

Dear Valued Customers,

【Second Report】 Impact Caused by the Tohoku-Chihou-Taiheiyo-Oki Earthquake

Valqua Group would like first to convey our sincere condolences to all who have suffered from this earthquake.

Following is the current conditions regarding our infrastructure.

1. Manufacturing

All of our production facilities including in Tohoku region have restored to mostly normal operation now. However, due to the scheduled blackouts within broaden areas serviced by Tokyo Electric Power Company, delivery of some of our products stated below is still expected to be delayed.

Products affected are: Fluoro Polymer Products, Gland Packing

2. Material Procurement

Raw material suppliers for some of our products have suffered damage and it forecasts that below orders we will start manufacturing in April and beyond further are delayed. To avoid such a serious delay we are actively seeking alternate suppliers in both domestic and oversea markets.

Products affected are: Elastomer Products, Fluoro Polymer Products,

Gland Packing (Valqua # 6232, 6262, 6267, VF10-C. Other products are not affected.)

3. Shipment and Distribution

Please contact our sales representative in your area for detailed delivery schedule because logistic system has been still under recovery in Tohoku region and expected some delay on delivery.

4. Our Sales Offices in Disaster Areas

Sendai Sales Office and Hitachi Sales Office reopened, but Fukushima Sales Office in evacuation perimeter is not currently scheduled to be reopened.

Therefore we would like you to contact its alternate representative below;

<Alternate Sales Rep>

East Japan Sales Division

TEL: +81-3-5434-7374 FAX: +81-3-5436-0564

Headquarters,

NIPPON VALQUA INDUSTRIES, LTD.

ThinkPark Tower, 1-1, OSAKI 2-CHOME, SHINAGAWA-KU, TOKYO 141-6024 JAPAN

If you have any inquiry, do not hesitate to contact our sales representative.