



Electronic Equipment Business

Rapid expansion of the global semiconductor market has led to an increase in products for semiconductor production equipment, and we are working to increase production capacity.

While the demand for our products is rapidly increasing due to the rapid expansion of investment in new semiconductor factories, we are also facing a shortage of fluorocarbon polymer, a raw material for our products. We will continue to provide value-added products by strengthening our production system and working to solve the challenges our customers face through the use of fluid control technology, the technology that started us off.

Executive Officer General manager,
Sales Headquarters and Overseas Division **Toyokazu Serita**

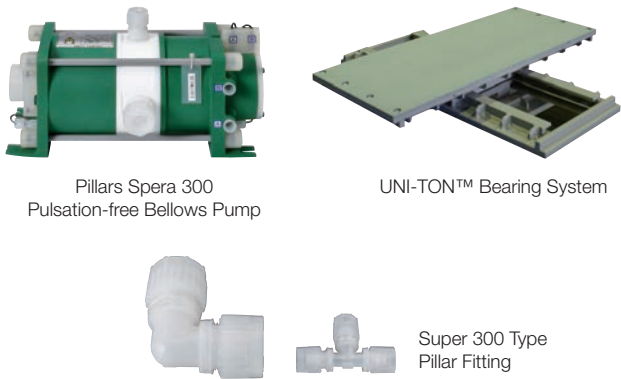
Business Overview and Market Environment

This business supplies fittings, pumps, tubes, and other products for chemical solution transfer piping in a wide range of fields, from cutting-edge semiconductor applications to general-purpose semiconductors for automobiles and other applications, such as OLED panels. Although the chemicals used are highly hazardous to the human body, such as strong acids and alkalis, we provide safety and security to the semiconductor manufacturing sites that support societal infrastructure through the development of our proprietary technologies.

The advanced semiconductor industry is transforming from a global division of labor to manufacturing as a strategic commodity, and we are developing our business in line with the trends in each region.

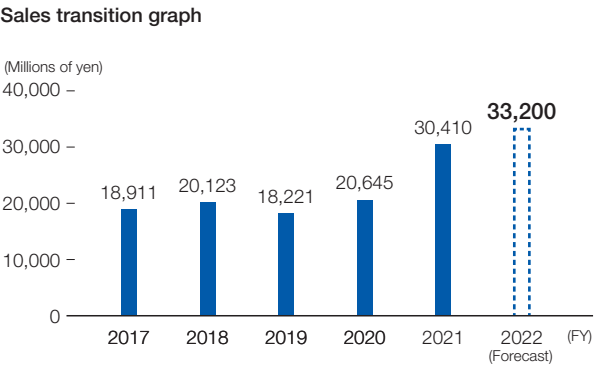
The global shortage of semiconductors over the past few years has been accelerated by the spread of COVID-19, and product shortages have become apparent in the automotive and consumer electronics sectors, leading to an unprecedented expansion of investment in new semiconductor

factory construction in fiscal 2021. While the demand for our products also surged and contributed greatly to our business performance, the shortage of fluorocarbon polymers, which are used as materials for our products, has become a major issue due to the prolonged period of large-scale semiconductor investment. Demand continues to grow, and we intend to respond promptly to production.



Progress of Medium-Term Management Plan “BTvision22”

This business was able to meet the rapid increase in demand by utilizing equipment that was installed ahead of time in anticipation of the expansion of semiconductor capital investment, and achieved the final year target of the plan one year ahead of schedule. We have also begun construction of Fukuchiyama Second Factory and are preparing for future increases in production. Challenges include further acceleration of product development as well as resolving material shortages. In addition, as efforts to develop cutting-edge technologies advance, energy conservation is also accelerating in energy-consuming



TOPICS



Construction of Fukuchiyama Second Factory to increase production capacity

In order to respond to further expansion of demand for products for the electronic equipment business market, we will construct Fukuchiyama Second Factory in Fukuchiyama City, Kyoto Prefecture. The maximum production capacity resulting from this investment is expected to increase by up to 80% over our total production capacity, including the Kyushu Factory.

We also plan to flexibly expand our production capacity, as we possess an expansion area that can accommodate the construction of three more factories of the same scale.



Pillar Technology
[Chuzhou]

Strengthen overseas development by expanding sales and production bases

We are strengthening our bases in order to respond to the US and Chinese markets, which are expected to expand further in the future.

In the U.S.A., a simple lab was set up in the Fremont Office to accommodate the development needs of semiconductor equipment manufacturers, and warehouse space was tripled.

In China, in addition to the existing production of products for the industrial equipment-related market, the Chuzhou Factory will begin production of resin products for the electronic equipment-related market.

Nippon Pillar Corporation
of America, Fremont
Office



semiconductor factories, and we will respond appropriately to these trends by introducing products that contribute to energy conservation, such as Sweep Elbow. First, we plan to make capital investments at our three bases in Japan, the U.S.A. and China to increase production of our mainstay product line—fittings-related products. In new fields, we have

begun to develop applications in the sensing field in addition to telecommunications for automotive applications using fluorocarbon polymer substrates. In addition, with the aim of deepening the semiconductor market overseas, we plan to establish a new sales base in China and expand our US sales base in a bid to strengthen sales.

Future Tasks and Goals

This business will provide value-added products to customers and offer safety and security to society by working to solve the challenges our customers face through the use of fluid control technology, the technology that started us off. For example, we will work to solve the shortage of raw materials by proposing alternative materials and designs through discussions with customers, and promote the development

of new products. Since our founding, we have expanded our business domain with fluid control technology in a market that has grown with the changing times. We will continue to expand our business domain with “technology to control fluids” in a market that is growing with the changing times. We will continue to progress down this path, always looking ahead with the aim of serving society with our technology.

Materialities we focus on

- Development and manufacture of products that enable decarbonization and energy conservation through the use of fluid control technology, etc.
- Expanding clean energy and energy savings in manufacturing
- Development and manufacture of products that contribute to the prevention of chemical pollution and the conservation of water resources
- Pursuit of safety and quality assurance of product services

