July 29, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 [Japanese GAAP]

Company name: VALQUA, LTD.
Listing: Tokyo Stock Exchange
Securities code: 7995
URL: https://www.valqua.co.jp
Representative: Toshiharu Takisawa, Representative Director, President and COO
Inquiries: Koshiro Endo, General Manager, Investor Relations Division
Telephone: +81-3-5434-7372

Scheduled date of commencing dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated financial results for the three months ended June 30, 2026 (April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(% indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2026	17,191	23.2	2,902	61.1	2,978	65.2	3,280	160.0
June 30, 2025	13,949	(8.4)	1,802	24.6	1,803	(2.9)	1,261	(2.8)

(Note) Comprehensive income: Three months ended June 30, 2026 3,982 million yen (833.5%)
Three months ended June 30, 2025 426 million yen (-78.3%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2026	186.18	-
June 30, 2025	71.72	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2026	86,676	56,105	64.7
March 31, 2026	83,405	53,518	64.1

(Reference) Shareholders' equity As of June 30, 2026 56,067 million yen
As of March 31, 2026 53,480 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	75.00	-	75.00	150.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		85.00	-	115.00	200.00

(Note) Revisions to the forecast of dividends most recently announced: None
(Reference) Breakdown of year-end dividend for the fiscal year ending March 31, 2027: Ordinary dividend of 85.00 yen and commemorative dividend of 30.00 yen

3. Consolidated financial results forecast for the fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of the year	34,000	25.5	5,500	72.8	5,500	78.5	5,000	95.9	283.77
Full year	69,000	17.8	11,000	54.9	10,800	54.0	8,700	69.6	493.76

(Note) Revisions to the financial results forecast most recently announced: Yes

Notes

(1) Significant changes in scope of consolidation during the period: Yes
New: - (Company name) -
Exclusion: 1 (Company name) VALQUA NGC, INC.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and retrospective restatement
(i) Changes in accounting policies due to revisions of accounting standards, etc.: None
(ii) Changes in accounting policies other than in (i): None
(iii) Changes in accounting estimates: None
(iv) Retrospective restatement: None

(4) Number of issued shares (common shares)
(i) Number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	18,688,733 shares
As of March 31, 2026	18,688,733 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2026	1,068,941 shares
As of March 31, 2026	1,068,366 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Three months ended June 30, 2026	17,619,824 shares
Three months ended June 30, 2025	17,595,023 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (optional)

* Explanation on appropriate use of financial results forecasts and other special notes
(Caution regarding forward-looking statements)
Outlook for financial results and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. The Company does not guarantee that those forecasts will be achieved. Actual financial results, etc., may differ significantly due to various factors. Please refer to "(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Statements" in "1. Overview of Operating Results, Etc." on page 3 of the attached document for assumptions for financial results forecasts and cautionary notes in using financial results forecasts.

(Method of obtaining supplementary materials on financial results)
The supplementary materials on financial results will be made available on the Company website on July 29, 2026.
https://www.valqua.co.jp

○Table of Contents of the attached document

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Period Under Review

●Overview

During the three months ended June 30, 2026, from the viewpoint of “striving to create new value to achieve the highest satisfaction of stakeholders,” as set forth in the medium-term management plan “New Frontier 2026” (NF2026), which is in its final year, the Group actively worked to strengthen product capabilities in anticipation of growth in semiconductor-related markets, enhance its production bases, and establish an R&D structure for digital solutions, etc. while pursuing earnings growth in the near term.

The Group reports the following consolidated results for the period under review: net sales of ¥17,191 million (up 23.2% year on year), operating profit of ¥2,902 million (up 61.1% year on year), ordinary profit of ¥2,978 million (up 65.2% year on year), and profit attributable to owners of parent of ¥3,280 million (up 160.0% year on year).

In addition, orders received during the first quarter of the fiscal year (three months) totaled ¥19,296 million, and order backlog at the end of the quarter was ¥14,915 million.

●Status by Business Segment

Financial results by business segment for the period under review are as follows.

・ Seal Products Business

In the Seal Products Business, net sales were ¥12,424 million (up 20.4% year on year), driven mainly by strong sales of high-performance seal products for the tech market. Segment profit was ¥2,532 million (up 51.0% year on year).

・ High Performance Plastics Products Business

In the High Performance Plastics Products Business, net sales were ¥4,766 million (up 31.3% year on year) and segment profit was ¥370 million (up 196.1% year on year), as demand recovered for a wide range of products, including lining tanks for the advanced industries and plant markets and fluorocarbon resin processed products for the tech markets.

(2) Overview of Financial Position for the Period Under Review

Total assets at the end of the period under review amounted to ¥86,676 million, an increase of ¥3,270 million from the end of the previous fiscal year. Current assets amounted to ¥51,082 million, an increase of ¥3,111 million. This was mainly due to an increase of ¥1,858 million in cash and deposits, an increase of ¥491 million in notes and accounts receivable - trade, and contract assets, an increase of ¥455 million in electronically recorded monetary claims - operating, an increase of ¥247 million in raw materials and supplies, and a decrease of ¥1,032 million in current assets - other. Non-current assets amounted to ¥35,593 million, an increase of ¥158 million. This was mainly due to an increase in investments and other assets of ¥1,209 million resulting from, among other factors, an increase in investment securities , and a decrease in property, plant and equipment of ¥1,146 million due to the sale of R&D facilities.

Liabilities amounted to ¥30,571 million, an increase of ¥683 million from the end of the previous fiscal year. Current liabilities amounted to ¥15,540 million, a decrease of ¥283 million. This was mainly due to a decrease of ¥1,785 million in short-term borrowings (including current portion of long-term borrowings), a decrease of ¥364 million in provision for bonuses, an increase of ¥1,325 million in notes and accounts payable - trade, and an increase of ¥155 million in income taxes payable. Non-current liabilities amounted to ¥15,030 million, an increase of ¥966 million. This was mainly due to an increase of ¥1,110 million in deferred tax liabilities included in other under non-current liabilities , a decrease of ¥324 million in long-term borrowings.

Net assets amounted to ¥56,105 million, an increase of ¥2,586 million from the end of the previous fiscal year. This was mainly due to an increase of ¥1,958 million in retained earnings and an increase of ¥740 million in valuation difference on available-for-sale securities.

As a result, the shareholders’ equity ratio improved by 0.6 percentage points from 64.1% at the end of the previous fiscal year to 64.7%.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Statements

During the three months ended June 30, 2026, both net sales and all profit figures exceeded the targets set for the end of the said period, mainly driven by higher-than-expected sales in the tech market. Taking this into account, and based on a close examination of current business trends, net sales and all profit figures for the six months ending September 30, 2026, and for the fiscal year are now expected to exceed the previously announced forecasts.

Accordingly, we have revised our consolidated earnings forecast for the six months ending September 30, 2026, as follows: net sales of ¥34 billion, up 25.5% year on year; operating profit of ¥5.5 billion, up 72.8% year on year; ordinary profit of ¥5.5 billion, up 78.5% year on year; and profit attributable to owners of parent of ¥5 billion, up 95.9% year on year.

In addition, we have revised our consolidated earnings forecast for the full year as follows: net sales of ¥69 billion, up 17.8% year on year; operating profit of ¥11 billion, up 54.9% year on year; ordinary profit of ¥10.8 billion, up 54.0% year on year; and profit attributable to owners of parent of ¥8.7 billion, up 69.6% year on year.

For details, please refer to the “Notice Concerning Revision to Consolidated Earnings Forecast” disclosed today.

This forecast considers fluctuations in demand in the tech market, among others, as well as increases in energy and raw material prices and logistics costs to a certain extent. However, we have not factored in the potential impact of geopolitical issues surrounding the Strait of Hormuz because it is currently difficult to reasonably estimate it.

Forecast values and actual results may differ from each other should an event arise that has a significant impact on the Group’s business environment, such as disruptions in global supply chains, rapid fluctuations in foreign exchange rates, or further deterioration in geopolitical issues around the world.

2. Quarterly Consolidated Financial Statements and Significant Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	7,915	9,774
Notes and accounts receivable - trade, and contract assets	12,816	13,308
Electronically recorded monetary claims - operating	3,793	4,248
Merchandise and finished goods	6,910	6,851
Work in process	1,300	1,379
Raw materials and supplies	12,663	12,910
Other	2,731	2,638
Allowance for doubtful accounts	(160)	(29)
Total current assets	47,970	51,082
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,139	10,535
Land	4,237	3,242
Other, net	9,201	8,654
Total property, plant and equipment	23,579	22,433
Intangible assets		
Goodwill	783	762
Customer-related intangible assets	1,283	1,264
Other	1,805	1,941
Total intangible assets	3,872	3,968
Investments and other assets		
Investment securities	4,189	5,303
Other	4,041	4,130
Allowance for doubtful accounts	(247)	(241)
Total investments and other assets	7,983	9,192
Total non-current assets	35,435	35,593
Total assets	83,405	86,676

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,049	6,374
Electronically recorded obligations - operating	725	426
Short-term borrowings	3,646	1,688
Current portion of long-term borrowings	1,135	1,308
Income taxes payable	901	1,057
Provision for bonuses	695	330
Provision for bonuses for directors (and other officers)	80	25
Other	3,590	4,329
Total current liabilities	15,824	15,540
Non-current liabilities		
Long-term borrowings	11,483	11,159
Retirement benefit liability	249	252
Other	2,329	3,618
Total non-current liabilities	14,063	15,030
Total liabilities	29,887	30,571
Net assets		
Shareholders’ equity		
Share capital	13,957	13,957
Capital surplus	4,792	4,719
Retained earnings	31,932	33,890
Treasury shares	(1,861)	(1,862)
Total shareholders’ equity	48,820	50,705
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,483	2,223
Foreign currency translation adjustment	2,805	2,792
Remeasurements of defined benefit plans	370	345
Total accumulated other comprehensive income	4,659	5,361
Non-controlling interests	38	37
Total net assets	53,518	56,105
Total liabilities and net assets	83,405	86,676

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	13,949	17,191
Cost of sales	7,922	9,639
Gross profit	6,026	7,551
Selling, general and administrative expenses	4,224	4,649
Operating profit	1,802	2,902
Non-operating income		
Interest income	18	15
Dividend income	28	34
Rental income from facilities	72	58
Share of profit of entities accounted for using equity method	5	10
Foreign exchange gains	-	103
Other	35	23
Total non-operating income	160	245
Non-operating expenses		
Interest expenses	62	66
Rental expenses on facilities	68	55
Other	29	47
Total non-operating expenses	159	170
Ordinary profit	1,803	2,978
Extraordinary income		
Gain on sale of non-current assets	30	1,663
Total extraordinary income	30	1,663
Extraordinary losses		
Loss on abandonment of non-current assets	-	12
Business restructuring expenses	73	-
Loss on liquidation of subsidiaries and associates	-	40
Total extraordinary losses	73	52
Profit before income taxes	1,760	4,589
Income taxes - current	299	660
Income taxes - deferred	198	647
Total income taxes	498	1,308
Profit	1,262	3,280
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	1,261	3,280

(Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	1,262	3,280
Other comprehensive income		
Valuation difference on available-for-sale securities	77	726
Foreign currency translation adjustment	(889)	(13)
Remeasurements of defined benefit plans, net of tax	(22)	(25)
Share of other comprehensive income of entities accounted for using equity method	(1)	13
Total other comprehensive income	(836)	701
Comprehensive income	426	3,982
(Breakdown)		
Comprehensive income attributable to owners of parent	427	3,982
Comprehensive income attributable to non-controlling interests	(1)	(0)

(3) Notes to Quarterly Consolidated Financial Statements
(Notes on Segment Information, Etc.)

[Segment Information]

I. Three months ended June 30, 2025

Information on the amount of net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment		Total	Adjustments	Amount recorded in the quarterly consolidated statement of Income (Note)
	Seal Products Business	High Performance Plastics Products Business			
Net sales					
Sales to external customers	10,319	3,630	13,949	-	13,949
Inter-segment sales or transfers	-	-	-	-	-
Total	10,319	3,630	13,949	-	13,949
Segment profit	1,677	124	1,802	-	1,802

(Note) The total amount of segment profit is the same as operating profit in the quarterly consolidated statement of income.

II. Three months ended June 30, 2026

Information on the amount of net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment		Total	Adjustments	Amount recorded in the quarterly consolidated statement of Income (Note)
	Seal Products Business	High Performance Plastics Products Business			
Net sales					
Sales to external customers	12,424	4,766	17,191	-	17,191
Inter-segment sales or transfers	-	-	-	-	-
Total	12,424	4,766	17,191	-	17,191
Segment profit	2,532	370	2,902	-	2,902

(Note) The total amount of segment profit is the same as operating profit in the quarterly consolidated statement of income.

(Notes When There Are Significant Changes in Amounts of Equity)

Not applicable.

(Notes on Going Concern)

Not applicable.

(Notes on Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared quarterly consolidated statement of cash flows for the first three months of the current fiscal year. In addition, the amounts of depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first three months of the current and previous fiscal years are as stated below.

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	689	712
Amortization of goodwill	-	21

(Significant Subsequent Events)

Not applicable.

3. Supplementary Information

(1) Orders Received

(Millions of yen)

Segment name	Orders received			Order backlog		
	Three months ended June 30, 2025	Three months ended June 30, 2026	Year-on-year change (%)	As of June 30, 2025	As of June 30, 2026	Year-on-year change (%)
Seal Products Business	10,038	13,956	39.0	6,571	8,894	35.4
High Performance Plastics Products Business	3,220	5,340	65.8	3,770	6,020	59.7
Total	13,259	19,296	45.5	10,341	14,915	44.2

(2) Overseas Net Sales

Three months ended June 30, 2025

	Asia	United States	Other	Total
I. Overseas net sales (millions of yen)	3,517	748	62	4,328
II. Consolidated net sales (millions of yen)				13,949
III. Percentage of overseas net sales to consolidated net sales (%)	25.2	5.4	0.5	31.0

(Notes)
1. Country or region classification is based on geographical proximity.
2. Major countries or regions other than Japan are as follows:
   (1) Asia ······· China, Taiwan, Thailand, Singapore, South Korea, and Vietnam
   (2) Other······ Europe
3. Overseas net sales are sales by the Company and its consolidated subsidiaries in countries or regions other than Japan.

Three months ended June 30, 2026

	Asia	United States	Other	Total
I. Overseas net sales (millions of yen)	4,078	1,156	53	5,289
II. Consolidated net sales (millions of yen)				17,191
III. Percentage of overseas net sales to consolidated net sales (%)	23.7	6.7	0.3	30.8

(Notes)
1. Country or region classification is based on geographical proximity.
2. Major countries or regions other than Japan are as follows:
   (1) Asia ······· China, Taiwan, Thailand, Singapore, South Korea, and Vietnam
   (2) Other······ Europe
3. Overseas net sales are sales by the Company and its consolidated subsidiaries in countries or regions other than Japan.

Independent Auditor's Interim Review Report

July 29, 2026

To the Board of Directors of VALQUA, LTD.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Certified Public Accountant Naoki Kuramochi

Certified Public Accountant Kosuke Kawabata

Auditor's Conclusion

We have reviewed the accompanying quarterly consolidated financial statements of VALQUA, LTD. (the "Company") for the first quarter of the fiscal year from April 1, 2026 to March 31, 2027, as presented in the "attachment" of the Quarterly Consolidated Financial Statements, comprising the quarterly consolidated balance sheet, the quarterly consolidated statement of income, the quarterly consolidated statement of comprehensive income, and the related notes, for the first quarter accounting period from April 1, 2026 to June 30, 2026 and the first three-month period from April 1, 2026 to June 30, 2026.

Based on our interim review, nothing has come to our attention that causes us to believe that the above quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 4, Paragraph (1) of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and business accounting principles generally accepted in Japan regarding interim consolidated financial statements, with the provisions for reduced disclosures set forth in Article 4, Paragraph (2) of the Standards for Preparation of Quarterly Financial Statements, etc. applied.

Basis for Auditor's Conclusion

We conducted our interim review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those interim review standards are described in "Auditor's Responsibilities for the Interim Review of Quarterly Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements in Japan that are relevant to our review of the quarterly consolidated financial statements, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained provides a basis for our conclusion.

Responsibilities of Management, Auditors and the Board of Auditors for the Quarterly Consolidated Financial Statements

Management is responsible for preparing the quarterly consolidated financial statements in accordance with Article 4, Paragraph (1) of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and business accounting principles generally accepted in Japan regarding interim consolidated financial statements, with the provisions for reduced disclosures set forth in Article 4, Paragraph (2) of the Standards for Preparation of Quarterly Financial Statements, etc. applied. This includes the development and operation of such internal controls as management determines are necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the appropriateness of preparing the quarterly consolidated financial statements on the assumption that the Company will continue as a going concern and disclosing, if necessary, matters related to going concern in accordance with Article 4, Paragraph (1) of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and business accounting principles generally accepted in Japan regarding interim consolidated financial statements, with the provisions for reduced disclosures set forth in Article 4, Paragraph (2) of the Standards for Preparation of Quarterly Financial Statements, etc. applied.

Auditors and the Board of Auditors are responsible for overseeing the Directors' performance of their duties regarding the development and operation of the Company's financial reporting process.

Auditor’s Responsibilities for the Interim Review of Quarterly Consolidated Financial Statements

Our responsibility is to express, from an independent standpoint, a conclusion on the quarterly consolidated financial statements in the interim review report based on our interim review.

As part of our interim review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout our review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. An interim review is substantially less in scope than an annual audit of financial statements conducted in accordance with auditing standards generally accepted in Japan.
- If we determine that a material uncertainty exists in regard to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern, we conclude, based on the evidence obtained, whether anything has come to our attention that leads us to believe that the quarterly consolidated financial statements have not been prepared in accordance with Article 4, Paragraph (1) of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and business accounting principles generally accepted in Japan regarding interim consolidated financial statements, with the provisions for reduced disclosures set forth in Article 4, Paragraph (2) of the Standards for Preparation of Quarterly Financial Statements, etc. applied. Additionally, if we conclude that a material uncertainty on going concern exists, we are required to draw attention in our interim review report to the related disclosures in the quarterly consolidated financial statements, or if such disclosures are inadequate, to express a qualified conclusion or adverse conclusion on the quarterly consolidated financial statements. Our conclusions are based on the evidence obtained up to the date of our interim review report. However, future events and conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that leads us to believe that the presentation of the quarterly consolidated financial statements and notes to quarterly consolidated financial statements have not been prepared in accordance with Article 4, Paragraph (1) of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and business accounting principles generally accepted in Japan regarding interim consolidated financial statements, with the provisions for reduced disclosures set forth in Article 4, Paragraph (2) of the Standards for Preparation of Quarterly Financial Statements, etc. applied.
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for directing, supervising and reviewing the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with Auditors and the Board of Auditors regarding the planned scope and timing of the interim review and significant review findings.

We also provide Auditors and the Board of Auditors with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and we communicate to them all relationships and other matters that may reasonably be thought to bear upon our independence, and, where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interests Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interests in the Company and its consolidated subsidiaries that are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act in Japan.

Notes:

1. The original copy of the above Independent Auditor’s Interim Review Report is in the custody of the Company (the company disclosing the summary of quarterly financial results).
2. The XBRL data and HTML data are not included in the scope of the interim review.