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November 4, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 [Japanese GAAP]

Company name: VALQUA, LTD.
Listing: Tokyo Stock Exchange
Securities code: 7995
URL: https://www.valqua.co.jp
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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 six months ended September 30, 2026 (April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(% indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	34,423	27.1	6,020	89.1	6,076	97.2	5,532	116.8
September 30, 2025	27,081	(10.0)	3,183	8.8	3,081	(2.0)	2,551	27.7

(Note) Comprehensive income: Six months ended September 30, 2026 6,350 million yen (214.2%)
Six months ended September 30, 2025 2,021 million yen (-30.9%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	313.88	-
September 30, 2025	144.93	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	89,242	58,578	65.6
March 31, 2026	83,405	53,518	64.1

(Reference) Shareholders' equity As of September 30, 2026 58,539 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	—	85.00			
Fiscal year ending March 31, 2027 (Forecast)			—	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
Full year	71,000	21.3	12,500	76.0	12,400	76.8	10,000	95.0	567.36

(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 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 September 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 September 30, 2026	1,055,439 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):

Six months ended September 30, 2026	17,625,442 shares
Six months ended September 30, 2025	17,605,923 shares

* Consolidated financial results for the second quarter (interim period) are not subject to review 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. 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 November 4, 2026.
https://www.valqua.co.jp

○Table of Contents of the attached document

1. Overview of Operating Results, Etc. 2
(1) Explanation of Operating Results 2
(2) Overview of Financial Position for the Period Under Review 2
(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Statements 3
2. Consolidated Financial Statements and Major Notes 4
(1) Consolidated Balance Sheet 4
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income 6
(Consolidated Statement of Income) 6
(Consolidated Statement of Comprehensive Income) 7
(3) Consolidated Statements of Cash Flows 8
(4) Notes to Consolidated Financial Statements 9
(Notes on Segment Information, Etc.) 9
(Notes When There Are Significant Changes in Amounts of Equity) 10
(Notes on Going Concern) 10
(Notes on Consolidated Statements of Cash Flows) 10
(Significant Subsequent Events) 10
3. Supplementary Information 11
(1) Orders Received 11
(2) Overseas Net Sales 11

1. Overview of Operating Results, Etc.

(1) Explanation of Operating Results

During the six months ended September 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 ¥34,423 million (up 27.1% year on year), operating profit of ¥6,020 million (up 89.1% year on year), ordinary profit of ¥6,076 million (up 97.2% year on year), and profit attributable to owners of parent of ¥5,532 million (up 116.8% year on year).

Orders received during the period under review totaled ¥40,578 million, and order backlog at the end of the period was ¥18,965 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 ¥25,113 million (up 23.9% year on year), driven by growth in demand for high-performance seal products for the tech market as well as increased sales to the equipment and plant markets. Segment profit was ¥5,357 million (up 70.2% year on year).

・ High Performance Plastics Products Business

In the High Performance Plastics Products Business, net sales were ¥9,310 million (up 36.5% year on year) and segment profit was ¥662 million (up 1,727.8% year on year), driven by increased sales of products for the equipment market, 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 ¥89,242 million, an increase of ¥5,836 million from the end of the previous fiscal year. Current assets amounted to ¥53,305 million, an increase of ¥5,335 million. This was mainly due to an increase of ¥3,344 million in cash and deposits, an increase of ¥951 million in electronically recorded monetary claims - operating, an increase of ¥686 million in work in process, an increase of ¥438 million in raw materials and supplies, and a decrease of ¥164 million in notes and accounts receivable - trade, and contract assets. Non-current assets amounted to ¥35,936 million, an increase of ¥500 million. This was mainly due to an increase of ¥1,246 million in investments and other assets attributable primarily to an increase in investment securities and a decrease of ¥903 million in property, plant and equipment mainly caused by the sale of real estate in Japan and overseas.

Liabilities amounted to ¥30,663 million, an increase of ¥776 million from the end of the previous fiscal year. Current liabilities amounted to ¥16,151 million, an increase of ¥327 million. This was mainly due to an increase of ¥1,446 million in notes and accounts payable - trade, an increase of ¥585 million in income taxes payable, and a decrease of ¥1,424 million in short-term borrowings. Non-current liabilities amounted to ¥14,511 million, an increase of ¥448 million. This was mainly due to an increase of ¥1,023 million in deferred tax liabilities included in other, an increase of ¥199 million in asset retirement obligations included in other, and a decrease of ¥894 million in long-term borrowings.

Net assets amounted to ¥58,578 million, an increase of ¥5,060 million from the end of the previous fiscal year. This was mainly due to an increase of ¥4,210 million in retained earnings and an increase of ¥667 million in valuation difference on available-for-sale securities.

As a result, the shareholders’ equity ratio improved by 1.5 percentage points from 64.1% at the end of the previous fiscal year to 65.6%.

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

During the six months ended September 30, 2026, both net sales and all profit figures exceeded the forecasts, mainly driven by strong sales in the tech market. Taking this into account, and based on a close examination of future demand trends, net sales and all profit figures for the full year are now expected to exceed the previously announced forecasts.

Accordingly, we have revised our consolidated earnings forecast for the full year as follows: net sales of ¥71 billion, up 21.3% year on year; operating profit of ¥12.5 billion, up 76.0% year on year; ordinary profit of ¥12.4 billion, up 76.8% year on year; and profit attributable to owners of parent of ¥10 billion, up 95.0% year on year.

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

This forecast takes into account, to a certain extent, fluctuations in demand in the tech market, among others, as well as increases in energy and raw material prices and other related costs; however, forecast values and actual results may differ from each other if an event occurs 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. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	7,915	11,259
Notes and accounts receivable - trade, and contract assets	12,816	12,652
Electronically recorded monetary claims - operating	3,793	4,744
Merchandise and finished goods	6,910	7,074
Work in process	1,300	1,986
Raw materials and supplies	12,663	13,101
Other	2,731	2,513
Allowance for doubtful accounts	(160)	(26)
Total current assets	47,970	53,305
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,139	10,736
Land	4,237	3,242
Other, net	9,201	8,697
Total property, plant and equipment	23,579	22,676
Intangible assets		
Goodwill	783	740
Customer-related intangible assets	1,283	1,244
Other	1,805	2,043
Total intangible assets	3,872	4,029
Investments and other assets		
Investment securities	4,189	5,217
Other	4,041	4,251
Allowance for doubtful accounts	(247)	(238)
Total investments and other assets	7,983	9,230
Total non-current assets	35,435	35,936
Total assets	83,405	89,242

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,049	6,495
Electronically recorded obligations - operating	725	546
Short-term borrowings	3,646	2,222
Current portion of long-term borrowings	1,135	1,535
Income taxes payable	901	1,487
Provision for bonuses	695	835
Provision for bonuses for directors (and other officers)	80	50
Other	3,590	2,978
Total current liabilities	15,824	16,151
Non-current liabilities		
Long-term borrowings	11,483	10,589
Retirement benefit liability	249	255
Other	2,329	3,666
Total non-current liabilities	14,063	14,511
Total liabilities	29,887	30,663
Net assets		
Shareholders' equity		
Share capital	13,957	13,957
Capital surplus	4,792	4,801
Retained earnings	31,932	36,142
Treasury shares	(1,861)	(1,839)
Total shareholders' equity	48,820	53,062
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,483	2,150
Foreign currency translation adjustment	2,805	3,008
Remeasurements of defined benefit plans	370	318
Total accumulated other comprehensive income	4,659	5,477
Non-controlling interests	38	39
Total net assets	53,518	58,578
Total liabilities and net assets	83,405	89,242

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

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	27,081	34,423
Cost of sales	15,486	19,111
Gross profit	11,594	15,312
Selling, general and administrative expenses	8,411	9,291
Operating profit	3,183	6,020
Non-operating income		
Interest income	23	30
Dividend income	28	34
Rental income from facilities	139	114
Share of profit of entities accounted for using equity method	7	26
Foreign exchange gains	—	108
Other	98	58
Total non-operating income	298	373
Non-operating expenses		
Interest expenses	136	140
Rental expenses on facilities	138	110
Foreign exchange losses	64	—
Other	60	66
Total non-operating expenses	400	317
Ordinary profit	3,081	6,076
Extraordinary income		
Gain on sale of non-current assets	37	1,674
Total extraordinary income	37	1,674
Extraordinary losses		
Loss on abandonment of non-current assets	6	19
Business restructuring expenses	107	—
Loss on liquidation of subsidiaries and associates	—	40
Total extraordinary losses	113	59
Profit before income taxes	3,005	7,691
Income taxes - current	816	1,570
Income taxes - deferred	(363)	587
Total income taxes	452	2,158
Profit	2,553	5,533
Profit attributable to non-controlling interests	1	1
Profit attributable to owners of parent	2,551	5,532

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	2,553	5,533
Other comprehensive income		
Valuation difference on available-for-sale securities	129	665
Foreign currency translation adjustment	(610)	202
Remeasurements of defined benefit plans, net of tax	(54)	(52)
Share of other comprehensive income of entities accounted for using equity method	3	2
Total other comprehensive income	(531)	817
Comprehensive income:	2,021	6,350
(Breakdown)		
Comprehensive income attributable to owners of parent	2,021	6,350
Comprehensive income attributable to non-controlling interests	(0)	0

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	3,005	7,691
Depreciation	1,374	1,373
Amortization of goodwill	—	42
Amortization of customer-related intangible assets	—	39
Interest and dividend income	(52)	(65)
Interest expenses	136	140
Decrease (increase) in retirement benefit assets	(152)	(161)
Increase (decrease) in retirement benefit liabilities	(13)	5
Loss on abandonment of non-current assets	6	19
Business restructuring expenses	107	—
Loss (gain) on sale of non-current assets	(37)	(1,674)
Decrease (increase) in trade receivables	1,604	(602)
Decrease (increase) in inventories	(1,627)	(1,237)
Increase (decrease) in trade payables	(546)	1,149
Other	889	(224)
Subtotal	4,696	6,495
Interest and dividends received	52	67
Interest paid	(121)	(137)
Income taxes refunded	46	394
Income taxes paid	(1,232)	(1,043)
Extra retirement payments	(100)	—
Amount collected on the right to reimbursement	5	7
Cash flows from operating activities	3,346	5,784
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,953)	(2,016)
Proceeds from sale of property, plant and equipment	69	3,313
Purchase of intangible assets	(187)	(479)
Subsidies received	—	181
Payments for guarantee deposits	(6)	(22)
Proceeds from refund of guarantee deposits	3	5
Purchase of shares of subsidiaries and associates resulting in change in scope of consolidation	(1,735)	—
Other	(25)	(22)
Cash flows from investing activities	(3,834)	959
Cash flows from financing activities		
Proceeds from short-term borrowings	5,832	10,014
Repayments of short-term borrowings	(7,349)	(11,465)
Proceeds from long-term borrowings	3,689	200
Repayments of long-term borrowings	(879)	(772)
Repayments of lease liabilities	(105)	(95)
Purchase of treasury shares	(1)	(1)
Proceeds from disposal of treasury shares	0	—
Dividends paid	(1,317)	(1,317)
Cash flows from financing activities	(129)	(3,437)
Effect of exchange rate change on cash and cash equivalents	(181)	37
Net increase (decrease) in cash and cash equivalents	(799)	3,344
Cash and cash equivalents at beginning of period	7,969	7,915
Cash and cash equivalents at end of period	7,169	11,259

(4) Notes to Consolidated Financial Statements

(Notes on Segment Information, Etc.)

[Segment Information]

I. Six months ended September 30, 2025

1. 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 consolidated statement of Income (Note)
	Seal Products Business	High Performance Plastics Products Business			
Net sales					
Sales to external customers	20,261	6,819	27,081	—	27,081
Inter-segment sales or transfers	—	—	—	—	—
Total	20,261	6,819	27,081	—	27,081
Segment profit	3,147	36	3,183	—	3,183

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

2. Information on Assets for Each Reportable Segment

During the period under review, the Company acquired all shares of TORQUE SYSTEM Co., Ltd., (currently VULQUA TORQUE SYSTEM Co., Ltd.) and included TORQUE SYSTEM Co., Ltd. in the scope of consolidation. As a result, assets for the reportable segment in the period under review increased by ¥3,377 million in the Seal Products Business, compared to the end of the previous fiscal year.

3. Information on Impairment Loss of Non-Current Assets or Goodwill, Etc. for Each Reportable Segment

(Material Changes in the Amount of Goodwill)

During the period under review, the Company acquired all shares of TORQUE SYSTEM Co., Ltd., (currently VULQUA TORQUE SYSTEM Co., Ltd.) and included TORQUE SYSTEM Co., Ltd. in the scope of consolidation. As a result, goodwill increased by ¥1,749 million at the end of the period under review compared with the end of the previous fiscal year.

II. Six months ended September 30, 2026

1. 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 consolidated statement of Income (Note)
	Seal Products Business	High Performance Plastics Products Business			
Net sales					
Sales to external customers	25,113	9,310	34,423	—	34,423
Inter-segment sales or transfers	—	—	—	—	—
Total	25,113	9,310	34,423	—	34,423
Segment profit	5,357	662	6,020	—	6,020

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

2. Information on Assets for Each Reportable Segment

Not applicable.

3. Information on Impairment Loss of Non-Current Assets or Goodwill, Etc. for Each Reportable Segment

Not applicable.

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

Not applicable.

(Notes on Going Concern)

Not applicable.

(Notes on Consolidated Statements of Cash Flows)

* Relationship between the amount of cash and cash equivalents during the period under review and the balance of cash and deposits on the consolidated balance sheet at the end of the period under review is as follows.

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash and deposits	¥7,169 million	¥11,259 million
Time deposits with maturities exceeding three months	-	-
Cash and cash equivalents	7,169	11,259

(Significant Subsequent Events)

Not applicable.

3. Supplementary Information

(1) Orders Received

(Millions of yen)

Segment name	Orders received			Order backlog		
	Six months ended September 30, 2025	Six months ended September 30, 2026	Year-on-year change (%)	As of September 30, 2025	As of September 30, 2026	Year-on-year change (%)
Seal Products Business	19,459	27,406	40.8	6,297	9,656	53.3
High Performance Plastics Products Business	7,402	13,171	77.9	4,762	9,308	95.5
Total	26,861	40,578	51.1	11,059	18,965	71.5

(Note) TORQUE SYSTEM Co., Ltd., (currently VULQUA TORQUE SYSTEM Co., Ltd.) which was included in the scope of consolidation during the six months ended September 30, 2025, is included in the order backlog as of the end of the period, but not in the orders received for the period.

(2) Overseas Net Sales

Six months ended September 30, 2025

	Asia	United States	Other	Total
I. Overseas net sales (millions of yen)	7,248	1,298	106	8,652
II. Consolidated net sales (millions of yen)				27,081
III. Percentage of overseas net sales to consolidated net sales (%)	26.8	4.8	0.4	32.0

(Note) 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.

Six months ended September 30, 2026

	Asia	United States	Other	Total
I. Overseas net sales (millions of yen)	8,132	2,191	478	10,802
II. Consolidated net sales (millions of yen)				34,423
III. Percentage of overseas net sales to consolidated net sales (%)	23.6	6.4	1.4	31.4

(Note) 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.