

# Introduction to Valqua Technology News

## No. 40 Winter 2021



We wish you a Happy New Year of 2021.

I would like to express my sincere gratitude to all for reading Valqua Technology News.

Since the beginning of 2020, the business environment surrounding the entire world has undergone a major change due to the spread of the COVID-19. In particular, the emphasis on social distancing has promoted the development and introduction of ICT-related technologies for working remotely and labor-saving business activities. However, in retrospect, this direction has already been thought out in various ways from the perspective of improving efficiency, and even when the COVID-19 problem has been solved, its value will not be inherently lost. The changes currently occurring should be viewed as irreversible and we believe that these changes will continue in the future.

The major changes in the environment that we are experiencing will also affect the perspectives and action plans of businesses in the future, and it is expected that the demand for further labor-saving and efficiency improvement will increase. Also, in order to respond to such demands, we have further strengthened our recognition that it is extremely important to break away from the business model of simply providing hardware products to the market and shift to a business model that strives to provide services that contribute to the "value creation (koto-zukuri)" for our customers.

In order to respond to such business demands, all divisions related to technology development in our company will further focus on the transformation into a H&S (Hardware & Service) company, which we have been promoting since the mid-term plan two years ago, and on activities to develop high value-added technology solutions especially from the S (Service) perspective. Specifically, as stated in the three-year mid-term management plan, "New Frontier 2022" (NF2022), which was launched in the current fiscal year, we will "further invest management resources in R&D," "accelerate the development process by utilizing open innovation," and "prepare next-generation R&D infrastructure". With these three strategies at the core of our NF2022 plan, we will strengthen our core businesses from an H&S perspective and ambitiously expand into new business fields. We will work toward the growth objectives set out in NF2022 and toward the 100th anniversary of our founding in 2027, and continue to strive to become a "company of challenges that tackle the future and the unknown".

In relation to our background of the above, the current issue of Technology News, written with the cooperation by our customers, includes articles on our activities in flange tightening, technological development using external technologies, introduction of H&S-related products and our company's products, as well as application examples. In order to provide our customers with safety and security at their production sites, we are determined to work together with our customers to develop technologies. We hope that you will read this article as an example of our R&D activities that lead to the development of solutions that are not limited to our core competence of seal engineering, but also consider the market needs associated with DX.

We hope you will continue to enjoy VALQUA Technology News as well as our products and services.

Senior Executive Officer, Director of Corporate Research and Development Group **Mutsuo Aoki**