycle of equipment. Starting from the voices of worksites, VALQUA will continue to develop digital solutions that improve the reliability of products while reducing workloads. We intend to continue to be a partner that delivers safety and security to production worksites and supports the future of industry.

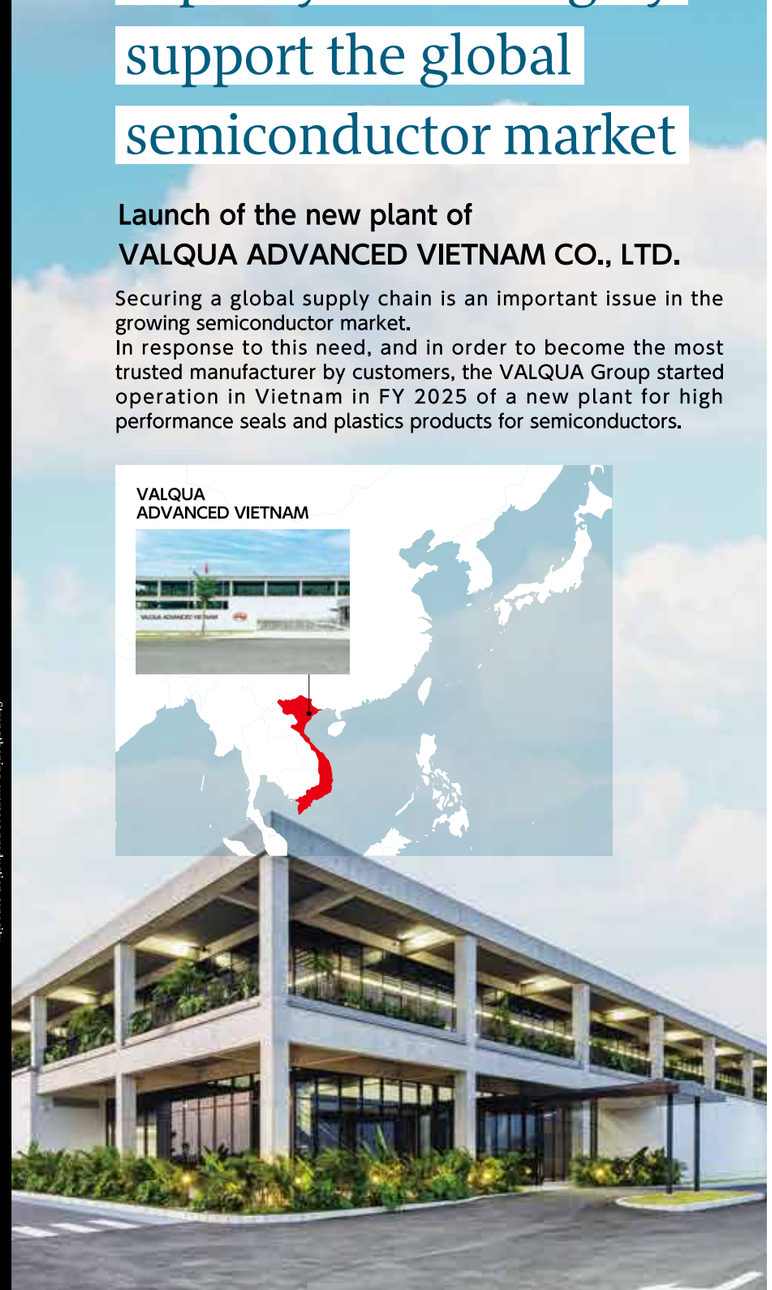
Special Feature 2

Strengthening overseas production capacity to thoroughly support the global semiconductor market

Launch of the new plant of VALQUA ADVANCED VIETNAM CO., LTD.

Securing a global supply chain is an important issue in the growing semiconductor market.
In response to this need, and in order to become the most trusted manufacturer by customers, the VALQUA Group started operation in Vietnam in FY 2025 of a new plant for high performance seals and plastics products for semiconductors.





Appropriately responding to the rapid growth of the semiconductor market

Currently, semiconductors are essential as core components in all industries and are one of the major players in the supply chain in the evolving digital society. In particular, as AI permeates various fields of society, demand is rapidly increasing for semiconductors for data centers that accommodate big data. Rapid market growth is in progress earlier than expected, as the total semiconductor market is reported to be expected to exceed 1 trillion US dollars in 2026, which was previously estimated to happen in 2030.

Amid continuing global uncertainty, building an appropriate supply chain is considered critical in preparation for further growth of the semiconductor market. Major manufacturers in the global semiconductor market are concentrated in Asian countries, and supply chains in Asia are expected to continue to expand in the future. In light of this market environment, the VALQUA Group has selected Vietnam as the most important supply chain base after Japan and South Korea and is working to enhance its production capacity. In December 2025, a new plant began operation as a manufacturing base for high performance seals, offering high quality, low cost, and short delivery times. In March 2026, we established VALQUA ADVANCED VIETNAM CO., LTD., a spin-off from this base, to ensure that we can respond appropriately and flexibly to the needs of the semiconductor market. In the future, we plan to start operations at a plant for high performance plastics products, forming a core base for the entire VALQUA Group to support the semiconductor market.

VALQUA seals used in semiconductor production worksites

At semiconductor production worksites, manufacturing processes are becoming increasingly advanced and complex as products become smaller and more sophisticated. At the same time, the process gases used there are shifting to more dangerous gases that are highly reactive and highly concentrated, as well as highly functional. Seals used to prevent dangerous gases from leaking in harsh environments of production worksites are required to have excellent gas and plasma resistance in addition to high sealing performance.

In response to the needs of the semiconductor industry, the VALQUA Group developed the "ARMOR series" of seals, which is more radical-resistant than ordinary fluororubber. The product was adopted by semiconductor fabrication plants and semiconductor equipment manufacturers in Japan in 1998 and, after that, the VALQUA Group steadily strengthened its position as a seal manufacturer. Since then, as the use of perfluoroelastomer, a high performance fluororubber material, has increased, we have repeatedly developed, evaluated, and analyzed the material in cooperation with equipment manufacturers, which are further upstream from semiconductor fabrication plants. These initiatives bore fruit and our products were officially adopted. They expanded to other equipment manufacturers, making the VALQUA Group the world's third largest seal manufacturer.

Going forward, the VALQUA Group will not be satisfied with the current situation but will continue to hone its development capabilities to meet customer needs and build a production system that meets market needs. VALQUA ADVANCED VIETNAM will play a part in the activities.

To be a trusted seal manufacturer

The purpose of establishing VALQUA ADVANCED VIETNAM is to respond to the rapid growth of the semiconductor market in the future and to meet customer demands for quality, production capacity, and delivery time.

We chose Vietnam as our production base not only because of its geographical advantage of being in the Asian region, where major semiconductor manufacturers operate, but also because it has an abundance of young and energetic engineers. In addition, with the generous support of the Vietnamese government, the semiconductor industry has attracted increasing attention as a national strategy.

The new plant will surely meet customer needs in terms of quality, price, and delivery, and will have the space for expansion to meet further market expansion in the future. It is expected to play the role of a core plant that can appropriately support the semiconductor industry in a growth project for both Vietnam and the VALQUA Group.
The commencement of operations at this plant is a major step toward the realization of the policy in the business of becoming "the most trusted seal manufacturer." Taking on that symbolic role, the plant made a new start.

Embodying the design concept "VALQUA FRAME"

The new plant is designed for a sense of specialness with the awareness of customer delight, employee engagement, and well-being, based on the concept of a "growing plant" from a structure (FRAME) changing in a phased manner. The office on the second floor of the building is set back by 3 m, and a balcony with eave is formed in front of the building, creating an open office with a semi-outdoor space. The exterior, which is the "face" of the plant, reflects a forward-thinking corporate culture that values human tolerance, suggesting how employees are working cheerfully.


Office with balcony

COLUMN

VALQUA ADVANCED VIETNAM CO., LTD.
Yang Hyeok, President

Thoughts on well-being



In building a system for the production and shipment of high performance seals and plastics products, VALQUA ADVANCED VIETNAM is taking on challenges that emphasize THE VALQUA WAY and well-being, centering on the "development of organizational structures and regulations," "fostering of a corporate culture," and "human resources development." We will promptly deliver the product value created by our factories to customers in the global semiconductor market to contribute to the development of the industry.

As a new company, we are dealing with day-to-day issues, but the organization and employees are vibrant and the growth is remarkable. Through our daily efforts, we are creating an environment where we can truly feel our well-being.

At the same time, we promote activities with the awareness of "gratitude and consideration" to ensure psychological safety so that each employee can take on challenges more positively. In the past, we have created many stories of well-being, such as the revitalization of communication at all levels, development of a comfortable and safe working environment, provision of education that takes into account the balance between business and awareness, warm hospitality unique to Vietnam, a sense of unity in various events, and the process of accepting new employees. We will continue with these efforts and take further steps forward in the future.

VOICE Voice of employees



Quality Control Section
Zhang Van Hung
When I first joined the company, I took on new tasks and customer audits and built up confidence while working in a positive manner. Now, in an environment where I can take on new challenges independently, I feel that I have grown and am living a fulfilling and rewarding life.



General Affairs and Human Resources Section
Nguyen Thi Bien Thuy
In a beautiful and clean work environment, I am blessed with colleagues who support me and work with peace of mind. I find it rewarding to be involved in creating a comfortable working environment and fostering a corporate culture in the administrative division under the careful guidance and growth support of my superiors.



HPS Section
Pham Thi Hong Van
I have an experience of working for a Japanese company in the past and I am very impressed by the human resources development initiatives of VALQUA. I realize my growth while learning business knowledge, philosophy, safety, and 5S. Each job is a small one, but I am proud to contribute to customers and society.

Sustainability management

The VALQUA Group has positioned "sustainability" as a major management issue,
and under the Corporate Philosophy of "THE VALQUA WAY,
"the Group is steadily executing "VALQUA Sustainable Action"
to contribute to the richness of the human race and global environment.

Sustainability for VALQUA

The VALQUA Group considers sustainability to be "realizing sound and sustained growth and a sustainable society under the Corporate Philosophy of 'THE VALQUA WAY.'"

The VALQUA Group will continue to promote sustainability activities through business activities and pursue "the creation of value and improvement of quality" in order to contribute to the well-being of the human race and global environment.

Sustainability promotion organization

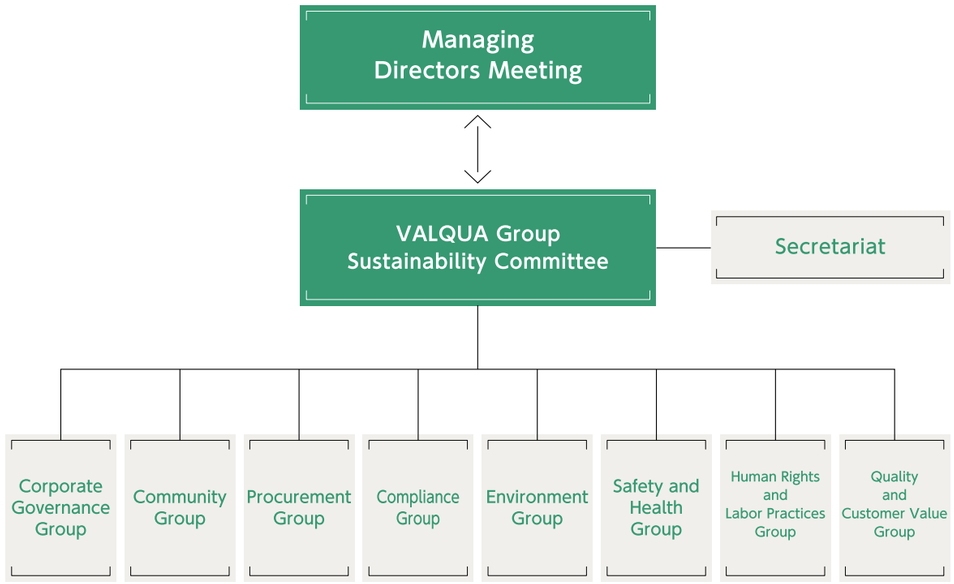
The "VALQUA Group Sustainability Committee," made up of officers of the VALQUA Group, is positioned as an important body for discussing the sustainability activities of the entire Group. In addition to regular committee meetings, meetings are held as necessary to report the results of annual activities to the Managing Directors Meeting.

From "CSR" to "sustainability"

In April 2022, in order to accelerate its sustainability activities, VALQUA expanded its former "CSR" into "sustainability" and strengthened its system, changing the name of the system of promotion from the "VALQUA Group CSR Promotion Committee" to the "VALQUA Group Sustainability Committee." Moreover, in the future, it will pursue the following activities, promoting initiatives to realize a sustainable society as "VALQUA Sustainable Action."

1. **Rethinking materiality that contributes to sustainability management**
2. **Setting concrete goals and managing progress for each materiality**
3. **Expanded disclosure of the status of sustainability activities that lead to management strategy through sustainability reports, etc.**

Sustainability promotion organization



Defining the sustainability materiality

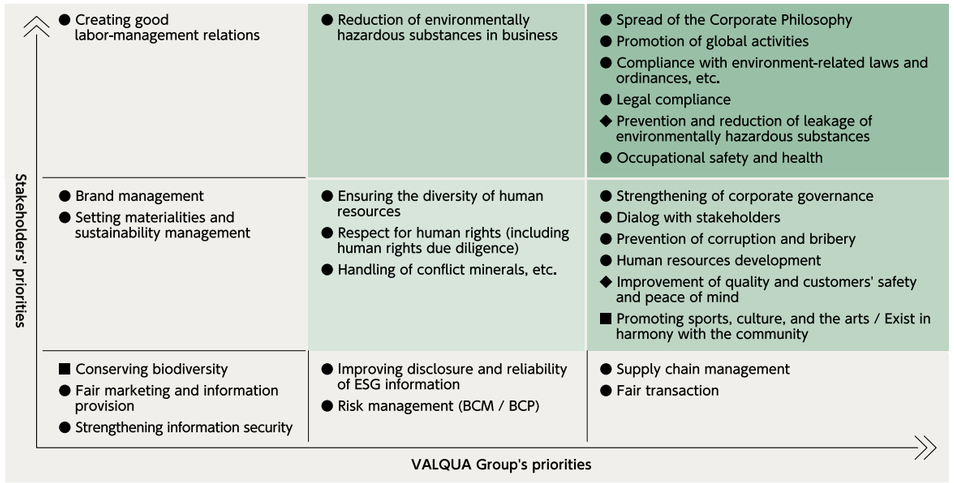
The VALQUA Group identified materialities
that were priorities for both the stakeholders and the Group
by extracting social issues relevant to our business activities.
We then established targets for each materialityand are working toward them.

Process of defining the sustainability materiality

STEP 1	Recognition of social issues	We first identified social issues by referring to international standards and guidelines such as the GRI Standards, ISO 26000, the UN Global Compact, Sustainable Development Goals (SDGs), and RBA Code of Conduct.
STEP 2	Identification of stakeholders' priorities	We then identified stakeholders' priorities by analyzing evaluation organizations' surveys and customer questionnaires to index the degree of attention that stakeholders pay to the social issues identified in STEP 1.
STEP 3	Mapping ofsocial issues and identification of materialities	We then created a matrix chart mapping the social issues identified in STEP 1 with "stakeholders' priorities" identified in STEP 2 on one axis and "VALQUA Group priorities" on the other to extract the items with the highest priority, which we defined as our materialities.
STEP 4	Deciding materialities	The VALQUA Group materialities were decided upon with the approval of the Managing Directors Meeting in FY 2019.
STEP 5	PDCA management and reassessment of materialities	In April of 2022, the materialities were reassessed from the standpoint of giving greater emphasis to the relationship between management strategy and the business plan. In October of the same year, our initiatives in the area of human rights due diligence were intensified by changing two of the materiality themes to "Handling of conflict minerals, etc." and "Respect for human rights (including human rights due diligence)."

Mapping of social issues

◆ Solving social issues through our business ● Strengthening our management foundation
■ Activities that contribute to society



*Level of priority does not differ within each quadrant

Sustainability materiality

The VALQUA Group has established 16 items of materiality with the 8 priority areas of environment, health and safety, supply chain management, human resources and human rights, customer satisfaction, community, corporate governance, and compliance, and it is promoting concrete and proactive initiatives along the lines of the materiality items.

Philosophy and Policy on SDGs

Under the Corporate Philosophy of "THE VALQUA WAY," the VALQUA Group is contributing to the realization of the SDGs and a sustainable society by making proactive initiatives to address sustainability materialities through business activities.

Offense Solving social issues through our business

・Initiatives to solve social issues through products and services

Defense Strengthening our management foundation

・Strengthening of governance, eco-friendly business, supply chain management, and HR cultivation, etc.

Activities that contribute to society

・Promotion and support for sports
・Activities that contribute to the local community

Materiality		Why? For what purpose?	Basic policy	Main initiatives	SDGs to which this contributes
Environment	01 Prevention and reduction of leakage of environmentally hazardous substances	To use advanced technology to contribute to the realization of a low-carbon society through products and services that lead to reduction of environmentally hazardous substances	Provide products and technology that contribute to the solution of social issues under the Action Principle of "Aim for environmentally friendly production"	Combatting pollution and other social issues by developing and deploying products and services	
	02 Reduction of environmentally hazardous substances in business	To engage in business activities that minimize deleterious effects on the environment in order to fulfill our social responsibilities as a manufacturing company	Give consideration to environmental assets in our activities under the Action Principle of "Conserve and utilize resources effectively"	Environmentally hazardous substance reduction	
Safety and health	03 Occupational safety and health	To lead to employee happiness and the development of business by creating an environment that considers safety and health and is easy to work in	Create an environment that is easy to work in under the Action Principle of "Always treat safety and health with top priority"	1)Promote occupational safety and health by training human resources to be safety conscious and making risk assessments more effective 2)Aim for health management. Promote health education for employees, along with healthy habits that improve mental and physical health	
Supply chain management	04 Handling of conflict minerals, etc.	To solve problems that have become more complex with the globalization of supply chains	Conduct business on the basis of the "Basic Procurement Policy" under the Action Principle of "Aim for environmentally friendly production"	Awareness-raising and promotion of procurement activities based on CSR Procurement Guidelines	
Human resources and human rights	05 Ensuring the diversity of human resources	To lead to sound and sustained growth by creating an environment that respects the individuality of diverse human resources and allows them to grow while increasing their own value	Create an environment that respects the diversity, personalities, and individuality of employees and makes it easy for them to demonstrate their abilities under the Action Principle of "Hold respect for individuality and personality"	Promotion of the activities of diverse human resources and promotion of flexible ways of working	
	06 Respect for human rights (including human rights due diligence)	To give full consideration to human rights through enlightenment activities based on the Action Principle of "Hold respect for individuality and personality"	Conduct business activities in line with the "VALQUA Group Basic Policy on Human Rights" under the Action Principle of "Hold respect for individuality and personality"	Awareness-raising activities to promote understanding of various international norms for human rights	
	07 Human resources development	To cultivate human resources that can contribute to the expansion of our business	Cultivate human resources that can continue to meet new challenges by thinking for themselves under the Action Principle of "'Learn and grow' with a spirit to face challenges"	1)Cultivation of the VALQUA Person 2)Development of core group managers 3)Development of core base managers 4)HR cultivation for each division and company	
Customer satisfaction	08 Improvement of quality and customers' safety and peace of mind	To provide peace of mind and satisfaction by solving safety-related problems for customers in Japan and overseas together	Contribute to safety and peace of mind not only for those within our own company but also for customers in Japan and overseas under the Action Principle of "Always treat health and safety with top priority"	1)Information provision and services for product quality management and safe use 2)Deployment of products and services that promote the safety and peace of mind of customers	
Community	09 Promoting sports, culture, and the arts / Exist in harmony with the community	To contribute to the creation of a safe, affluent society where people can have peace of mind through the promotion and support of sports and sustainability activities rooted in the community	Promote and support sports and make social contributions rooted in the community under the Action Principle of "Exist in harmony with the community"	1)Contributing to society through promotion and support for sports 2)Contributing to society through greening of areas around office buildings and through donations	
Corporate governance	10 Spread of the Corporate Philosophy	To aim for sound and sustained growth through visionary management with the Corporate Philosophy at its center	Aim for sound and sustained growth through visionary management with the Corporate Philosophy of "THE VALQUA WAY" at its center	1)Activities to spread "THE VALQUA WAY" throughout the Group 2)Presentations on personal understanding and practice of "THE VALQUA WAY" at each level 3)Activities to recognize visionary management inside and outside of the company	
	11 Strengthening of corporate governance	Because it is important to have an effective decision-making mechanism for fulfilling our social responsibilities in corporate governance	Construct a management system based on "THE VALQUA WAY" and strive to perfect it	Initiatives to strengthen the system of global governance and expand information disclosure	
	12 Promotion of global activities	To maintain solidarity in business activities throughout the Group as global expansion leads to increases in the number of employees with diverse backgrounds and values	Promote the realization of the Ten Action Principles of "THE VALQUA WAY" throughout the Group and strengthen business continuity to lead to solving global social issues	Initiatives to promote sustainability activities and upgrade information throughout the Group	
	13 Dialog with stakeholders	To deepen mutual understanding through constructive dialog to increase our corporate value, or to promote the solution of common social issues	Realize the Ten Action Principles of "THE VALQUA WAY" through constructive dialog with various stakeholders, leading to increased corporate value, enhanced business continuity, and solutions to social issues	Constructive dialog with various stakeholders	
Compliance	14 Prevention of corruption and bribery	To prevent not only bribery but also actions that raise suspicion	Conduct business on the basis of the "Compliance Handbook" under the Action Principle of "Respect compliance and work with full honesty"	Initiatives to strengthen risk management, including prevention of corruption and bribery, and compliance, and expand information disclosure	
	15 Legal compliance	To promote thorough compliance management in order to fulfill our social responsibility and meet expectations	Conduct business on the basis of the "Compliance Handbook" under the Action Principle of "Respect compliance and work with full honesty"	Initiatives to further increase the effectiveness of legal compliance and expand disclosure	
	16 Compliance with environment-related laws and ordinances, etc.	To avoid violation of increasingly strict pollution prevention laws, which could adversely impact our business activities	Conduct business on the basis of the "Compliance Handbook" under the Action Principle of "Respect compliance and work with full honesty"	Thoroughgoing environmental risk management and compliance	

Environment | SDGs to which this contribute

01 Prevention and reduction of leakage of environmentally hazardous substances

Initiatives to prevent and reduce leakage through business activities

Importance of reducing leakage risk for aging equipment

In recent years, the aging of plant equipment in Japan has become a problem, and we hear that some plants have had more than half of their component equipment in operation for over 50 years. Due to extended continuous operation periods of plants, regular maintenance opportunities have been reduced and the risk of leakage from aging equipment is increasing. Once a leak occurs, it may result in human damage among plant workers, impact on neighboring residents, and environmental pollution. Accordingly, we consider the reduction of leakage risk to be an important initiative.

Based on this background, we have been developing comprehensive solutions aimed at achieving zero leakage at plants, not only through the provision of seals, but also through the Seal Training Center (STC) and VALQUA SPM, a service for managing records of flange fastening operations.

Reduction of the risk of leakage through the flange surface diagnosis service "Flange Health Record"

We provide the Flange Health Record, a flange surface diagnosis service, to help reduce the risk of leakage of environmentally hazardous substances from equipment by identifying abnormality locations of equipment at an early stage and leading to appropriate repairs.

In the past, the evaluation of flaws and strain on the flange surface depended on the visual and tactile inspection by on-site workers, which raised demands for a system enabling any measurer to determine with a certain level of accuracy and the management and visualization of data on the conditions of flanges, including changes over time.

In response, we developed the Flange Health Record, a flange surface diagnosis service that uses a 3D scanner to measure and analyze flange damage and provide an electronic report. In addition to identifying the condition of flanges in a quantitative manner not dependent on individuals, it is also capable of graphing the strain, judging the quality by threshold comparison, and visually displaying defects such as flaws.

Furthermore, in November 2025, we also began offering a cloud service that enables centralized management of measurement results and inspection and treatment records.

We also make use of our knowledge as a seal manufacturer and, based on information about gaskets, bolts, and flanges, as well as the diagnosis results from the Flange Health Record, make suggestions about leakage risks and the possibility of flange repairs. These measures are used to confirm the soundness of equipment and promote appropriate repairs and reduction of leakage risks.

Based on our core seal engineering technology, we will continue to accelerate various initiatives to achieve zero leaks and contribute to solving social issues.

"Flange Health Record" diagnostic screen

The measurement results of strain, flaws, and attached matter are judged according to a certain set of criteria based on standards.





02 Reduction of environmentally hazardous substances in business

Addressing climate change: "information disclosure based on TCFD recommendations"

The VALQUA Group contributes to solving the problems of all industries through its unique technologies, including seal technology, and connects the results to improvement of industrial safety and environmental contributions such as energy efficiency and decarbonization. We also recognize climate change, which has a significant impact on the sustainability of society, as an important management issue, and are working to prevent the leakage of environmentally hazardous substances through various environmental measures as well as products and services and to reduce the environmental burden of our business activities.

In May 2021, VALQUA, LTD. announced its approval of the recommendations of the "Task Force on Climate-related Financial Disclosures" and is working on the effective disclosure of information to investors and various other stakeholders.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Environmental burden accompanying business activities in FY 2025

In the VALQUA Group, we get an overall picture of the environmental burden of our business activities by understanding the INPUT, such as the energy and water that goes into business activities, and the OUTPUT, including CO2 emissions from use of energy and the wastes that emerge from production process. A sustainability information collection system has been introduced for swift and accurate collection and central control of information from Group companies to enable calculation and disclosure with an appropriate greenhouse gas emission factor.

Information disclosure based on TCFD recommendations

https://www.valqua.co.jp/social/environment/

Material flow

INPUT

Energy

Electric power	31,586MWh
A-type heavy oil	140,600L
LPG	50,837m³
Natural gas	633,530kg
Municipal gas	48,797m³
Kerosene	297L
Light oil	18,492L
Gasoline	47,987L

合計 158,551GJ

Water use

Tap water	75,688m³
Industrial water, etc.	26,054m³

合計 101,742m³

VALQUA Group Business activities

OUTPUT

CO_2 emissions

Production related	16,202t
Other	887t

合計 17,089t

Wastes

Waste plastics	370t
Wastepaper	56t
Other (waste acid, waste alkali, waste oil, wood chips, waste textiles, scrap metal, burnt residue)	205t

合計 631t

Chemical substances* 21 types 37,917kg

*Chemical substances: Scope expanded to include inflammable fluids, organic solvents, and specified water contaminants in addition to the substances requiring notification under the PRTR law

Object: VALQUA Group business offices in Japan and overseas (excluding 13 bases with small scale, such as sales offices and domestic and overseas sales companies) Period of tabulation: April 2025 to March 2026

Environment

Change in main environmental load

Greenhouse gas emissions (direct emissions)

In FY 2025, we achieved a 624-ton reduction from FY 2024 in absolute amount and a 1% reduction in terms of emissions per net sales.

Specifically, a reduction of 3,645 tons was achieved due to a change in the scope of reporting following the exclusion from consolidation of VALQUA FFT and VALQUA SEAL PRODUCTS (SHANGHAI) CO., LTD., which were consolidated subsidiaries, and a revision of the calculation method for natural gas consumption, increase in production, and commencement of operations of new plants caused an increase of 3,299 tons. Meanwhile, energy-saving measures such as optimization of temperature control and equipment replacement led to a decrease of 278 tons, resulting in a decrease of 624 tons.

We will continue to further improve production efficiency and optimize energy use to reduce emissions.

Greenhouse gas emissions (indirect emissions)

For details of Scope 1 to 3 and other environment-related data, please visit our website.

Final disposal volume for wastes

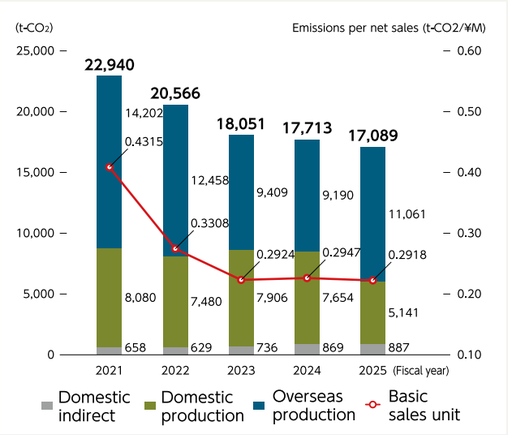
In FY 2025, waste generation decreased by 4 tons compared to FY 2024 in absolute amount but increased by approximately 2% in terms of volume per net sales.

Specifically, while a reduction of 164 tons including 111 tons of sludge was achieved due to a change in the scope of reporting following the exclusion from consolidation of VALQUA FFT, which was a consolidated subsidiary, the absolute amount of reduction was limited due to the temporary effect of 115 tons of waste acid generated in conjunction with the operation of new equipment.

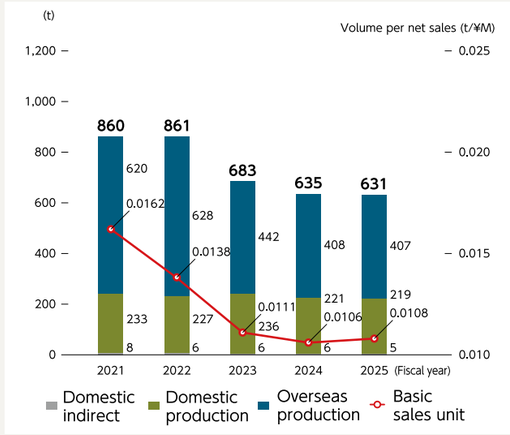
We will continue our initiatives to reduce the amount of waste generated.

Scope 3
(FY 2025 data to be published)
https://www.valqua.co.jp/social/environment/

Change in greenhouse gas emissions (domestic + overseas)



Change in final disposal volume for waste (domestic + overseas)



Object: VALQUA Group business offices in Japan and overseas (excluding 13 bases with small scale, such as sales offices and domestic and overseas sales companies) Period of tabulation: April 2025 to March 2026

*Greenhouse gas emissions are calculated by annually reconfirming the emission factors for each fuel and electric power in the greenhouse gas emission calculation, reporting, and announcement system based on the "Act on Promotion of Global Warming Countermeasures" (Global Warming Act). Scope 1 refers to direct greenhouse gas emissions from the business itself, Scope 2 refers to indirect emissions accompanying the use of electricity, heat, and / or steam supplied by another company, and Scope 3 refers to indirect emissions occurring from the procurement of raw materials through production, sale, and disposal, excluding Scope 1 and Scope 2. Because the provision of information on electric power from each country has become more robust, we started surveying and calculating emission factors for each base in FY 2020.

Safety and health

SDGs to which this contribute

03 Occupational safety and health

Safe workplace, and mental and physical health

Protecting employees from accidents and illness

In order to prevent serious accidents and maintain the mental and physical health of employees, we take effective measures without compromise.

Creating a workplace environment where employees can work with peace of mind

To meet the expectations of our stakeholders, we have developed a safety and health activity system that complies with global standards and functions effectively, identifies hazards, and takes thorough preventive measures against potential risks.

We are also striving to maintain and promote the mental and physical health of our employees through mental and physical care intended to foster their well-being.

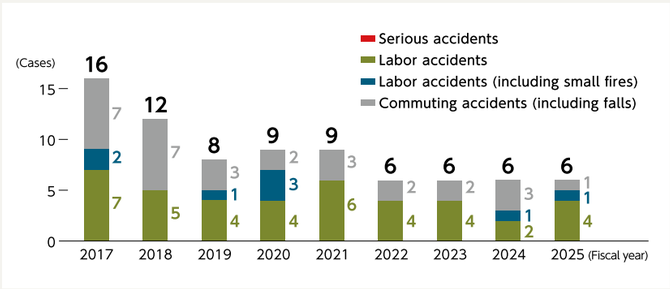
Safety and health promotion activities

VALQUA Group Safety and Health Day

The VALQUA Group has designated May 18 of every year as "VALQUA Group Safety and Health Day" to improve awareness of safety.

At the Safety Prayer Meeting and Safety Convention held in October, with our production and R&D bases in Japan and overseas connected online, we confirm our activity policies and priority areas in response to changes in the business environment and each base turns them into necessary and effective action plans to promote autonomous activities.

Number of accidents in the entire Group



Workplace environment where employees can work safely with peace of mind

We strive to maintain a safe work environment by proactively identifying health and safety risks associated with the development of new business areas, revision of laws and regulations that differ in each country and region, and intensification of natural disasters and take thorough preventive measures against unacceptable risks.

From the perspective of health management, we are also strengthening crisis management in preparation for health risks such as climate change, infectious diseases, and stress, and promoting the "creation of a safe and secure workplace environment for employees" that leads to well-being.



Group Safety Prayer Meeting and Safety Convention

Top) Safety Prayer at VALQUA MIKAWA FRONTECH CO., LTD. Tahara Plant, the main venue

Middle) Safety Convention held online between domestic and overseas bases

Bottom) CEO's speech to all Group employees

Supply chain management

SDGs to which this contribute

04 Handling of conflict minerals, etc.

Promotion of CSR procurement

CSR Procurement Guidelines

The VALQUA Group established the "CSR Procurement Guidelines" in 2016 to promote procurement activities that also give consideration to society, the environment, human rights, etc. Based on the Corporate Philosophy of "THE VALQUA WAY" and the "CSR Concepts," five items have been established as the "Basic Procurement Policy." These guidelines minimize risk throughout the supply chain and promote sound procurement activities.

Basic Procurement Policy, VALQUA Group CSR Procurement Guidelines

https://www.valqua.co.jp/social/csrprocurement/

Handling of conflict minerals*1, etc.

The VALQUA Group considers addressing human rights risks, including the proper handling of conflict minerals, to be its corporate responsibility, and we have established a related policy in the CSR Procurement Guidelines and conduct investigations of procured items. We have added cobalt and mica, which are not included in 3TG*2, to conflict minerals to reflect an increased awareness of "human rights due diligence" in our activities.

In the future, we anticipate that the scope of our responsible mineral procurement will expand to include minerals originating in conflict areas and high-risk areas and we will cooperate with our suppliers and strengthen our initiatives to avoid involvement in human rights violations.

*1 Conflict minerals: Refer to minerals that provide a source of funding for armed groups that commit human rights violations and corrupt practices in conflict areas.

*2 3TG: Tantalum, tin, tungsten, and gold.

CSR procurement questionnaire

As one of the activities that promote CSR procurement throughout the entire supply chain, a self-evaluation questionnaire survey is conducted to confirm the status of CSR promotion by each supplier.

In FY 2020, to make evaluations of compliance stricter, the number of questions in the questionnaire was increased from 20 to 30, including questions on corporate governance, supply chains, and the environment. We also expanded the scope of the survey to include suppliers other than the main suppliers to which the questionnaire has been administered thus far.

In the future, we will refine the content of the questionnaire to further promote CSR activities, and we will continue to strive to collaborate with suppliers and support them to realize CSR procurement through individualized support for suppliers.

Confirmation items in CSR procurement questionnaire
(Added cobalt and mica under conflict minerals in FY 2022)

Section	Content of initiatives
CSR	● Legal compliance, preventing violations ● CSR promotion ● Extending to business partners
Corporate governance	● Internal control ● Whistle-blowing ● Proper import / export
Fair trade	● Preventing corruption (political donations, bribes) ● Prevention of abuse of superior bargaining position ● Ban on offers / acceptance of improper advantage
Information / security	● Management of intellectual property ● Personal / confidential information management ● Prevention of attacks on computer networks
Supply chain	● Compliance with laws, regulations, social norms, industry norms and standards ● Use of conflict minerals (tantalum, tin, tungsten, gold and its derivatives, cobalt, and mica produced in conflict areas)
Human rights	● Respect for human rights ● Prohibition of discrimination
Labor	● Prohibition of discrimination in hiring ● Provision of equal opportunity for employees ● Compliance with prohibitions ● Fair application of work hours, breaks, paid leave
Environment	● Management of legally designated chemicals ● Management of wastewater, sludge, and exhaust ● Sustainable and efficient utilization of resources ● Reduction of greenhouse gas emissions ● Green procurement and waste reduction
Safety and health	● Environment in which employees can work safely and in good health ● Worker safety ● Disaster preparedness ● System for handling disasters and accidents
BCP	● Initiatives for a business continuity plan

Human resources and human rights

SDGs to which this contribute

05 Ensuring the diversity of human resources

Environment and systems that facilitate activities of diverse human resources

Promotion and assignment of diverse human resources

The VALQUA Group is promoting the appointment of the right person in the right position regardless of nationality, gender, age, recent graduate or mid-career, and creating an environment in which diverse human resources can play an active role in executive and management positions.

In particular, we are promoting strategic placement of human resources with diverse backgrounds and abilities, including appointment of people in their 30s and 40s as executive officers, appointment of presidents of affiliated companies across the Group, and assignment of selected trainees to management positions at overseas bases. At VALQUA itself, the percentage of mid-career hires among managers has been around 50% since FY 2023, indicating an increase in career diversity.

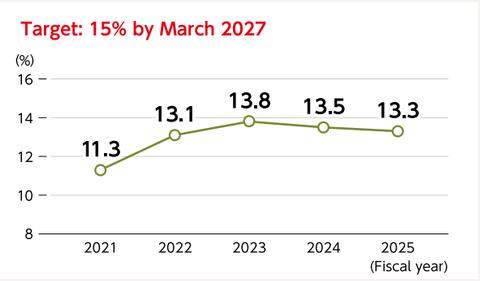
Going forward, our Group will continue to strive to continuously enhance our corporate value by creating an environment where diverse human resources can demonstrate their abilities.

System that gives employees fair opportunities to be active regardless of gender or age

Our treatment system does not differ by age or gender. The roles and responsibilities of each position are clearly defined for all employees, and fair evaluation and treatment based on duties and results are achieved.

In FY 2024, we introduced a "grade-skipping" system for promotion exams, which enables employees to swiftly advance in their careers according to their motivation and ability. In FY 2025, we put in place a second career stage system, which allows the reappointment of employees past the retirement age who are highly motivated and make the most of their abundant experience and knowledge to demonstrate their abilities. In this way, we are working to provide employees with fair opportunities to take on challenges according to their abilities.

Percentage of women in management positions



*Percentage of women in management positions is the figure for VALQUA, LTD. alone.

Creation of an environment that supports flexible working styles

We emphasize flexible working styles that support diverse stages of life. With various systems established, including childcare and nursing care leave, shorter working hours, a second job system, hourly paid leave, and a career return system exceeding legal standards, we are working to create an inclusive working environment in which employees can pursue career development with peace of mind. These initiatives promote the utilization of the capabilities of diverse human resources and serve as the foundation for contribution to sustainable growth of the organization.

06 Respect for human rights (including human rights due diligence)

Respect for human rights

In accordance with the "VALQUA Group Basic Policy on Human Rights" formulated in March 2017, each year the VALQUA Group conducts human rights surveys at each Group company and at suppliers to make the Basic Policy on Human Rights known, check the degree to which it is understood, and to check the status of human rights-related initiatives. In FY 2025, as part of our annual engagement survey, we conducted a human rights survey of all employees. We monitor changes in the VALQUA Group over time and work to further raise awareness of human rights so that each company can independently identify, prevent, and address human rights issues.



VALQUA Group ComplianceHandbook

VALQUA Group Basic Policy on Human Rights

https://www.valqua.co.jp/social/human_resources/

Furthermore, we at the VALQUA Group are making voluntary initiatives to maintain and improve consciousness of human rights by giving out our Compliance Handbook and participating in study groups and external training in each Group company. In FY 2025, training on human rights due diligence was conducted to strengthen initiatives to respect human rights throughout the Group. We plan to continue these initiatives in FY 2026.

Human resources and human rights

07 Human resources development

Human resources development

Based on its Corporate Philosophy "THE VALQUA WAY," the VALQUA Group positions human resources as its most important management resource and the source of competitiveness, and promotes the development of human resources and the revitalization of the organization.

As the foundation for human resources development, we have established a diverse education system that supports the attitude of each employee to learn independently.

In addition to job rotation and on-the-job training (OJT), we provide OFF-JT programs including self-selection training that enables all employees to choose their own learning, level-specific training for promoted persons and managers, global skills training for new plant launches, and the "CEO Academy," a selective training program designed to nurture the next generation of managers, thereby promoting employee growth.

Initiatives to maximize human capital

At our Group, we believe that investment in human capital is closely linked to our management strategy and are working to enhance our human capital through various measures including the following.

Strengthening and enhancing human resources responsible for promoting DX in both offense and defense

In 2023, we introduced a personnel system for highly skilled digital professionals, of whom we are short, to significantly improve our hiring competitiveness. As a result, the number of digital professionals increased by 63% in four years. We are steadily expanding our human resources base by accumulating and disseminating the digital knowledge necessary to implement strategies.

Development of dynamic human resources to promote global business development

In order to realize global business growth centering on semiconductors and other advanced industries, we place importance on the development of management talent capable of rapidly promoting business locally.

For example, we conduct selective training and appoint those who have completed the training to management positions at overseas bases, thereby linking opportunities for human resource growth with business strategies. In this way, we are cultivating a pool of management talent who will play a key role in growth markets for the organizational management capabilities of overseas bases and sustainable growth of our business.

Initiatives to foster innovations to support the creation of corporate value

In addition to our own R&D activities, we are working to foster innovation through a combination of joint research with external institutions, inter-company collaboration, and M&A, and we regard these as opportunities for the growth of people and organizations. In 2019, we and the National Institute of Advanced Industrial Science and Technology (AIST) jointly established the VALQUA-AIST Cooperative Research Laboratory for Advanced Functional Materials. We promote the development of innovative human resources who will create the future through close exchanges between human resources and technology. In addition, we aim to develop our organization and business by utilizing M&A to acquire technological capabilities, knowhow, and human resources, which has generated synergies including human capital.



Customer satisfaction

SDGs to which this contribute

08 Improvement of quality and customers' safety and peace of mind

Quality assurance system and day-to-day initiatives to meet customer expectations

In order to provide products and services that customers can rely on, the VALQUA Group has established the "Group Quality Assurance Committee" to build a global quality management system. With the Quality Assurance Division at the core, this Committee consists of responsible persons from business groups and the Production and Procurement Group that exercise control over the production and sales affiliates in Japan and overseas. We strive to enhance the effectiveness of quality management throughout the Group by steadily disseminating decisions to each worksite and fulfilling our responsibilities in day-to-day operations. We also recognize that it is our important responsibility to meet the expectations of our customers for stable supply. At new plants, we are carefully implementing initiatives to ensure quality under a company-wide support system.

In addition, in our new digital service business, we are continuously working to strengthen security measures and improve the quality of software development to provide an environment that customers find "safe and secure."

Provision of digital solutions that contribute to customer safety and security

VALQUA SPM plant work DX platform

VALQUA SPM is a digital platform developed to address the growing shortage of human resources, aging of equipment, and analog management issues associated with plant maintenance. It improves work quality and safety management by monitoring progress in real time and visualizing process delays. In addition, by accumulating and sharing data on the cloud platform, VALQUA SPM supports the transfer of knowhow and efficiency of preparation for the next execution, contributing to the reduction of on-site load. In the future, we will continue to enhance its functions by introducing generative AI to optimize planning and identify risks at an early stage, and develop it as a foundation to support safe operations.

MONiPLAT® equipment inspection DX platform

Equipment inspection is essential for safe operation of manufacturing equipment but conventional paper-based inspection management has been plagued by recording errors and complicated verification procedures. The VALQUA Group's MONiPLAT® uses smart devices and the cloud to centrally manage inspection information from multiple locations in real time, achieving work efficiency.

In September 2025, we released ZeroVisit, a CBM solution that aims to reduce the number of patrol man-hours to zero. It contributes to further improvement of efficiency of patrol inspection by remote monitoring with IoT sensors and automatic data transcription. We will continue to expand our solutions for preventive and predictive maintenance.

Provision of a new service that contributes to zero leakage from equipment maintenance

Flange Health Record system for centralized flange management and data utilization

Flange leakage that occurs immediately after plant operation requires equipment shutdown and seal replacement, resulting in construction delays and additional costs. In particular, detection of damage to the flange surface that causes leakage, such as flaws and strain, has traditionally depended on visual inspection and the experience of workers, causing unavoidable variations in evaluation.

Accordingly, based on the technologies and knowledge we have cultivated as a manufacturer, we released Flange Health Record. It allows evaluation of the conditions of a flange with a certain level of accuracy regardless of who measures it to centrally manage and visualize the condition data, including changes over time, thereby creating a system to achieve zero leakage. In the future, we will work to achieve data linkage with VALQUA SPM and develop it into a platform capable of integrated management of tightening torque and procedures at the time of execution, as well as evaluation results after execution, which will allow high-accuracy maintenance planning and quick and accurate cause analysis in the event of trouble.

Quality Policy, Quality Management System
https://www.valqua.co.jp/social/safety_quality/

New Gaskets and Gasketing Technology
https://www.valqua.co.jp/technical/gasket-introduction/

The industry's first "gasket manual," which provides easy-to-understand explanations of the technological basics of gaskets, bolting, and flange joints

VALQUA technical journal "VALQUA Technology News"
https://www.valqua.co.jp/tech/technical/

MONiPLAT®
https://moniplat.valqua.co.jp/

*Start MONiPLAT® for free.

VALQUA SPM
https://spm.valqua.co.jp/

フランジカルテ
https://flangekarte.valqua.co.jp/

Community

SDGs to which this contribute

Promoting sports, culture, and the arts, promoting mental and physical health among employees, existing in harmony with the community

Promotion and support for sports

Proposal and realization of new possibilities for "show dancing" and initiatives to expand support for dancing

For many years, the VALQUA Group has been involved in promoting and supporting sports to promote health and enrich people's lives.

After we started providing support for ballroom dancing in 2014, we have been cosponsoring the Japan International Ballet Festival organized by the Japan International Ballet Association since 2024, and newly started cosponsoring the VALQUA CUP Presents GRAB A DREAM street dance competition in 2025. By supporting a wide variety of dance, we are helping to discover talent that transcends generations and genres and to promote and develop dance culture as a whole.

In addition, the "VALQUA Cup," a top ballroom dance competition in Japan held every November, was renewed in 2024 as the "VALQUA Cup Japan Open Show Dance Championships" cosponsored by TV Tokyo. In 2025, ballet, jazz, contemporary, and street dancers gathered in addition to ballroom dancers, creating a space for interaction and creativity across genres. Many people in the audience were captivated by the new possibilities of show dancing, full of story and artistry.



VALQUA Cup Japan Open Show Dance Championships 2025

Promoting employee wellness

In order to promote employee wellness, we offer dance classes during lunch breaks at our domestic and overseas bases. At the latest Christmas event, we held an inter-base dance competition, including overseas bases. The event was a great success with ballroom and street dance performances by teams from various bases.

In addition to dance activities, about 300 employees participated in the "WEB Walking Challenge," which was conducted in collaboration with the health insurance union. At the Osaki Head Office, employees stretch at 3:00 pm every day. In this way, we are taking diverse initiatives for promotion of employee wellness.



Dance performance by Osaki Head Office team



WEB Walking Challenge: Aim for 8,000 steps a day!

Acquisition of various sports-related certifications

We have received various certifications from the Japan Sports Agency and the Tokyo Metropolitan Government for our support for dance promotion and our initiatives to promote sports for employees.

SPORTS YELL COMPANY 2026

TOKYO 東京都スポーツ推進企業 2025認定

Left) Sports Yell Company 2026 (certified by Japan Sports Agency for the second year in a row)

Right) Tokyo Sports Promotion Company 2025

Promotion of culture and the arts

The VALQUA Group believes that artistic and cultural activities are indispensable for human development, which is the foundation for people to work actively, and for the realization of a prosperous society.

With the aim of realizing a creative, prosperous, and vibrant society through the development of art and culture, we support the activities of young artists and cosponsor the 2026 performance of the musical Yume kara Sameta Yume (A Dream of Waking from a Dream) based on the original written by Jiro Akagawa and originally directed by Keita Asari (sponsored by the Asari Office).



Spring performance of Yume kara Sameta Yume, one of Japan's leading musicals

Exist in harmony with the community

Educational support for children who will lead the next generation

The VALQUA Group supports the Kokoro no Gekijo (Theater of Hearts) project, which invites children from all over Japan to the Shiki Theatre Company Family Musical to experience the excitement of theater. We cosponsor performances in Aichi, Osaka, Nara, and Fukuoka, to which we are deeply connected, where our production or sales bases are located.

In addition, as part of our educational support, we play a role every year in the "company visits" held by Shinagawa Municipal Shinagawa Gakuen School to provide opportunities for students to actively plan their own future and careers. This year, we introduced our unique well-being management and promotion and support for sports to 8th grade students.

TAIWAN VALQUA also accepted students on a school trip from Fukuoka Prefectural Fukuoka High School to visit the company to take them on a plant tour. A total of 59 students visited over 2 days, which provided an opportunity to expand the circle of well-being outside the company.

We will carry out support activities to foster the healthy growth of children who will lead the next generation and aim to realize a future rich in creativity and vitality.



The *Kokoro no Gekijo* (Theater of Hearts) (sponsored by the Butaigeijutsu Center and the Shiki Theatre Company, supported by the Agency for Cultural Affairs)



Shinagawa Municipal Shinagawa Gakuen 8th graders visiting us (Osaki Head Office)

VALQUA INDUSTRIES (THAILAND) Support for an orphanage

We donated food and equipment and provided financial support to an orphanage run by the Thamanurak Foundation.



Employees who participated in the support and orphanage children



Students studying lined tanks on a school trip of Fukuoka Prefectural Fukuoka High School (TAIWAN VALQUA)

Corporate governance SDGs to which this contribute

10 Spread of the Corporate Philosophy

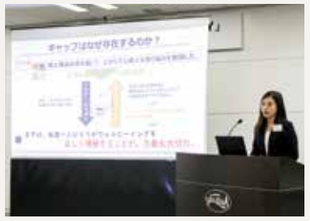
Activities to promote understanding of "THE VALQUA WAY" and put it into practice

Promotion of management based on philosophy with "THE VALQUA WAY" as the foundation

At the VALQUA Group, the Corporate Philosophy common to our Group, "THE VALQUA WAY," forms the foundation for our daily activities as our compass and code of conduct. Each employee of the VALQUA Group where we have a presence determines how the mental outlook of the Group is relevant to their own work and brings a consciousness of problem identification and solutions to their work in a way that leads to improvements and reforms in the work itself.

Moreover, in order to further spread "THE VALQUA WAY," we hold the Practice Presentation annually as a place for sharing our activities throughout the year. This Practice Presentation is a forum to present how each employee has translated "THE VALQUA WAY" down to the level of their own work. After the preliminary presentations held in Japan and overseas at each level of the hierarchy, the company-wide competition of representatives who were selected at the preliminary presentations is held every January. The 18th competition was held in FY 2025. At the company-wide competition held on January 21, 2026, the presenters delved into the "why" of the issues they faced in their day-to-day work and spoke about their experiences of squarely facing difficulties and struggles and turning them into growth.

CEO Takisawa reiterated the importance of placing "With fairness" at the center of the corporate culture and stated that well-being is realized not by "being given" but by "preparing oneself to be able to work with fairness." This message that a sincere approach to dealing with difficulties leads to a sense of ultimate achievement encouraged deep understanding among many employees and served as an opportunity to reaffirm the strong beliefs and expectations of top management.





Top)
FY 2025 Company-wide "THE VALQUA WAY" competition presentation J Position Category First Place: Dao Thi Hoa, VALQUA VIETNAM

Bottom)
FY 2025 Company-wide "THE VALQUA WAY" competition award ceremony

Spreading "OUR VALQUA WAY" to the entire organization

At the second "OUR VALQUA WAY" presentation meeting, executives from the business groups presented the progress of change over the past year and the approaches to organizational issues. It provided an opportunity to reconfirm our own strengths and values, share what we value as an organization, and how we should move forward into the future, deepening cross-departmental learning.

In the comments after the meeting, it was emphasized that setting forth a philosophy alone is not sufficient but being specific in connecting it to actions on worksites is required. In particular, it was pointed out that "OUR VALQUA WAY" formulated by business groups should not be confined to "horizontal" sharing among executives but should be spread "vertically" so that each and every department member can make use of it in their day-to-day business decisions. The importance was shown of enhancing "benefit," the value derived from the philosophy, by using it as a standard of judgment and principle of action, rather than enshrining it.

"CEO THE VALQUA WAY Dissemination Forum," an ongoing initiative to support the spread of our philosophy

Since FY 2019, CEO Takisawa has held the "CEO THE VALQUA WAY Dissemination Promotion Forum" around the world. Again in FY 2025, he went directly to worksites and continued dialog with managers. Initiatives to uncover and correct the corporate culture contribute greatly to the spread of our philosophy.

The VALQUA Group continues to pursue "Value & Quality (create value and improve quality)," which is reflected in the company name, based on the strengths of each and every employee. We will continue to strive to be "A Challenging Company that Challenges the Future and the Unknown" through our determined actions based on our philosophy, our trust in our colleagues, and our attitude to face each other with fairness.



March 2026
"CEO THE VALQUA WAY Dissemination Promotion Forum in Chubu"

11 Corporate governance

Corporate governance

Basic philosophy

As a pioneer in seal engineering, the VALQUA Group has constructed a management system for transparent, fair, rapid, and bold decision-making in order to increase its corporate value through sustained growth of the corporation under the Corporate Philosophy of "THE VALQUA WAY," and it continually pursues optimal corporate governance and strives to perfect it.

Status of corporate governance

In order to respond rapidly and unerringly to sudden changes in the business environment, we have established an agile group management organization that introduces an executive officer system and separates the roles of directors from those of executive officers. Moreover, we have auditors, including one attorney and one certified public accountant, who audit the execution of business by the directors and executive officers, fulfilling supervisory and auditing functions highly specialized to management.

Further, we have established a Nomination and Compensation Advisory Committee in order to enhance the fairness, transparency, and objectivity of procedures related to the nomination and compensation of directors, and to ensure thorough corporate governance. This Committee is comprised of directors who have been selected via resolution by the Board of Directors, and a majority of these directors are independent outside directors.

In FY 2025, the Board of Directors met a total of 15 times to discuss matters related to the Medium-term Business Plan, budget and financial results, as well as internal control and auditing. In addition, the Nomination and Compensation Advisory Committee met three times to discuss and report mainly on matters related to the overall structure of the Board of Directors and policies on systems such as compensation for directors.

Internal Audit Division

An Internal Audit Division independent of the operating divisions under the direct jurisdiction of the Board of Directors has been established to perform internal audits of all of the Group's business activities. Based on the annual auditing plan, the Internal Audit Division conducts audits from a broad range of perspectives, including internal control, compliance, and risk management, and performs evaluations and makes proposals.

Composition of Board of Directors and Board of Auditors
(as of June 30, 2025)

Directors	6 (5 men and 1 woman) Including 3 outside directors (2 men and 1 woman)
Auditors	3 (3 men) Including 2 outside auditors (2 men)

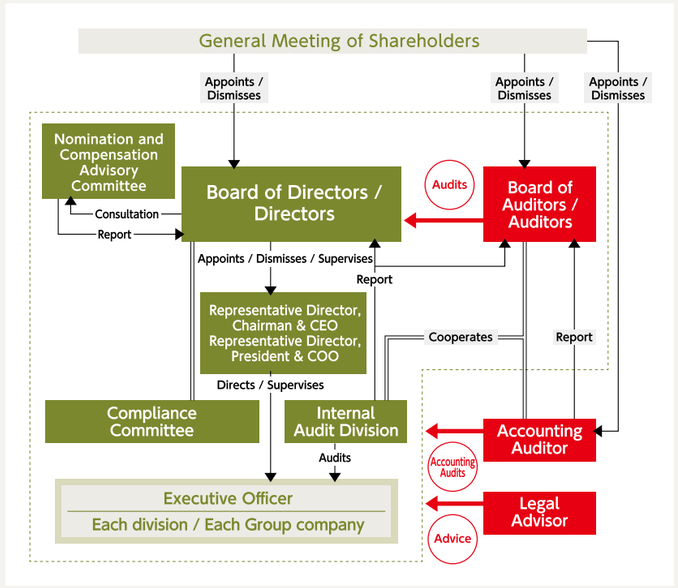
Internal control system

Ensuring the transparency and reliability of business

We are striving to improve and promote our internal control system by constructing highly transparent business processes and an appropriate risk management system. A "Basic Philosophy regarding the Internal Control System" was adopted by the Board of Directors, which is reviewed as necessary in order to respond to changes in the external and internal environments.

Moreover, to comply with the internal control reporting system for making financial reports based on the Financial Instruments and Exchange Act, we have constructed an internal control system and maintain, evaluate, and improve internal rules and regulations and business processes. As part of this, our financial reports are disclosed after receiving the unqualified opinion of an auditing corporation on the internal control system reports describing the validity of the financial reports, and we are continuing to work to ensure the reliability of the financial reports.

Corporate governance organization chart



Corporate governance

12 Promotion of global activities

Promotion of sustainability activities

The VALQUA Group has taken concerted action on the part of Group companies in Japan and overseas to promote "business activities revolving around the concept of an H&S business," "support for sports," "Local Community Thanksgiving Day," and other activities based on the Corporate Philosophy of "THE VALQUA WAY."

Since 2021, we have been strengthening our initiatives to contribute to the SDGs by promoting activities with three axes, adding "activities that contribute to society" to our offense ("solving social problems through our business") and our defense ("strengthening our management foundation").

Furthermore, in response to social demands for initiatives to address human rights issues, we have revised the VALQUA Group Basic Policy on Human Rights, and as part of our initiatives to establish and conduct human rights due diligence, we implement CSR procurement questionnaire surveys for our suppliers. In the future, we will come together as a Group to promote sustainability activities toward the solution of various social issues, and we are working to disclose those activities.

Promotion of well-being activities

As we approach the 100th anniversary of our founding, we as the VALQUA Group are implementing a variety of initiatives aimed at improving employee well-being. In pursuit of the "richness of life" of each and every employee, we aim not only to create a comfortable workplace and enhance welfare benefits, but also to create a working environment where employees can "be themselves, trusted, appreciated, and proud."

In order to promote this activity across the Group, we have established a system for awarding companies out of seven production companies for their vigorous efforts to improve well-being. The purpose of this system is to promote independent activities at each base and share examples of high-quality activities with the entire Group and roll them out.

In the first half of FY 2025, KYUSHU VALQUA won first place. The company implemented more than 100 well-being activities, focusing on human resources development (education and training) and revitalizing internal communication.

In addition to enhancing welfare benefits, the company also actively improved the working environment by changing chairs and installing monitors, which greatly contributed to the improvement of working comfort.

The VALQUA Group will continue to strive to be a "true well-being company" that achieves sound and sustainable growth and contributes to society through diverse initiatives aimed at realizing employee well-being.





Awarding by the CEO taking place locally

13 Dialog with stakeholders

To achieve sound and sustained growth, the VALQUA Group aims to build relationships of trust through communication with all of our stakeholders under "THE VALQUA WAY" while continuously enhancing our corporate value.

Customers	In order to provide high-quality products and services stably, we strive to accurately understand needs and build relationships of trust through day-to-day sales activities and technical support.
Shareholders and investors	We actively promote constructive dialog through IR meetings and individual interviews in order to convey our initiatives to enhance corporate value in an easy-to-understand manner.
Suppliers and business partners	We strive to establish sound business relationships throughout the supply chain through our CSR Procurement Guidelines and supplier questionnaire surveys, while ensuring fair and impartial transactions and legal compliance.
Employees	Under THE VALQUA WAY, we promote employee growth through education, training, and career support based on a fair system to improve employee engagement and well-being.
Local communities	We value coexistence with the local communities in which we operate and are working to create affluent local communities through environmental conservation and cleanup activities.



Compliance

SDGs to which this contribute

14 Prevention of corruption and bribery

Risk management

Basic philosophy

In order to maintain relationships of trust with stakeholders and stably continue to do business, the VALQUA Group has constructed a management system that can accurately assess and control diversifying risk and its impact.

We have been aiming for the reconstruction of our business foundation by increasing profits in existing business areas through selection and concentration and acquiring new business areas. Moreover, we have been working to enhance risk management and autonomous compliance at the level of organizational units.

Risk management system

The VALQUA Group has established the "Risk Management Committee" to strengthen risk management. The Committee centrally manages the risks that the Group incurs in the course of doing business, which are becoming more diverse with the rapid changes in the business environment in Japan and overseas and the expansion of the Group's business area.

To enable us to swiftly gain control and respond as a Group to events that threaten the continuity of business, such as major natural disasters, we created a Business Continuity Plan (BCP) Manual in 2020 and have been implementing it.

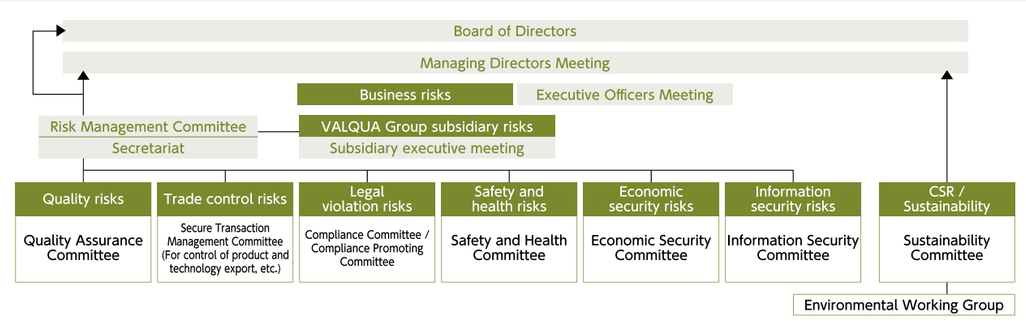
Legal compliance in Group companies in Japan and overseas

In order to ensure legal compliance throughout the Group, the VALQUA Group conducts surveys of related laws, not only within Japan, but also as they apply to our Group companies overseas, while receiving support from law offices, consultants, and services that provide legal information, so that its business practices will be in compliance with the law. The entire Group maintains complete readiness to comply with laws and ordinances that greatly differ in content in each country and region.

Management of intellectual property rights

The Intellectual Property Division appropriately protects the value created by corporate activities and supports the provision of products and services that lead to solutions to customers' problems. It also maintains internal rules and systems that respect the intellectual property rights of others, conducting exhaustive surveys at each stage of research and development to ensure that our company's products and services do not infringe upon the intellectual property rights of third parties. Under a system of cooperation between the Intellectual Property Division and the R&D department, these surveys are conducted globally to ensure that intellectual property rights are respected not only in Japan but overseas as well.

Risk management system (as of April 1, 2026)



Prevention of corruption

Thorough prevention of bribery

The VALQUA Group ensures that all employees are thoroughly aware of the importance of preventing bribery.

In addition, we have established the matters described on the right in our "VALQUA Group Basic Policy on Bribery Prevention" in order to appropriately respond to domestic and international bribery regulations and require adherence to the Basic Policy, as well as bribery prevention-related laws, regulations, guidelines, and other similar provisions applicable to each of the countries and regions in which we do business.

Furthermore, we have established the "VALQUA Anti-Bribery Regulations" and also have put in place anti-bribery regulations for domestic Group companies that apply the company Regulations. For overseas Group companies, we have established anti-bribery regulations in accordance with the laws and practices of each base.

Matters stipulated in the "VALQUA Group Basic Policy on Bribery Prevention"

- General prohibition of bribery and facilitation payments to public officials, etc.
- Preliminary investigations when hiring agencies, etc.
- Preparation and maintenance of accounting records
- Notifications and reporting when faced with violations, etc.

15 Legal compliance

Compliance

Basic philosophy

Under its Corporate Philosophy "THE VALQUA WAY," the VALQUA Group positions compliance as a fundamental management issue and promotes management based on this philosophy.

In addition, with Compliance Day (November 14) as the focal point, we are promoting initiatives to foster the attitude of all employees to think "what is the right thing to do" and make decisions on their own based on the VALQUA WAY.

In connection with the corruption incident by a former employee of ours that was disclosed on April 22, 2026, we conducted an investigation by a team including outside experts. Based on the results of the investigation, we have determined the cause and formulated and implemented preventive measures.
We will steadily strengthen governance through measures to prevent recurrence, such as strengthening control over financial and accounting operations and enhancing the effectiveness of internal audits as the Group.

Compliance Handbook

The Compliance Handbook, which has been translated into five languages including English in addition to the Japanese original is being rolled out throughout the Group in Japan and overseas. The aim is to ensure that compliance is not merely rules, but is firmly established as practical action in daily business operations, and that all Group employees fully understand its importance and reflect it in their actions as business guidelines.

We also issued and distributed publications for specific levels of the hierarchy: "Action Handbook for the Prevention of Harassment" for managers and leaders and "Corporate Management and Compliance – Management Responsibilities and Important Issues for Directors and Officers" for directors and officers.

Reporting, consultation, and notification system

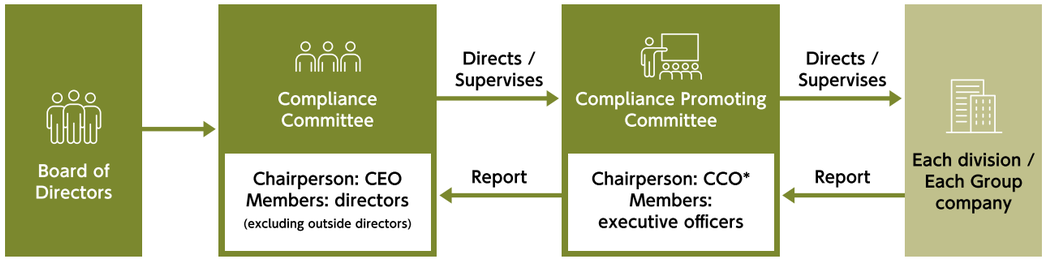
As a mechanism whereby all Group employees and board members can engage in reporting, consultation, and notification related to laws and internal regulations, we have established several lines of communication: (1) opinion boxes, (2) internal consultation liaisons, (3) Direct Line to CEO, (4) External Corporate Ethics Hotline (in six languages), and (5) external attorneys. These are operated independently of the usual chain of command. Any cases that have been reported to, consulted on, or notified to us through this system will be handled in accordance with the "Internal Reporting Regulations," and the results will be given as feedback to the reporting / consulting / notifying parties unless the contact of the user of the line of communication is unknown. When operating the system, we respect the privacy of individuals and take care to ensure that no disadvantage is caused to the reporting / consulting / notifying parties.

In addition, in April 2025, to improve the reliability of the lines of communication, a system was established and put into operation whereby outside officers (outside directors and outside auditors) are involved in reporting, consultation, and notification.

In addition to the operation of these lines of communication, we established an internal leniency system* to encourage voluntary reporting, detection and ascertaining of information on irregularities as quickly as possible, and correct them as soon as possible. We reviewed the reporting, consultation, and notification system to make it easier for officers and employees of the entire Group to use.

*Leniency system: Refers to a system whereby disciplinary action can be reduced or waived in the event of voluntary reporting or cooperation with an investigation in light of the manner and circumstances of the case.

Compliance system



*Since the position of Chief Compliance Officer (CCO) has been abolished, the CRO has assumed the general duties of the Chief Compliance Officer.

16 Compliance with environment-related laws and ordinances, etc.

Environmental risk management

Framework for activity

At the VALQUA Group, the VALQUA Group Sustainability Committee, chaired by the CEO, centrally manages environment-related policies and the planning and promotion of environment-related activities to strengthen the environmental compliance system of the entire Group.

As recent years have seen environmental regulations strengthened around the world, we as a Group are enhancing measures to improve our ability to comply with these environmental regulations. As a result, we have been able to maintain our record of zero violations of environmental laws for another year at our production companies in Japan and overseas.

In response to the trend toward stricter regulation of the chemical substances involved in our products, we are proactively working to stay ahead of new regulations by reducing the amount of chemical substances used in our manufacturing processes and reducing the health risks to workers.

In addition, at new production bases in Japan and overseas that will be established based on the Group's growth strategy, we comprehensively check the laws and regulations of each country, establish an environmental management system at an early stage, and prepare a list of potential risks that could lead to legal violations in advance. At the same time, we are continuously working to raise the environmental awareness of all employees and improve the environmental compliance level of the entire Group.

Maintenance, operation, and management of the legal compliance systems for each production affiliate

Domestic and overseas production companies in the Group reliably manage environmental laws and regulations through an environmental management system based on ISO 14001.

In addition, to ensure compliance with ever-changing laws, corporate departments make use of legal information service companies in the relevant countries and regions. In particular, in overseas countries where laws and regulations are ambiguous or there is a marked trend toward stricter regulations, we contract with local consulting firms and law offices with expertise in the environmental field to strengthen daily legal management both in Japan and overseas.

Furthermore, managers of each production company in charge of environmental laws and regulations and the corporate departments share information on revisions to laws and regulations on a monthly basis and discuss necessary measures. As a result, we are continuously strengthening the entire Group's environmental compliance system.



List of Officers (As of July 1, 2026)



Representative Director, Chairman

Toshikazu Takisawa

CEO & CWO

April 1984	Joined Taisei Corporation
April 1987	Joined VALQUA
April 1991	Seconded to ITOCHU Corporation
June 1995	Director of VALQUA
June 1996	Senior Director of VALQUA
October 1996	Representative Director, Executive Vice President of VALQUA
November 1996	Representative Director, President of VALQUA
June 2003	Representative Director, President & CEO of VALQUA
June 2019	Representative Director, Chairman & CEO of VALQUA
January 2026	Representative Director, Chairman & CEO & CWO of VALQUA (to present)



Representative Director, President

Toshiharu Takisawa

COO, Responsible for H&S Business

January 2014	Joined VALQUA
April 2014	Seconded to Mitsui & Co., Ltd.
January 2019	Deputy Director of Overseas Operations Group, VALQUA
April 2019	Executive Officer, Deputy Director of Overseas Operations Group, Responsible of China Business, VALQUA
April 2020	Senior Executive Officer Director of High Performance Plastics Group, VALQUA
April 2022	Senior Executive Officer, Director of H&S Sales Group, VALQUA
April 2023	Managing Executive Officer, Director of H&S Business Group, VALQUA
April 2024	Managing Executive Officer, Responsible for Special Assignments, VALQUA
June 2024	Representative Director, President & COO & CWO, VALQUA
January 2026	Representative Director, President & COO, Responsible for H&S Business, VALQUA (to present)



Director, Executive Vice President

Gota Nakazawa

CFO & CDO & CRO

April 2004	Joined Ministry of Finance
July 2011	Deputy Director, Japan Secretariat for the IMF / WB Joint Annual Meetings, Secretarial Division, Minister's Secretariat of MoF
December 2012	Joined Dream Incubator Inc.
April 2015	Secretary to the Minister of Economy, Trade and Industry
December 2016	Chief Strategy Officer, TORANOTEC Ltd.
March 2021	Director, TORANOTEC Ltd.
June 2021	Managing Executive Officer, CDO, Responsible for H&S Business, VALQUA
April 2023	Director, Executive Vice President, CDO, Management Assistant, Responsible for Silicon Wafer Reclaiming Business, VALQUA
October 2024	Director, Executive Vice President, CDO, Director of Digital Strategy Group, Management Assistant, Responsible for Silicon Wafer Reclaiming Business, VALQUA
April 2025	Director, Executive Vice President, CFO & CDO, VALQUA
April 2026	Director, Executive Vice President, CFO & CDO & CRO, VALQUA (to present)



Standing Auditor

Akio Kou

October 1999	Joined VALQUA
April 2009	General Manager of Finance Division, Administrative Group, VALQUA
April 2010	Executive Officer, General Manager of Finance Division, VALQUA
April 2018	Senior Executive Officer, General Manager of Finance and Corporate Management Group, Responsible for Investor Relations Division, VALQUA
June 2020	Standing Auditor, VALQUA (to present)



Outside Auditor

Hidenori Takahashi

August 1982	Registered as certified public accountant
August 1991	Representative Partner, Century Audit Corporation (currently Ernst & Young ShinNihon LLC)
June 2006	Executive Director, Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC)
August 2008	Senior Executive Board Member, Shin Nihon LLC (currently Ernst & Young ShinNihon LLC)
July 2010	Executive Board Member, Japanese Institute of Certified Public Accountants
July 2014	Established Hidenori Takahashi Certified Public Accountant Office Certified public accountant (to present)
June 2017	Outside Director, Penta-Ocean Construction Co., Ltd.
June 2018	Outside Auditor, VALQUA (to present)



Outside Auditor

Iwao Toigawa

April 1991	Registered as attorney with the Tokyo Bar Association
April 1991	Joined Kijuro Watanabe Law Office
July 2001	Established Toigawa Law Office
April 2005	Part-time lecturer, Keio University Graduate School of Law
May 2006	Established Hibiya T&Y Law Office Attorney-at-law (to present)
December 2015	Outside Director, Nihon Nohyaku Co., Ltd.
June 2020	Outside Director, (Audit & Supervisory Committee Member), Nihon Nohyaku Co., Ltd.
June 2024	Outside Auditor, VALQUA (to present)



Outside Director

Manabu Narita

April 1981	Joined the Sumitomo Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)
April 2008	Executive Officer, Sumitomo Bank, Ltd.
April 2011	Managing Executive Officer, General Manager of Corporate Banking Unit, Sumitomo Bank, Ltd.
June 2013	Director, Sumitomo Mitsui Financial Group, Inc. (retired in March 2014)
April 2014	Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation
April 2017	Director and Deputy President, Sumitomo Mitsui Banking Corporation (retired in April 2019)
June 2017	Deputy President and Executive Officer, Sumitomo Mitsui Financial Group, Inc. (retired in April 2019)
April 2019	Deputy Chairman of the Board, Sumitomo Mitsui Banking Corporation (retired in April 2022) Deputy Chairman of the Board, Sumitomo Mitsui Financial Group, Inc. (retired in April 2022)
June 2022	Representative Director and President, Ginsen Co., Ltd.
June 2025	Outside Director, VALQUA (to present) Outside Director, Nippon Chemiphar Co., Ltd. (to present) Chairman of the Board, Ginsen Co., Ltd.
June 2026	Special Advisor, Ginsen Co., Ltd. (to present)



Outside Director

Mikiko Saito

April 1998	Joined Dentsu Inc.
March 2005	CEO of Saito & Co. (currently SMO Inc.) (to present)
June 2021	Outside Director, VALQUA (to present)
May 2025	Outside Director, Hiday Hidaka Corporation (to present)
June 2025	Outside Director, Towa Bank, Ltd. (to present)
June 2026	Outside Director, Fuji Media Holdings, Inc. (to present)



Outside Director

Hiroya Kutsuzawa

January 2000	Joined TOMY Company, Ltd.
June 2007	Representative Director and President, Tinkerbell Co., Ltd.
July 2014	Executive Officer, Head of Corporate Planning Division and Affiliated Companies Management Group, TOMY Company, Ltd.
June 2017	Managing Executive Officer, Head of Consolidated Management Division, TOMY Company, Ltd.
January 2018	Managing Executive Officer, CFO, TOMY Company, Ltd.
June 2018	Director, Managing Executive Officer, CFO, TOMY Company, Ltd.
April 2019	Director, Senior Managing Executive Officer, CFO, TOMY Company, Ltd.
June 2020	Senior Managing Director, CFO, TOMY Company, Ltd.
June 2022	Special Management Advisor, TOMY Company, Ltd.
June 2023	Outside Director, VALQUA (to present)

Position	Name	Role
Managing Executive Officer	Yoshiaki Tsubakiyama	Executive in Charge of Administration Division, Responsible for Corporate Philosophy and Human Resources Development and Quality Assurance and Environmental Management
Managing Executive Officer	Daisuke Kanda	Director of High Performance Plastics and Products Group
Senior Executive Officer	Tadashi Ogawa	Chairman Secretary
Senior Executive Officer	Katsutoshi Fuseya	Special Assistant to the CEO
Senior Executive Officer	Mikihito Ono	Director of H&S Business Group
Senior Executive Officer	Takahiro Kawakami	Director of High Performance Seals Group
Executive Officer	Atsushi Nobe	General Manager of Human Resources Group
Executive Officer	Ryota Murakami	CSO, Director of Production and Procurement Group
Executive Officer	Masaaki Nose	General Manager of Corporate R&D Institute, Responsible for Intellectual Property
Executive Officer	Naohiko Tsutsumi	General Manager of Corporate Planning Group, Responsible for Investor Relations and International Business Support
Executive Officer	Kimihiro Murai	Deputy Director of High Performance Seals Group
Executive Officer	Yuko Kishi	General Manager of General Affairs Group
Executive Officer	Yusuke Kishita	Director of Digital Strategy Group
Executive Officer	Naoyuki Tani	Responsible for Compliance, General Manager of Legal Division

CEO: Chief Executive Officer　COO: Chief Operating Officer　CWO: Chief Well-being Officer
CFO: Chief Financial Officer　CDO: Chief Digital Officer　CRO: Chief Risk Officer　CSO: Chief Safety Officer

VALQUA Group Network

Domestic Network

VALQUA, LTD. HEAD OFFICE
ThinkPark Tower 24F, 2-1-1 OSAKI, SHINAGAWA-KU, TOKYO 141-6024
TEL(03)5434-7370 / FAX(03)5436-0560

1 **VALQUA, LTD. NAGOYA SALES OFFICE**
SAKURA BUILDING 24, 14-8 TERASAKI, MINAMI-KU, NAGOYA CITY,
AICHI PREFECTURE 457-0013
TEL(052)811-6451 / FAX(052)811-6474

2 **VALQUA, LTD. HIKONE SALES OFFICE**
SIS BUILDING WEST 2F, 2-38 DAITOCHO, HIKONE CITY,
SHIGA PREFECTURE 522-0074
TEL(0749)26-3191 / FAX(0749)26-7503

3 **VALQUA, LTD. OSAKA SALES OFFICE**
WAKITA SAKAISUJI HONMACHI BUILDING 3F, 1-7-7 HONMACHI, CHUO-KU, OSAKA CITY,
OSAKA PREFECTURE 541-0053
TEL(06)6265-5031 / FAX(06)6265-5040

4 **VALQUA, LTD. KITAKYUSHU SALES OFFICE**
SHIN-KOKURA BUILDING, 2-2-1 KOMEMACHI, KOKURAKITA-KU, KITAKYUSHU CITY,
FUKUOKA PREFECTURE 802-0003
TEL(093)521-4181 / FAX(093)531-4755

5 **VALQUA, LTD. KUMAMOTO SALES OFFICE**
218-5 MOTOYAMAMACHI, CHUO-KU, KUMAMOTO CITY,
KUMAMOTO PREFECTURE 860-0822
TEL(096)364-3511 / FAX(096)364-3570



SALES AFFILIATE

8 **VALQUA TECHNO, LTD.**
THINKPARK TOWER 24F, 2-1-1 OSAKI, SHINAGAWA-KU, TOKYO 141-6024
TEL(03)5434-7520 / FAX(03)5435-0264

9 **VALQUA TORQUE SYSTEM CO., LTD.**
5-225 OIWAKE-CHO, OBU CITY, AICHI PREFECTURE 474-0027
TEL(0562)45-5578 / FAX (0562)45-6768

PRODUCTION AFFILIATE

10 **VALQUA SEAL SOLUTIONS CO., LTD.**
5-2 TECHNO PARK NARA, SUGAWA-CHO, GOJO CITY,
NARA PREFECTURE 637-0014
TEL(0747)26-3330 / FAX(0747)26-3340

11 **VALQUA MIKAWA FRONTECH CO., LTD. HEAD OFFICE**
8-52 HONGUDO, KAWADA, SHINSHIRO CITY, AICHI PREFECTURE 441-1347
TEL(0536)23-0382 / FAX(0536)23-5102

12 **VALQUA MIKAWA FRONTECH CO., LTD. TAHARA PLANT**
39-22 KIZUKA, URA-CHO, TAHARA CITY, AICHI PREFECTURE 441-3403
TEL(0531)27-6061 / FAX(0531)27-6062

13 **KYUSHU VALQUA, CO., LTD.**
IIZUKA INDUSTRIAL PARK, 1-7 HIRATSUNE, IIZUKA CITY,
FUKUOKA PREFECTURE 820-0073
TEL(0948)25-7137 / FAX(0948)29-2966

RESEARCH AND DEVELOPMENT BASE

6 **VALQUA, LTD.**
Well-being Innovation Square(WiS)
MEBKS TOYOSU 9F, 6-4-34 TOYOSU, KOTO-KU,
TOKYO 135-0061
TEL(03)5859-5090 / FAX(03)5859-5097

7 **VALQUA, LTD. NARA OFFICE**
5-2 TECHNO PARK NARA, SUGAWA-CHO, GOJO CITY,
NARA PREFECTURE 637-0014
TEL(0747)26-3330 / FAX(0747)26-3340

Overseas Network

- PRODUCTION AFFILIATE
- SALES AFFILIATE
- RESEARCH AND DEVELOPMENT BASE



NORTH AMERICA

1 **VALQUA AMERICA, INC.** ● ●
•ADVANCED SEAL TECHNOLOGY INSTITUTE
Location: Sunnyvale, CA

EAST ASIA

2 **VALQUA KOREA CO., LTD.** ● ● ●
Location: Seoul
•ULSAN OFFICE
Location: Ulsan
•PYEONGTAEK FACTORY
•APPLIED R&D INSTITUTE
Location: Gyeonggi-do

3 **TAIWAN VALQUA ENGINEERING INTERNATIONAL, LTD.** ● ●
•STSP Branch
Location: Kaohsiung City
•HSINCHU OFFICE
Location: Hsinchu City

ASEAN

4 **VALQUA VIETNAM CO., LTD.** ● ●
•HAI DUONG FACTORY
Location: Hai Phong City

5 **VALQUA ADVANCED VIETNAM CO., LTD.** ● ●
Location: Hai Phong City

6 **VALQUA INDUSTRIES (THAILAND), LTD.** ● ●
Location: Samutprakarn
•RAYONG BRANCH
Location: Rayong

7 **VALQUA INDUSTRIES SINGAPORE PTE. LTD.** ●
Location: Singapore

Company Overview

Trade name	VALQUA, LTD.
Head office	ThinkPark Tower 24F, 2-1-1 Osaki, Shinagawa-ku, Tokyo 141-6024 JAPAN
Founded	January 21, 1927
Established	April 8, 1932
Capital	Approximately 13,900 million yen (As of March 31, 2026)
Number of employees	424 (Group employees: 1,582, as of March 31, 2026)
Business details	◆Design, manufacturing, processing, and sale of products made from fibers, fluorocarbon resin, high performance rubber, and other materials to meet the needs of all industries, including industrial equipment, chemicals, machinery, energy, communication equipment, semiconductors, automobiles, and aerospace. ◆Development and sale of software and information systems, related electronic commerce and other services using the Internet, consulting, engineering, and other businesses related to technology and knowhow.
Group locations As of July 1, 2026	◆Head office: Tokyo (Shinagawa-ku) ◆Sales offices: Nagoya, Hikone, Osaka, Kitakyushu, Kumamoto ◆Research Centers: Nara, Tokyo ◆Group companies in Japan: 5 companies (Tokyo, Aichi, Nara, Fukuoka) ◆Group companies overseas: 7 companies (Taiwan, Thailand, South Korea, Singapore, U.S., Vietnam)
Fiscal year-end	March

Organizational Chart

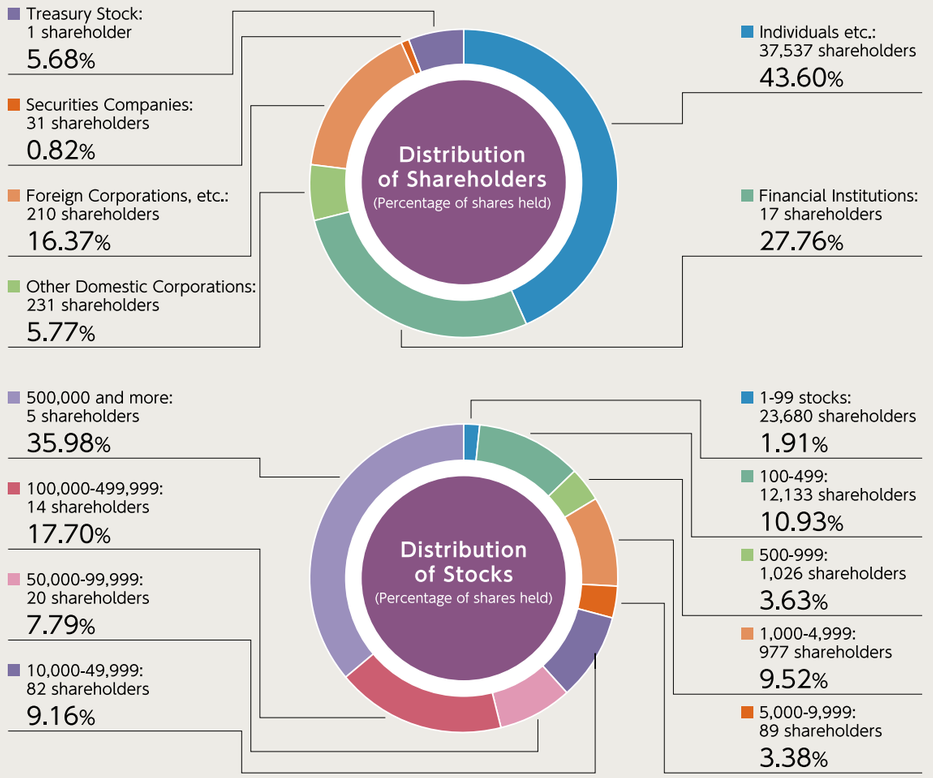
As of July 1, 2026

Stock Information

Total number of authorized shares	Total number of issued shares	Number of shareholders
68,000,000 shares	18,688,733 shares	38,027 shareholders

As of March 31, 2026

Distribution of Stocks



As of March 31, 2026

Major Shareholders

Major Shareholders (10 Largest Shareholders)

Order	Shareholder name	Number of shares held (Thousands of shares)	Percentage of shares held (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	2,383	13.52
2	Custody Bank of Japan, Ltd. (Trust Account)	1,422	8.07
3	STATE STREET BANK AND TRUST COMPANY	1,386	7.87
4	Valqua Tokyo Kyoeikai	610	3.46
5	Sumitomo Mitsui Banking Corporation	537	3.05
6	Toshikazu Takisawa	406	2.31
7	Sumitomo Mitsui Trust Bank, Limited	400	2.27
8	Daikin Industries, Ltd.	285	1.62
9	Valqua Osaka Kyoeikai	284	1.61
10	Shiiko Takisawa	243	1.38

*Our company, which holds 1,062,000 shares of treasury stock, is excluded from the above list of major shareholders. The percentage of shares held is calculated with treasury stock deducted.

As of March 31, 2026

VALQUA Group

Address inquiries to VALQUA, LTD.
General Affairs Group, TEL 03-5434-7370, FAX 03-5436-0560
ThinkPark Tower 24F, 2-1-1 Osaki, Shinagawa-ku, Tokyo 141-6024 JAPAN

https://www.valqua.co.jp

VALQUA Corporate Report
Corporate Profile & Sustainability Report 2025-2026

UD FONT
MIX Paper | Supporting responsible forestry FSC™ C020887
CARBON ZERO PRINT SUSTAINABLE PRINTING ASSOCIATION OF JAPAN SPA-230001-J
To achieve a sustainable society, this printed material is printed on FSC™ certified paper come from properly managed forests and other controlled sources at a printing factory that has achieved Scope 1, 2 zero carbon emissions.
nonVOC™

*This printed section is produced using materials and printing/processing methods that are easy to read and environmentally friendly.

Month and Year of Issue: October 2026