

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 14, 2025

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]

Company name: VALQUA, LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 7995  
 URL: <https://www.valqua.com/>  
 Representative: Toshiharu Takisawa, Representative Director, President and COO  
 Inquiries: Koshiro Endo, General Manager, Investor Relations Division  
 Telephone: +81-3-5434-7372  
 Scheduled date of the Annual General Meeting of Shareholders: June 25, 2025  
 Scheduled date of commencing dividend payments: June 26, 2025  
 Scheduled date of filing annual securities report: June 24, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

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

### 1. Consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024, to March 31, 2025)

#### (1) Consolidated operating results

(% 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	%
Fiscal year ended March 2025	60,113	(2.6)	5,669	(20.2)	5,999	(18.9)	4,676	(4.7)
Fiscal year ended March 2024	61,744	(0.7)	7,102	(20.0)	7,399	(18.1)	4,909	(27.2)

(Note) Comprehensive income: Fiscal year ended March 2025 4,788 million yen (-18.2%)  
 Fiscal year ended March 2024 5,854 million yen (-29.7%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 2025	265.80	-	9.5	7.9	9.4
Fiscal year ended March 2024	279.45	-	10.5	10.3	11.5

(Reference) Share of profit (loss) of entities accounted for using equity method: Fiscal year ended March 2025 138 million yen  
 Fiscal year ended March 2024 207 million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 2025	77,823	50,521	64.9	2,869.23
Fiscal year ended March 2024	74,487	48,731	64.7	2,742.82

(Reference) Shareholders' equity Fiscal year ended March 2025 50,486 million yen  
 Fiscal year ended March 2024 48,216 million yen

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 2025	4,870	(4,887)	1,573	7,969
Fiscal year ended March 2024	1,758	(4,754)	923	6,386

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter- end	2nd quarter- end	3rd quarter- end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 2024	-	75.00	-	75.00	150.00	2,637	53.7	5.6
Fiscal year ended March 2025	-	75.00	-	75.00	150.00	2,641	56.4	5.3
Fiscal year ending March 31, 2026 (Forecast)	-	75.00	-	75.00	150.00		55.0	

## 3. Consolidated financial results forecast for the fiscal year ending March 31, 2026 (April 1, 2025, to March 31, 2026)

(% 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	29,000	(3.6)	3,000	2.6	3,000	(4.6)	1,800	(9.9)	102.30
Full year	62,000	3.1	7,000	23.5	7,000	16.7	4,800	2.6	272.80

## Notes

- (1) Significant changes in scope of consolidation during the period: Yes  
New: - (Company name) -; Exclusion: 1 (Company name) Valqua FFT Inc.
- (2) Changes in accounting policies and accounting estimates, and retrospective restatement
- (i) Changes in accounting policies due to revisions of accounting standards, etc.: Yes
  - (ii) Changes in accounting policies other than in (i): None
  - (iii) Changes in accounting estimates: None
  - (iv) Retrospective restatement: None
- (Note) For details, please refer to “(5) Notes to Consolidated Financial Statements (Notes to Changes in Accounting Policies)” in “3. Consolidated Financial Statements and Major Notes” on page 13.

(3) Number of issued shares (common shares)

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

Fiscal year ended March 2025	18,688,733 shares
Fiscal year ended March 2024	18,688,733 shares

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

Fiscal year ended March 2025	1,092,793 shares
Fiscal year ended March 2024	1,109,615 shares

- (iii) Average number of shares outstanding during the period:

Fiscal year ended March 2025	17,594,681 shares
Fiscal year ended March 2024	17,567,353 shares

## (Reference) Summary of Non-Consolidated Financial Results

### Non-consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024, to March 31, 2025)

#### (1) Non-consolidated operating results

(% indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 2025	39,753	3.2	(140)	-	4,838	21.9	5,156	39.4
Fiscal year ended March 2024	37,991	1.0	109	(69.5)	3,288	(31.6)	3,022	(40.6)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 2025	292.96	-
Fiscal year ended March 2024	171.97	-

#### (2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 2025	55,916	34,017	60.8	1,932.57
Fiscal year ended March 2024	52,225	31,790	60.9	1,807.83

(Reference) Shareholders' equity      Fiscal year ended March 2025      34,017 million yen  
Fiscal year ended March 2024      31,790 million yen

\* Consolidated financial results are not subject to audit by certified public accountants or an audit firm.

\* 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. The impact of the U.S. tariff policy is not factored into the financial results forecast for the fiscal year ending March 31, 2026, because it is not possible to reasonably calculate it at the moment. Actual financial results, etc. may differ significantly due to various factors. Please refer to “(4) Future Outlook” 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 May 14, 2025.

<https://www.valqua.com>

○Table of Contents of the attached document

1.	Overview of Operating Results, etc.....	2
(1)	Overview of Operating Results for the Fiscal Year under Review .....	2
(2)	Overview of Financial Position for the Fiscal Year under Review .....	2
(3)	Overview of cash flows for the fiscal year under review .....	3
(4)	Future Outlook .....	3
2.	Basic Approach to Selecting Accounting Standards .....	4
3.	Consolidated Financial Statements and Major Notes .....	5
(1)	Consolidated balance sheet. ....	5
(2)	Consolidated statement of income and consolidated statement of comprehensive income .....	7
	(Consolidated statement of income) .....	7
	(Consolidated statement of comprehensive income) .....	8
(3)	Consolidated Statement of Changes in Net Assets .....	9
(4)	Consolidated Statements of Cash Flows .....	11
(5)	Notes to Consolidated Financial Statements .....	13
	(Notes on Going Concern) .....	13
	(Notes on Changes in Accounting Policies) .....	13
	(Notes on Segment Information, etc.) .....	13
	(Per Share Information) .....	18
	(Significant Subsequent Events) .....	18
4.	Other .....	18
	Orders received .....	18

## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the Group took steps to strengthen its earning power and to build a corporate foundation capable of supporting sound and sustainable growth anticipating further growth in the future, while swiftly implementing measures such as the improvement of the supply chain in preparation for a recovery in the semiconductor industry and future market expansion, 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) that started in the fiscal year under review.

On the other hand, with regard to the misconduct by former Executive Officers and employees of the Company disclosed on September 25, 2024, we wish to express our sincere apologies to all stakeholders for causing tremendous inconvenience and concern. We announced measures to prevent recurrence on November 27 of the same year and have been implementing them promptly and steadily.

The Group reports the following consolidated results for the fiscal year under review: net sales of ¥60,113 million (2.6% down year on year), operating profit of ¥5,669 million (20.2% down year on year), ordinary profit of ¥5,999 million (18.9% down year on year), and profit attributable to owners of parent of ¥4,676 million (4.7% down year on year).

Orders received during the fourth quarter of the fiscal year (three months) totaled ¥15,326 million, mainly reflecting an increase in orders from customers in the Tech Market, and order backlog at the end of the quarter was ¥11,031 million.

Net sales in the U.S, which may be affected by the U.S. tariff policy, amounted to ¥4,952 million, or 8.2% of net sales.

#### ● Status by Business Segment

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

#### • Seal Products Business

In the Seal Products Business, net sales were ¥40,616 million (up 9.3% year on year) as sales of high-performance seal products for the Tech Market showed recover, despite the impact of a decline in capital investment in the Machinery Market. Segment profit was ¥5,274 million (up 68.0% year on year).

#### • High Performance Plastics Products Business

In the High Performance Plastics Products Business, net sales were ¥16,334 million (down 24.3% year on year) and segment profit was ¥567 million (down 85.8% year on year), due to a significant decline in the adjustment-phase demand for fluorocarbon specialty tank products for the advanced industries and plant markets.

#### • Silicon Wafer Reclaim and Other Businesses

In the Silicon Wafer Reclaim and Other Businesses, although demand in core businesses and the acquisition of customers for digital solutions remained strong, development expenses for the latter came upfront, resulting in net sales of ¥3,161 million (up 5.3% year on year) and segment loss of ¥172 million (compared with segment loss of ¥34 million in the same period of the previous year).

### (2) Overview of Financial Position for the Fiscal Year under Review

#### Overview of assets, liabilities and net assets

Total assets at the end of the fiscal year under review increased by ¥3,335 million from the end of the previous fiscal year to ¥77,823 million.

Current Assets amounted to ¥46,430 million, up ¥2,628 million. This was mainly due to an increase of ¥2,142 million in raw materials and supplies, an increase of ¥1,583 million in cash and deposits, an increase of ¥753 million in electronically recorded monetary claims - operating, an increase of ¥621 in merchandise and finished goods, a decrease of ¥1,796 million in accounts receivable - trade, and a decrease of ¥854 million in notes receivable - trade. Property, plant and equipment amounted to ¥22,624 million, up by ¥2,852 million. This was mainly due to an increase of ¥4,316 million in construction in progress, a decrease of ¥600 million in machinery, equipment and vehicles, a decrease of ¥428 million in buildings and structures, a decrease of ¥207 million in land and a decrease of ¥165 million in tools, furniture and fixtures. Intangible assets amounted to ¥1,876 million, down by ¥53 million. This was mainly due to a decrease of ¥59 million in “Other” in intangible assets. Investments and other assets amounted to ¥6,891 million, down by ¥2,091 million. This was mainly due to a decrease of ¥1,956 million in investment securities. As a result, non-current assets totaled ¥31,393 million, up by ¥706 million.

Total liabilities at the end of the fiscal year under review increased by ¥1,546 million from the end of the previous fiscal year to ¥27,302 million. Current liabilities fell by ¥2,009 million to ¥18,569 million. This was mainly due to an

increase of ¥2,140 million in short-term borrowings and a decrease of ¥524 million in notes and accounts payable - trade.

Non-current liabilities amounted to ¥8,732 million, down ¥463 million. This was mainly due to a decrease of ¥1,026 million in deferred tax liabilities and an increase of ¥668 million in long-term borrowings.

Net assets increased ¥1,789 million from the end of the previous fiscal year to ¥50,521 million. This was mainly due to an increase of ¥2,036 million in retained earnings, an increase of ¥793 million in foreign currency translation adjustment, a decrease of ¥421 million in valuation difference on available-for-sale securities and a decrease of ¥309 million in remeasurements of defined benefit plans.

### (3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents as of the end of the fiscal year under review (hereinafter referred to as "net cash") increased ¥1,583 million compared with the end of the previous fiscal year to ¥7,969 million.

The status of cash flows for the fiscal year under review and the factors for changes are as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities was ¥4,870 million (up 177.0% year on year).

This was mainly due to profit before income taxes of ¥6,207 million, depreciation of ¥2,804 million, a decrease of ¥1,497 million in trade receivables, an increase of ¥2,765 million in inventories, income taxes paid of ¥1,700 million, a decrease of ¥507 million in trade payables, and gain on sale of shares of subsidiaries and associates of ¥507 million.

#### (Cash flows from investing activities)

Net cash used in investing activities was ¥4,887 million (up 2.8% year on year).

This was mainly due to a net outflow of ¥6,429 million resulting from purchase and sale of property, plant and equipment, purchase of intangible assets of ¥538 million, proceeds from sale of investments in capital of subsidiaries and associates of ¥1,302 million and net proceeds of ¥647 million resulting from acquisition and sale of investment securities.

#### (Cash flows from financing activities)

Net cash provided by financing activities was ¥1,573 million (up 70.4% year on year).

This was mainly due to net proceeds from long-term borrowings of ¥2,442 million, net proceeds from short-term borrowings of ¥1,986 million, dividends paid of ¥2,632 million and repayments of lease liabilities of ¥205 million.

#### (Reference) Trends in Cash Flow Indicators

	121st term Fiscal year ended March 2021	122nd term Fiscal year ended March 2022	123rd term Fiscal year ended March 2023	124th term Fiscal year ended March 2024	125th term Fiscal year ended March 2025
Shareholders' equity ratio (%)	67.7	66.0	66.0	64.7	64.9
Shareholders' equity ratio based on market value (%)	71.4	78.1	88.3	121.1	70.2
Ratio of interest-bearing debt to cash flows (times)	0.9	1.0	1.3	5.7	2.8
Interest coverage ratio (times)	66.3	84.3	39.5	9.0	22.7

Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

(Note 1) All indicators are calculated based on consolidated financial figures.

(Note 2) Market capitalization is calculated based on the number of shares outstanding excluding treasury shares.

(Note 3) Cash flows from operating activities in the consolidated statement of cash flows are used for cash flows.

(Note 4) Interest-bearing debt includes all liabilities on the consolidated balance sheet for which interest is paid. Interest payments are based on the amount of interest paid in the consolidated statement of cash flows.

### (4) Future Outlook

As we begin the fiscal year ending March 31, 2026, we have noted many uncertainties that could have an impact on the global economy, such as reciprocal tariffs by the U.S., deterioration of diplomatic relations among countries, and the situations in East Asia, Ukraine, and the Middle East. In addition, there are possible concerns surrounding the Group about a further slowdown in global capital expenditures, delays in a full-fledged recovery in semiconductor-related business conditions, labor shortages, rising personnel costs, and other issues.

Given these business conditions, the Group formulated a three-year medium-term management plan NF2026. The plan expresses our commitment in the following basic policy:

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”

Through this we will steadily and swiftly implement various strategies to achieve our medium-term management plan.

Based on the above, we forecast net sales of ¥29.0 billion, down 3.6% year on year, operating profit of ¥3.0 billion, up 2.6% year on year, ordinary profit of ¥3.0 billion, down 4.6% year on year, and profit attributable to owners of parent of ¥1.8 billion, down 9.9% year on year for the first six months of the next fiscal year, with net sales of ¥62.0 billion, up 3.1% year on year, operating profit of ¥7.0 billion, up 23.5% year on year, ordinary profit of ¥7.0 billion, up 16.7% year on year, and profit attributable to owners of parent of ¥4.8 billion, up 2.6% year on year for the next fiscal year, respectively. The impact of the U.S. tariff policy is not factored into the financial results forecast for the fiscal year ending March 31, 2026, because it is not possible to reasonably calculate it at the moment.

Moreover, this forecast incorporates fluctuations in demand in the advanced industries market and others, as well as increases in energy and raw material prices and logistics costs to a certain extent. However, the forecast values and actual results may differ from each other should there arise an event 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. Basic Approach to Selecting Accounting Standards

The Group plans to prepare consolidated financial statements based on Japanese GAAP for the time being, taking into account the comparability of consolidated financial statements between periods and between companies.

With regard to the application of the International Financial Reporting Standards (IFRS), the Company will take appropriate actions by taking into consideration various circumstances in Japan and abroad.

## 3. Consolidated Financial Statements and Major Notes

## (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	6,386	7,969
Notes receivable - trade	1,850	995
Electronically recorded monetary claims - operating	3,389	4,142
Accounts receivable - trade	13,143	11,346
Contract assets	119	154
Merchandise and finished goods	5,921	6,542
Work in process	951	1,095
Raw materials and supplies	9,348	11,491
Accounts receivable - other	1,890	2,000
Other	955	844
Allowance for doubtful accounts	(154)	(154)
Current assets total	43,801	46,430
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,173	17,505
Accumulated depreciation	(10,550)	(10,311)
Buildings and structures, net	7,623	7,194
Machinery, equipment and vehicles	14,414	9,677
Accumulated depreciation	(11,089)	(6,952)
Machinery, equipment and vehicles, net	3,325	2,725
Tools, furniture and fixtures	8,486	8,750
Accumulated depreciation	(6,957)	(7,387)
Tools, furniture and fixtures, net	1,528	1,363
Land	4,377	4,169
Leased assets	1,247	1,341
Accumulated depreciation	(370)	(525)
Leased assets, net	877	815
Construction in progress	2,040	6,356
Property, plant and equipment total	19,772	22,624
Intangible assets		
Software	1,267	1,273
Other	663	603
Intangible assets total	1,930	1,876
Investments and other assets		
Investment securities	5,905	3,949
Deferred tax assets	334	204
Retirement benefit assets	1,803	1,946
Other	941	826
Allowance for doubtful accounts	(1)	(34)
Investments and other assets total	8,983	6,891
Non-current assets total	30,686	31,393
Total assets	74,487	77,823

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,334	5,809
Electronically recorded obligations - operating	1,028	901
Short-term borrowings	2,812	4,952
Current portion of long-term borrowings	1,285	2,000
Lease liabilities	187	212
Income taxes payable	888	1,206
Contract liabilities	397	251
Provision for bonuses	734	699
Provision for bonuses for directors (and other officers)	89	86
Other	2,801	2,448
Current liabilities total	16,560	18,569
Non-current liabilities		
Long-term borrowings	5,994	6,662
Lease liabilities	728	679
Deferred tax liabilities	1,685	659
Retirement benefit liability	480	373
Other	306	356
Non-current liabilities total	9,195	8,732
Total liabilities	25,755	27,302
<b>Net assets</b>		
Shareholders' equity		
Share capital	13,957	13,957
Capital surplus	4,631	4,756
Retained earnings	27,409	29,446
Treasury shares	(1,950)	(1,904)
Shareholders' equity total	44,048	46,256
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,729	1,307
Foreign currency translation adjustment	1,927	2,721
Remeasurements of defined benefit plans	510	201
Accumulated other comprehensive income total	4,167	4,230
Non-controlling interests	515	34
Total net assets	48,731	50,521
Total liabilities and net assets	74,487	77,823

(2) Consolidated statement of income and consolidated statement of comprehensive income  
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	61,744	60,113
Cost of sales	36,438	36,269
Gross profit	25,305	23,843
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors (and other officers)	7,400	7,767
Addition to provision for bonuses	401	397
Addition to provision for bonuses for directors (and other officers)	89	86
Retirement benefit expenses	66	(270)
Research and development expenses	1,270	1,547
Other	8,975	8,646
Selling, general and administrative expenses total	18,203	18,174
Operating profit	7,102	5,669
Non-operating income		
Interest income	36	25
Dividend income	65	75
Rental income from facilities	254	288
Share of profit of entities accounted for using equity method	207	138
Foreign exchange gains	28	200
Other	158	184
Non-operating income total	751	912
Non-operating expenses		
Interest expenses	191	214
Loss on sale of notes receivable - trade	18	32
Rental expenses on facilities	178	240
Other	64	94
Non-operating expenses total	454	582
Ordinary profit	7,399	5,999
Extraordinary income		
Gain on sale of non-current assets	5	7
Gain on sale of investment securities	2	406
Gain on sale of shares of subsidiaries and associates	-	507
Gain on sale of investments in capital of subsidiaries and associates	-	179
Extraordinary income total	8	1,100
Extraordinary losses		
Loss on sale of non-current assets	5	-
Loss on abandonment of non-current assets	109	72
Impairment losses	191	141
Business restructuring expenses	-	527
Asbestos illness compensation money	-	42
Special investigation expenses, etc.	-	109
Extraordinary losses total	307	893
Profit before income taxes	7,100	6,207
Income taxes - current	1,858	2,045
Income taxes - deferred	291	(561)
Income taxes total	2,150	1,484
Profit	4,950	4,722
Profit attributable to non-controlling interests	40	46
Profit attributable to owners of parent	4,909	4,676

## (Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	4,950	4,722
Other comprehensive income		
Valuation difference on available-for-sale securities	(84)	(419)
Foreign currency translation adjustment	432	866
Remeasurements of defined benefit plans	497	(309)
Share of other comprehensive income of entities accounted for using equity method	58	(71)
Other comprehensive income total	904	65
Comprehensive income:	5,854	4,788
(Breakdown)		
Comprehensive income attributable to owners of parent	5,809	4,739
Comprehensive income attributable to non-controlling interests	44	49

## (3) Consolidated Statement of Changes in Net Assets

Previous fiscal year (From April 1, 2023, to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity total
Balance at beginning of period	13,957	4,566	25,399	(1,996)	41,926
Changes during period					
Dividends of surplus			(2,898)		(2,898)
Profit attributable to owners of parent			4,909		4,909
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		64		52	117
Parent company's shares held by entities accounted for using equity method				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	64	2,010	46	2,121
Balance at end of period	13,957	4,631	27,409	(1,950)	44,048

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Accumulated other comprehensive income total		
Balance at beginning of period	1,806	1,448	13	3,267	482	45,677
Changes during period						
Dividends of surplus						(2,898)
Profit attributable to owners of parent						4,909
Purchase of treasury shares						(5)
Disposal of treasury shares						117
Parent company's shares held by entities accounted for using equity method						(0)
Net changes in items other than shareholders' equity	(76)	479	497	900	32	932
Total changes during period	(76)	479	497	900	32	3,054
Balance at end of period	1,729	1,927	510	4,167	515	48,731

Fiscal year under review (From April 1, 2024, to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity total
Balance at beginning of period	13,957	4,631	27,409	(1,950)	44,048
Changes during period					
Dividends of surplus			(2,639)		(2,639)
Profit attributable to owners of parent			4,676		4,676
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		54		51	105
Parent company's shares held by entities accounted for using equity method				(0)	(0)
Tax effect adjustments related to changes in prior years' equity		70			70
Net changes in items other than shareholders' equity					
Total changes during period	-	125	2,036	45	2,207
Balance at end of period	13,957	4,756	29,446	(1,904)	46,256

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Accumulated other comprehensive income total		
Balance at beginning of period	1,729	1,927	510	4,167	515	48,731
Changes during period						
Dividends of surplus						(2,639)
Profit attributable to owners of parent						4,676
Purchase of treasury shares						(4)
Disposal of treasury shares						105
Parent company's shares held by entities accounted for using equity method						(0)
Tax effect adjustments related to changes in prior years' equity						70
Net changes in items other than shareholders' equity	(421)	793	(309)	62	(480)	(418)
Total changes during period	(421)	793	(309)	62	(480)	1,789
Balance at end of period	1,307	2,721	201	4,230	34	50,521

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	7,100	6,207
Depreciation	2,612	2,804
Impairment losses	191	141
Decrease (increase) in retirement benefit assets	(148)	(423)
Increase (decrease) in retirement benefit liabilities	46	(3)
Loss on abandonment of non-current assets	109	72
Asbestos illness compensation money	-	42
Business restructuring expenses	-	527
Special investigation expenses, etc.	-	109
Loss (gain) on sale of non-current assets	0	(7)
Loss (gain) on sale of investment securities	(2)	(406)
Loss (gain) on sale of investments in capital of subsidiaries and associates	-	(179)
Loss (gain) on sale of shares of subsidiaries and associates	-	(507)
Interest and dividend income	(102)	(100)
Interest expenses	191	214
Decrease (increase) in trade receivables	795	1,497
Decrease (increase) in inventories	(5,172)	(2,765)
Increase (decrease) in trade payables	(725)	(507)
Increase (decrease) in other non-current liabilities	(9)	(11)
Other	(381)	(110)
Subtotal	4,504	6,594
Interest and dividends received	103	102
Interest paid	(194)	(214)
Income taxes refund	18	196
Income taxes paid	(2,674)	(1,700)
Extra retirement payments	-	(180)
The amount of payment of the asbestos illness compensation money	-	(42)
The amount of payment of special investigation expenses, etc.	-	(109)
Amount collected on the right to reimbursement	-	222
Cash flows from operating activities	1,758	4,870
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,862)	(6,429)
Proceeds from sale of property, plant and equipment	10	4
Purchase of intangible assets	(958)	(538)
Purchase of investment securities	-	(21)
Proceeds from sale of investment securities	3	668
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	374
Proceeds from sale of investments in capital of subsidiaries and associates	-	1,302
Proceeds from sale of investments in capital of subsidiaries and associates resulting in change in scope of consolidation	137	-
Payments for guarantee deposits	(26)	(179)
Proceeds from refund of guarantee deposits	42	13
Other	(100)	(81)
Cash flows from investing activities	(4,754)	(4,887)
Cash flows from financing activities		
Proceeds from short-term borrowings	17,176	9,429
Repayments of short-term borrowings	(16,284)	(7,442)
Proceeds from long-term borrowings	3,730	3,314
Repayments of long-term borrowings	(599)	(871)
Repayments of lease liabilities	(191)	(205)
Purchase of treasury shares	(5)	(4)
Dividends paid	(2,889)	(2,632)
Dividends paid to non-controlling interests	(12)	(12)

## VALQUA, LTD. (7995) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

Cash flows from financing activities	923	1,573
Effect of exchange rate change on cash and cash equivalents	266	25
Net increase (decrease) in cash and cash equivalents	(1,805)	1,583
Cash and cash equivalents at beginning of period	8,191	6,386
Cash and cash equivalents at end of period	6,386	7,969

(5) Notes to Consolidated Financial Statements  
(Notes on Going Concern)

Not applicable.

(Notes on Changes in Accounting Policies)

(Application of “Accounting Standard for Current Income Taxes” etc.)

“Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as “Revised Accounting Standard of 2022”), etc. have been applied from the beginning of the fiscal year under review.

For the revision of the accounting classification for income taxes (taxation on other comprehensive income), the transitional treatment set forth in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Guidance of 2022”) have been followed. The change in accounting policy had no impact on the consolidated financial statements.

Moreover, with respect to the revision of the treatment in consolidated financial statements of deferred tax gain or loss arising from the sale of shares of subsidiaries between consolidated companies, the Revised Guidance of 2022 has been applied from the beginning of the fiscal year under review. This change in accounting policy has been applied retroactively, with the consolidated financial statements with retroactive application for the previous fiscal year. The change in accounting policy had no impact on the consolidated financial statements of the previous fiscal year.

(Notes on Segment Information, etc.)

[Segment Information]

1. Overview of Reportable Segments

The Company’s reportable segments are its constituent units for which separate financial information is available, and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and to evaluate business performance.

The Company has a business division for each product and service in place, and each business division formulates comprehensive domestic and overseas strategies for the products and services it handles and carries out business activities.

Accordingly, the Company is organized by segments for each product and service based on business divisions, and designates the Seal Products Business, High Performance Plastics Products Business, and Silicon Wafer Reclaim and Other Businesses as the three reportable segments.

The “Seal Products Business” manufactures and sells plant and equipment-related products, elastomer products, automobile parts and other seal products. The “High Performance Plastics Products Business” and “Silicon Wafer Reclaim and Other Businesses” manufacture and sell functional resin products, mainly fluorocarbon resin products, and silicon wafer reclaiming and other products centered on the power generation business, respectively.

2. Method of Calculating the Amount of Net Sales, Profit or Loss, Assets, and Other Items for Each Reportable Segment

Accounting for the reported business segments is based on a method in accordance with the accounting policies adopted for preparation of consolidated financial statements.

Reportable segments are based on operating profit.

3. Information on the Amount of Net Sales, Profit or Loss, Assets, and Other Items for Each Reportable Segment Previous Fiscal Year (From April 1, 2023, to March 31, 2024)

(Millions of yen)

	Reportable segment				Other	Total (Note)
	Seal Products Business	High Performance Plastics Products Business	Silicon Wafer Reclaim and Other Businesses	Total		
Net sales						
Sales to external customers	37,160	21,580	3,002	61,744	-	61,744
Inter-segment sales or transfers	-	-	-	-	-	-
Total	37,160	21,580	3,002	61,744	-	61,744
Segment profit (loss)	3,140	3,996	(34)	7,102	-	7,102
Segment assets	43,954	16,323	2,590	62,868	11,619	74,487
Other items						
Depreciation	1,910	350	206	2,466	-	2,466
Investments in entities accounted for using equity method	272	1,260	-	1,533	-	1,533
Increase in property, plant and equipment and intangible assets	2,902	1,563	111	4,578	-	4,578

(Note) The sum of segment profit or loss is the same as operating profit in the consolidated statement of income.

Fiscal year under review (From April 1, 2024, to March 31, 2025)

(Millions of yen)

	Reportable segment				Other	Total (Note)
	Seal Products Business	High Performance Plastics Products Business	Silicon Wafer Reclaim and Other Businesses	Total		
Net sales						
Sales to external customers	40,616	16,334	3,161	60,113	-	60,113
Inter-segment sales or transfers	-	-	-	-	-	-
Total	40,616	16,384	3,161	60,113	-	60,113
Segment profit (loss)	5,274	567	(172)	5,669	-	5,669
Segment assets	49,170	17,693	314	67,178	10,644	77,823
Other items						
Depreciation	1,908	461	216	2,586	-	2,586
Investments in entities accounted for using equity method	380	-	-	380	-	380
Increase in property, plant and equipment and intangible assets	3,575	3,070	108	6,753	-	6,753

(Note) The sum of segment profit or loss is the same as operating profit in the consolidated statement of income.

4. Differences between the Total Amount of Reportable Segments and the Amounts Reported in Consolidated Financial Statements and the Details of the Differences (Matters Concerning Reconciliation of Differences)

(Millions of yen)

Assets	Previous fiscal year	Fiscal year under review
Reportable segments total	62,868	67,178
Corporate assets (Note)	11,619	10,644
Total assets in consolidated financial statements	74,487	77,823

(Note) Corporate assets consist mainly of cash and deposits and investment securities at the head office that do not belong to reportable segments.

## [Related Information]

Previous fiscal year (From April 1, 2023, to March 31, 2024)

## 1. Information for Each Product and Service

Omitted since similar information is disclosed in Segment Information.

## 2. Information by Region

## (1) Net sales

(Millions of yen)

Japan	Asia	United States	Other	Total
41,915	14,790	4,943	95	61,744

(Notes) 1 Net sales are classified by country or region based on the customer's location.

2 Major countries or regions other than the home country are as follows:

Asia ..... China, Taiwan, Thailand, Singapore, South Korea, Vietnam

Other ..... Europe

## (2) Property, plant and equipment

(Millions of yen)

Japan	Taiwan	Vietnam	South Korea	United States	Asia	Total
11,576	2,562	589	2,407	1,219	1,417	19,772

(Notes) 1 Countries or regions of property, plant and equipment are classified by geographical proximity.

2 Major countries or regions classified in Asia are China, Thailand and Singapore.

## 3. Information for Each Major Customer

Omitted since there are no sales to specific customers that account for 10% or more of net sales in the consolidated statement of income.

Fiscal year under review (From April 1, 2024, to March 31, 2025)

1. Information for Each Product and Service

Omitted since similar information is disclosed in Segment Information.

2. Information by Region

(1) Net sales

(Millions of yen)

Japan	Asia	United States	Other	Total
41,022	14,004	4,952	133	60,113

(Notes) 1 Net sales are classified by country or region based on the customer's location.

2 Major countries or regions other than the home country are as follows:

Asia ..... China, Taiwan, Thailand, Singapore, South Korea, Vietnam

Other ..... Europe

(2) Property, plant and equipment

(Millions of yen)

Japan	Taiwan	Vietnam	South Korea	United States	Asia	Total
13,592	2,565	2,245	2,163	1,158	899	22,624

(Notes) 1 Countries or regions of property, plant and equipment are classified by geographical proximity.

2 Major countries or regions classified in Asia are China, Thailand and Singapore.

(Change in presentation)

"Taiwan" and "Vietnam," which were included in "Asia" in the previous fiscal year, are presented separately from the fiscal year under review due to their increased importance. "China," which was presented separately in the previous fiscal year, is included in "Asia" from the fiscal year under review due to its decreased importance.

In order to change these presentations, "2. Information by Region (2) Property, plant and equipment" in the previous fiscal year has been reclassified. As a result, 3,728 million yen presented in "Asia" in the previous fiscal year has been reclassified into

"Taiwan" of 2,562 million yen and "Vietnam" of 589 million yen. In addition, 840 million yen presented in "China" in the previous fiscal year has been reclassified into "Asia."

## 3. Information for Each Major Customer

Omitted since there are no sales to specific customers that account for 10% or more of net sales in the consolidated statement of income.

[Information on Impairment Loss of Non-Current Assets by Reportable Segment]

Previous fiscal year (From April 1, 2023, to March 31, 2024)

(Millions of yen)

	Seal Products Business	High Performance Plastics Products Business	Silicon Wafer Reclaim and Other Businesses	Other	Corporate / Elimination	Total
Impairment losses	191	-	-	-	-	191

Fiscal year under review (From April 1, 2024, to March 31, 2025)

(Millions of yen)

	Seal Products Business	High Performance Plastics Products Business	Silicon Wafer Reclaim and Other Businesses	Other	Corporate / Elimination	Total
Impairment losses	194	238	-	-	-	432

(Note) The above impairment losses include those in "Business restructuring expenses."

## (Per Share Information)

Previous fiscal year (From April 1, 2023, to March 31, 2024)	Fiscal year under review (From April 1, 2024, to March 31, 2025)
Net assets per share 2,742.82 yen	Net assets per share 2,869.23 yen
Basic earnings per share 279.45 yen	Basic earnings per share 265.80 yen

(Notes) 1. Diluted earnings per share is not presented because there are no dilutive shares.

2 The basis for calculating earnings per share is as follows.

Item	Previous fiscal year (From April 1, 2023, to March 31, 2024)	Fiscal year under review (From April 1, 2024, to March 31, 2025)
Profit attributable to owners of parent for the purpose of consolidated statement of income	4,909 million yen	4,676 million yen
Amount not attributable to common shareholders	- million yen	- million yen
Profit attributable to owners of parent in relation to common shares	4,909 million yen	4,676 million yen
Average number of common shares outstanding during the period	17,567 thousand shares	17,594 thousand shares

3 The basis for calculating net assets per share is as follows.

	Previous fiscal year (March 31, 2024)	Fiscal year under review (March 31, 2025)
Total amount of net assets	48,731 million yen	50,521 million yen
Amount to be deducted from the total amount of net assets	515 million yen	34 million yen
(of which, non-controlling interests)	(515 million yen)	(34 million yen)
Net assets at the end of the period in relation to common shares	48,216 million yen	50,486 million yen
Number of common shares at the end of the period used to calculate net assets per share	17,579 thousand shares	17,595 thousand shares

## (Significant Subsequent Events)

From the following fiscal year, our reportable segments will be reorganized into two segments: the Seal Products Business and the High Performance Plastics Products Business. In the past, the Group had three reportable segments: the Seal Products Business, the High Performance Plastics Products Business, and the Silicon Wafer Reclaim and Other Businesses.

At a meeting of the Board of Directors held on February 26, 2025, the Company resolved to transfer all of its shares held in VALQUA FFT Inc., a major constituent company in the Silicon Wafer Reclaim and Other Businesses, and the transfer was made on March 21, 2025. As a result of reconsidering reportable segments based on the Group's business management structure after this share transfer, we decided it would be appropriate to consolidate them into two segments: the Seal Products Business and the High Performance Plastics Products Business.

Information on the amounts of sales, profit or loss, assets and other items by reportable segment for the fiscal year under review based on the reportable segment classification after the change as well as information on revenue breakdown are currently being calculated.

## 4. Other

## Orders received

(Millions of yen)

Segment name	Orders received			Order backlog		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Year-on-year change (%)	As of March 31, 2024	As of March 31, 2025	Year-on-year change (%)
Seal Products Business	36,116	41,716	15.5	5,741	6,840	19.1
High Performance Plastics Products Business	19,240	15,883	(17.4)	4,630	4,179	(9.7)
Silicon Wafer Reclaim and Other Businesses	3,247	2,754	(15.2)	418	11	(97.2)
Total	58,604	60,354	3.0	10,790	11,031	2.2