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# Valqua Technology News

## Greetings



We thank you for regularly reading the Valqua Technology News.

We have now entered the middle of 2021, but the global spread of COVID-19 that has been continuing since last year is still with us. Advances in vaccination and other measures have meant that we are now seeing signs of progress towards a return to normal, but we must still remain vigilant. On the other hand, even in such a difficult situation, it is necessary for society as a whole to be able to respond appropriately to changes in the international situation and to environment-related issues. I assume that readers are also making various efforts to steer a new direction in this completely different "New Normal" business environment.

Our company has designated this year as the first year of our corporate transformation (CX) and we are implementing a number of initiatives aimed at achieving the targets we have set forth. This includes the growth targets in our three-year medium-term management plan "New Frontier 2022" (NF 2022), which was launched last year, and the major targets we have set for 2027, which will be the 100th anniversary of our company. The goal of these activities is to evolve into an H&S company that not only provides hardware, but also delivers services to the customers which provide added value. This is something we started from the time of NV·S7, the mid-term business plan before last. Furthermore, in the CX activities in NF2022, we are incorporating leading-edge technologies from Japan and overseas as we promote activities to advance our company's traditional seal engineering and peripheral technologies into next-generation technologies. The aim of this is for the service technology products incorporating digital solutions that our company offers to trigger innovative digital transformation (DX) in total business with our customers. I also hope that the development results generated by these activities will make a significant contribution to labor-saving in operations, as this is an area where the coronavirus crisis has triggered accelerating needs in all industries.

Another major challenge facing industry around the world is initiatives to suppress climate change, which are expressed by terms such as carbon neutrality and the circular economy. For this problem, our company is also working to appropriately fulfill our responsibility as part of the industrial world. We are striving to reflect these challenges in the contents of our R&D activities, so that they are also results that should be created by our technology development activities. The promotion of such activities is consistent with our company's endorsement of TCFD, which has already been widely reported in the media. We expect that the results of these activities will enhance our company's ESG value and lead to business results that satisfy our stakeholders.

Against this background, in this issue of Technology News, the main topics examined are themes introducing products such as highly distinctive high performance seal products that are expected to become increasingly important in specific fields in the future, systematization products that are expected to be deployed in predictive maintenance technologies utilizing IoT, and seals that are expected to bring significant benefits to facilities related to hydrogen, which is attracting increasing attention as a new energy material.

I thank you in advance for your continuing support of the products and services of our company, as well as for reading the Valqua Technology News.

Director & CTO Mutsuo Aoki