

Nov 13,2024

**PILLAR** PILLAR Corporation

# Financial Results Presentation Material

## Q2 for Fiscal Year Ending March 31, 2025

Tokyo Stock Exchange  
Prime Market  
**6490**

- 01 Business Performance for Q2 of FYE March 31,2025**
- 02 Full-year Earnings Forecast for the Fiscal Year Ending March 31,2025**
- 03 Reference Materials① : Corporate Profile**
- 04 Reference Materials② : Key Indexes**

# 01

## **Business Performance for Q2 of FYE March 31,2025**

# Financial Highlights

**Consolidated sales increased year-on-year, while operating income decreased.**

**Year-on-Year Sales +460 million yen(+1.6%) Operating income -1.07 billion yen(- 15.5%)**

## FY2024 Q2 Results

Sales / Orders received

### Electronic Equipment Business

Sales increased slightly, as the positive effect of price revisions and a weaker yen were offset by the impact of clients' inventory adjustments.

Sales of seismic isolation devices for civil engineering and construction declined as large-scale projects were completed.

Segment sales decreased by 260 million yen (-1.3%) year-on-year.

### Industrial Equipment Business

TANKEN SEAL SEIKO continues to perform strongly, with sales expected to reach a record high.

However, sales of mechanical seals for precision machinery (Rotary Joint, or RJ) were sluggish due to ongoing inventory adjustments.

Segment sales increased by 720 million yen (+8.8%) year-on-year.

Income

Although positive factors like price revisions and a weaker yen helped boost profit, it remained sluggish due to rising fixed costs from large-scale capital expenditures, increased one-time costs and declining facility utilization rates.

Dividend

Interim : 54 yen per share Year-end:71 yen per share Total Annual Forecast: 125 yen per share

## FY2024 Forecast

**The FY 2024 Forecast remains unchanged.**

Sales

**62**billion yen YoY + 3.4 billion yen : + 5.8%

Operating Income

**13**billion yen YoY - 1.2 billion yen : - 8.5%

Full-year Dividend

**125**yen/share YoY - 34 yen/share

# Summary of Business Performance for Q2 of FYE March 31,2025

## Consolidated

(Unit : Million Yen)	FY23 1H Results	FY24 1H Results	Year-on-Year Change	Year-on-Year Change rate(%)
Sales	28,072	<b>28,534</b>	462	1.6
Operating income	6,897	<b>5,825</b>	-1,072	-15.5
Operating income ratio	24.6%	<b>20.4%</b>	-4.2P	-
Ordinary income	7,467	<b>5,754</b>	-1,713	-22.9
Net income	5,169	<b>3,887</b>	-1,282	-24.8
Net earnings per share(Yen)	221.86	<b>166.71</b>	-55.15	-
Interim dividend(Yen)	60	<b>54</b>	-6	-

## By Segment

### Electronic Equipment Business

Sales	19,780	<b>19,516</b>	-264	-1.3
Operating income	5,657	<b>4,759</b>	-898	-15.9

### Industrial Equipment Business

Sales	8,271	<b>8,996</b>	725	8.8
Operating income	1,225	<b>1,050</b>	-175	-14.3

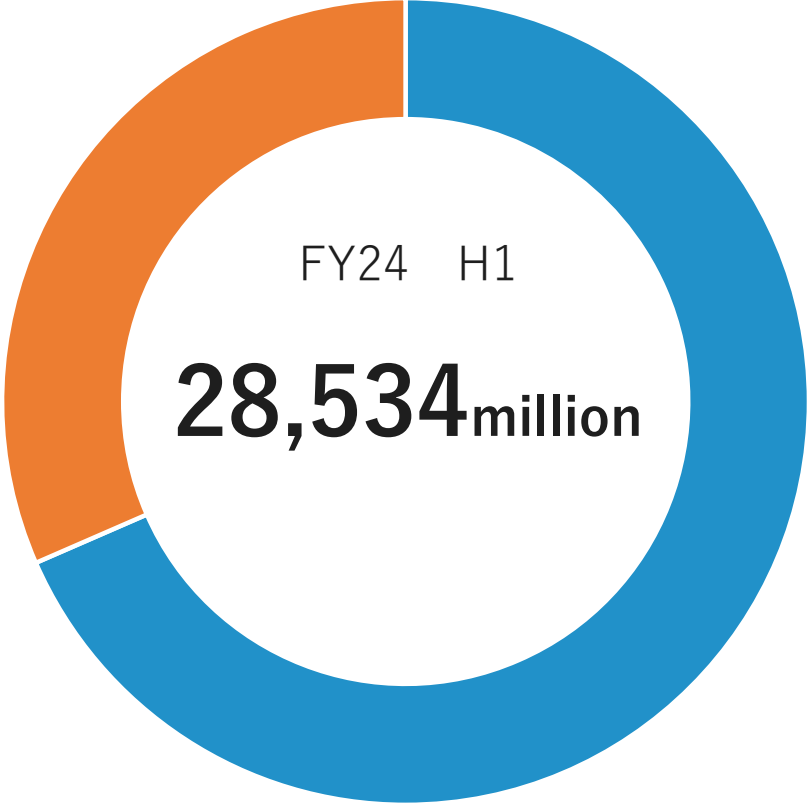
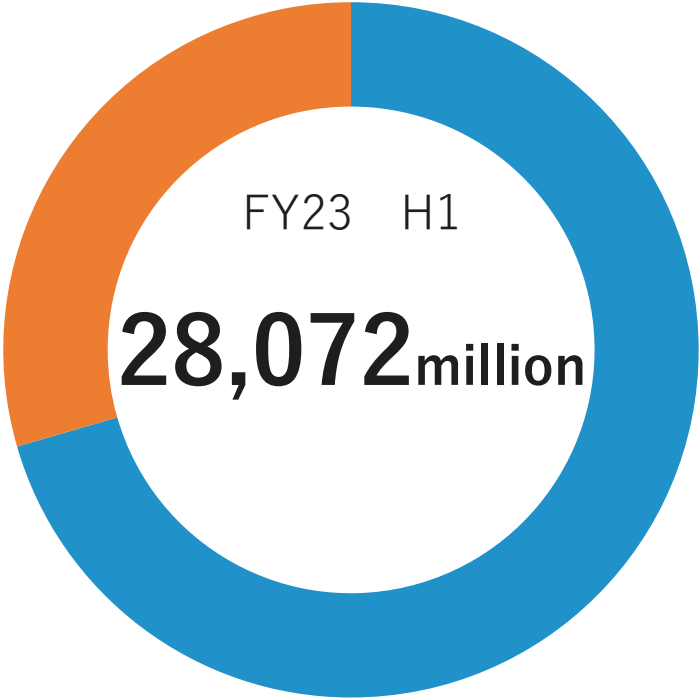
# Sales by Segment

**Industrial Equipment Business**  
**8,271**million  
29.4%

**Electronic Equipment Business**  
**19,780**million  
70.4%

**Industrial Equipment Business**  
**8,996**million  
31.5%

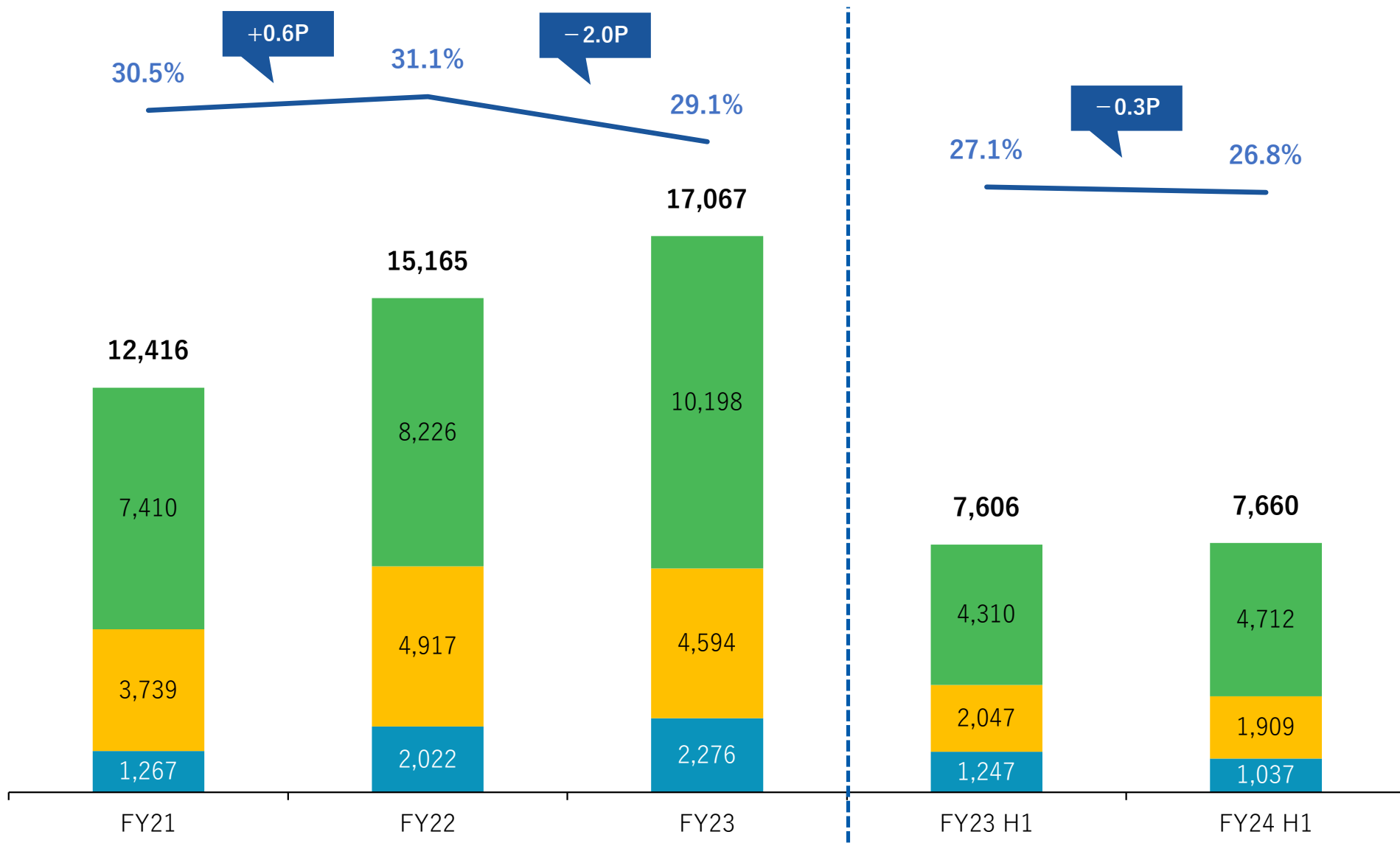
**Electronic Equipment Business**  
**19,516**million  
68.3%



# Trends of Overseas Sales

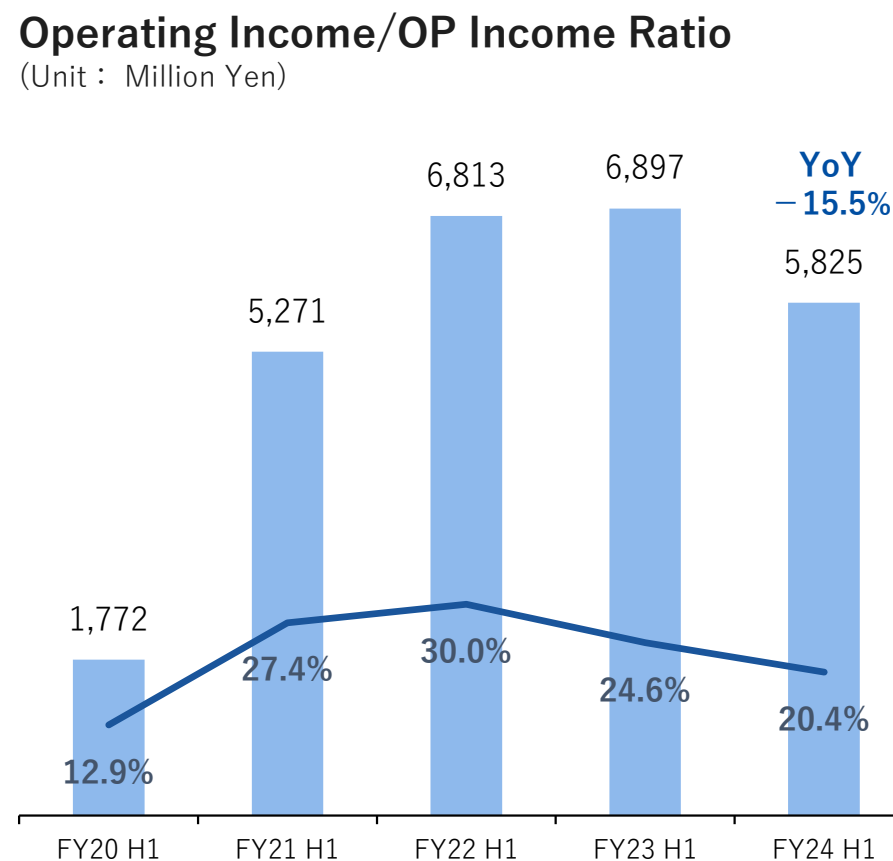
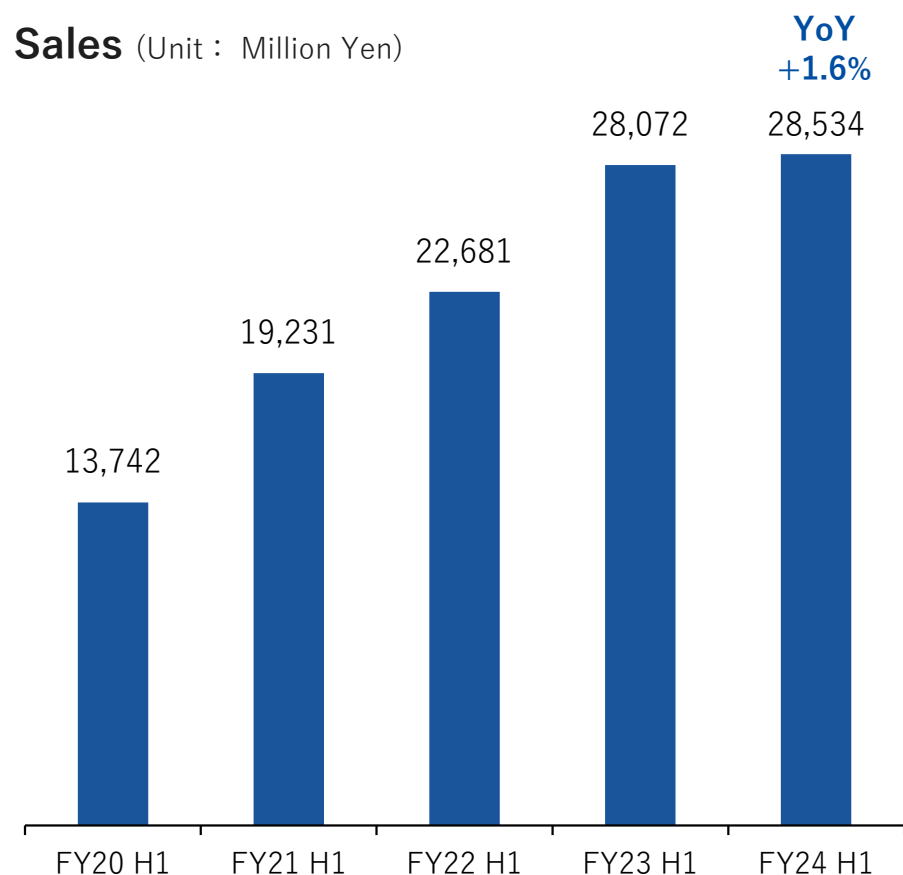
(Unit : Million Yen)

■ Europe,etc 
 ■ USA 
 ■ Asia 
 — Overseas sales ratio



# Trends of Company-wide Performance

- Q2 accumulative sales hit a record high .
- **Electronic Equipment Business: Both sales and income decreased.**  
**Industrial Equipment Business : Sales increased, while income declined .**
- The income ratio declined due to higher depreciation costs from the Fukuchiyama Second Factory, increased one-time expenses, and reduced utilization rates caused by sluggish orders.
- Foreign exchange gains from the weaker yen boosted our profit by 400 million yen.

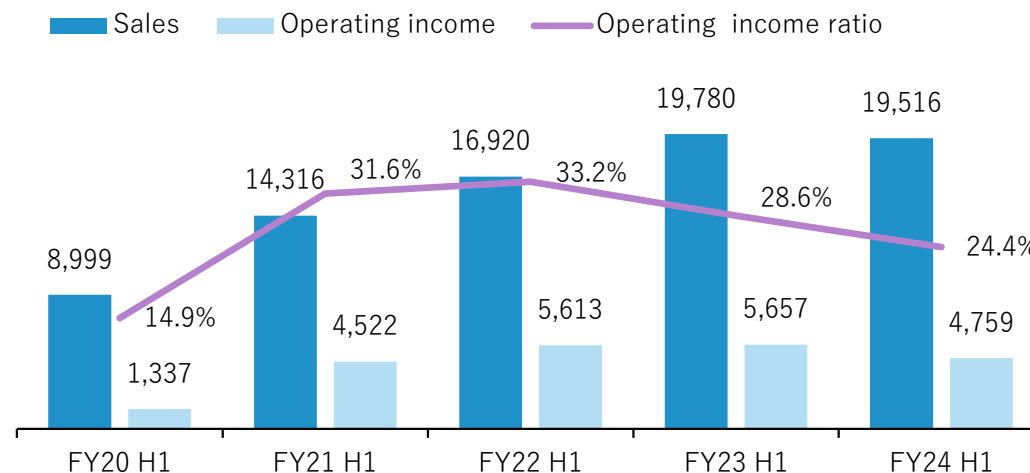




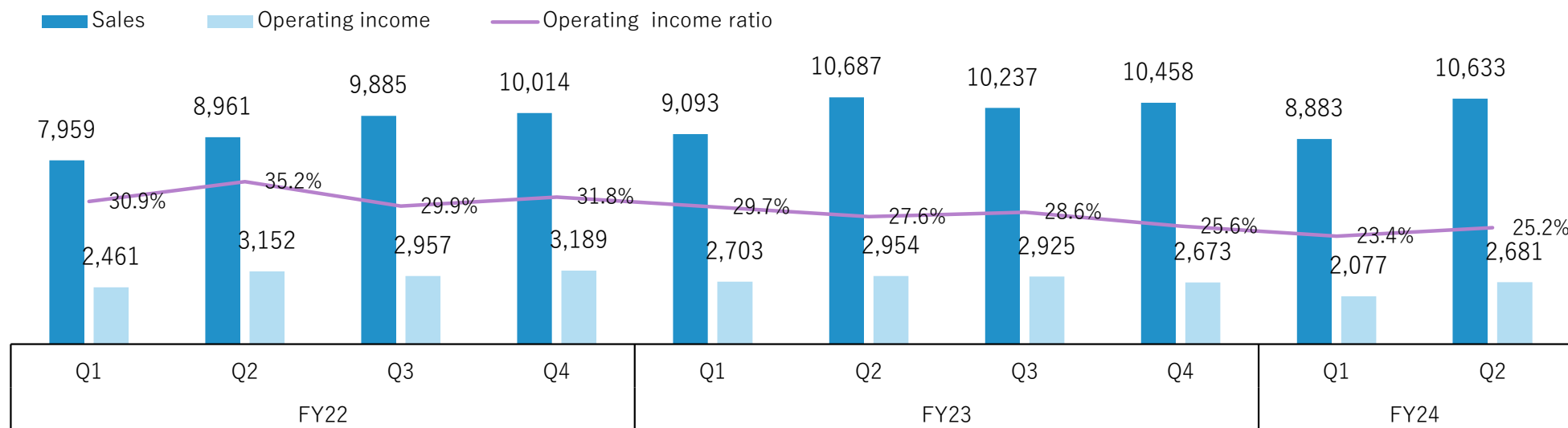
# Electronic Equipment Business Performance Trends

- Sales and OP income by segment
  - Sales -1.3% YoY
  - OP Income -15.9%YoY
- Order levels and sales remained sluggish due to the inventory adjustments by our clients.
- OP income declined as depreciation costs from the Fukuchiyama Second Factory and one-time expenses outweighed profit-boosting factor, such as product price increases and a weaker yen.

Sales/OP Income/OP Income Ratio(Unit : Million Yen)



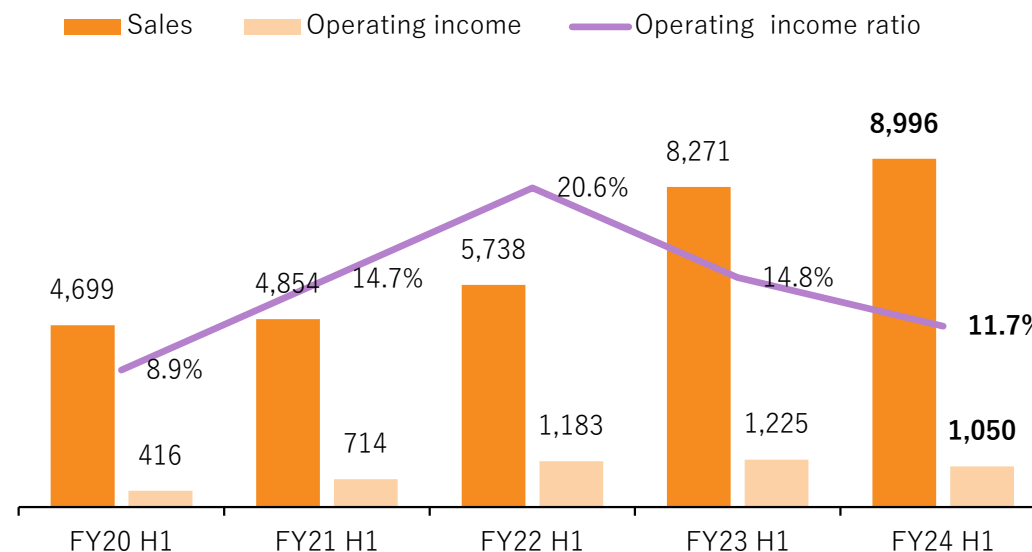
Quarterly Trends(Unit : Million Yen)



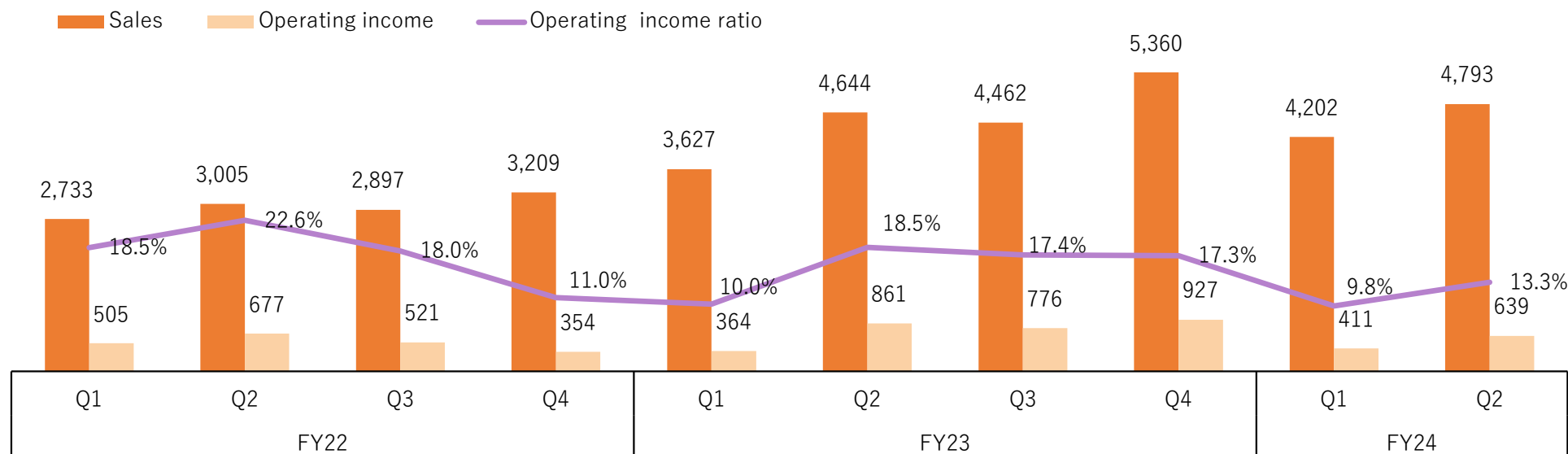
# Industrial Equipment Business Performance Trends

- Segment hit consecutive record highs  
 → Sales + 8.8% YoY  
 → OP Income - 14.3% YoY
- TANKEN SEAL SEIKO maintained strong performance.
- Inventory adjustments for the Rotary Joint are ongoing.
- OP income declined due to the depreciation costs from the R&D center at the Sanda factory and one-time expenses.

Sales/OP Income/OP Income Ratio (Unit : Million Yen)

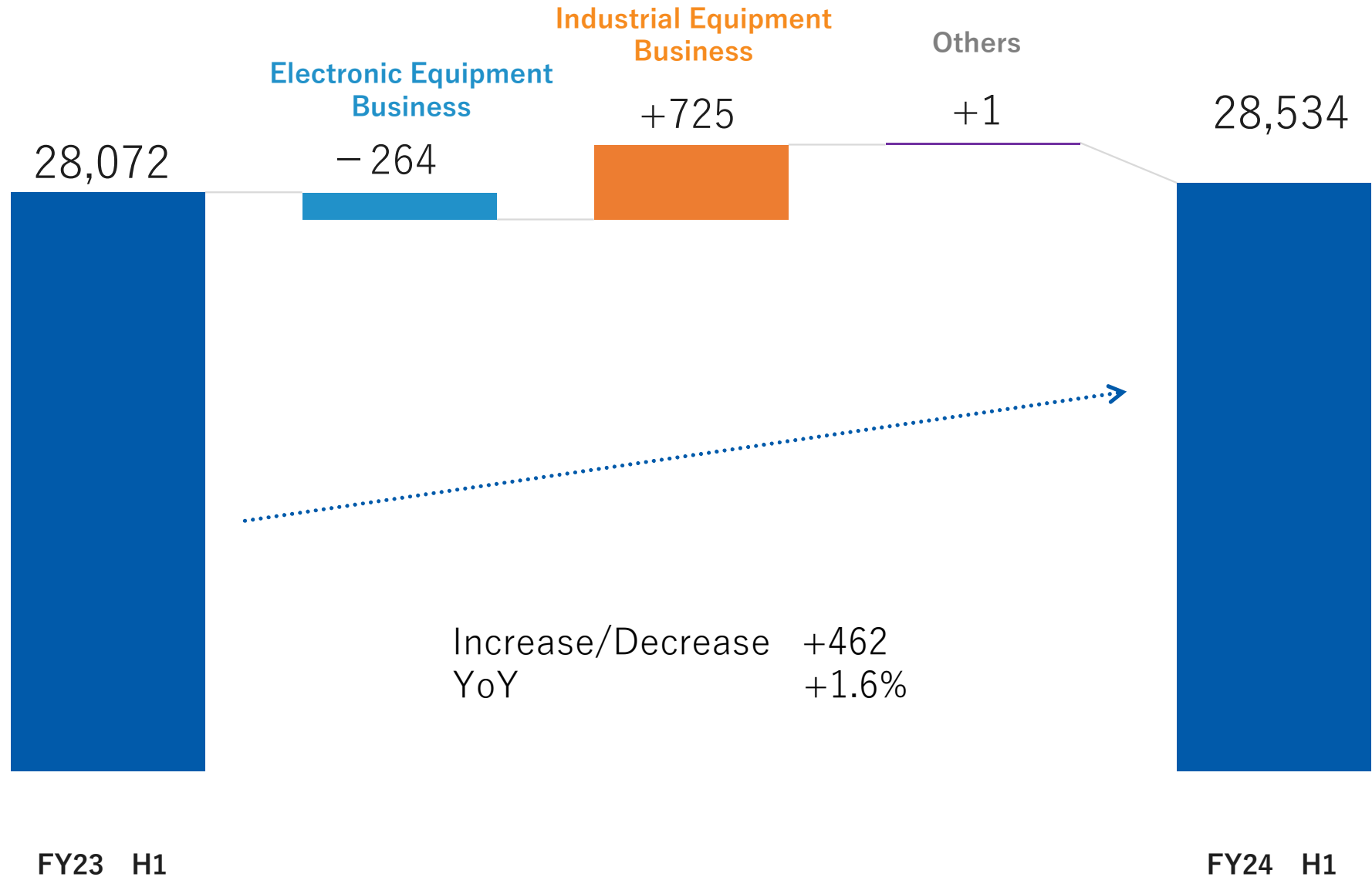


Quarterly Trends (Unit : Million Yen)



# Analysis of Increase/Decrease in Sales for FYE March 31,2025

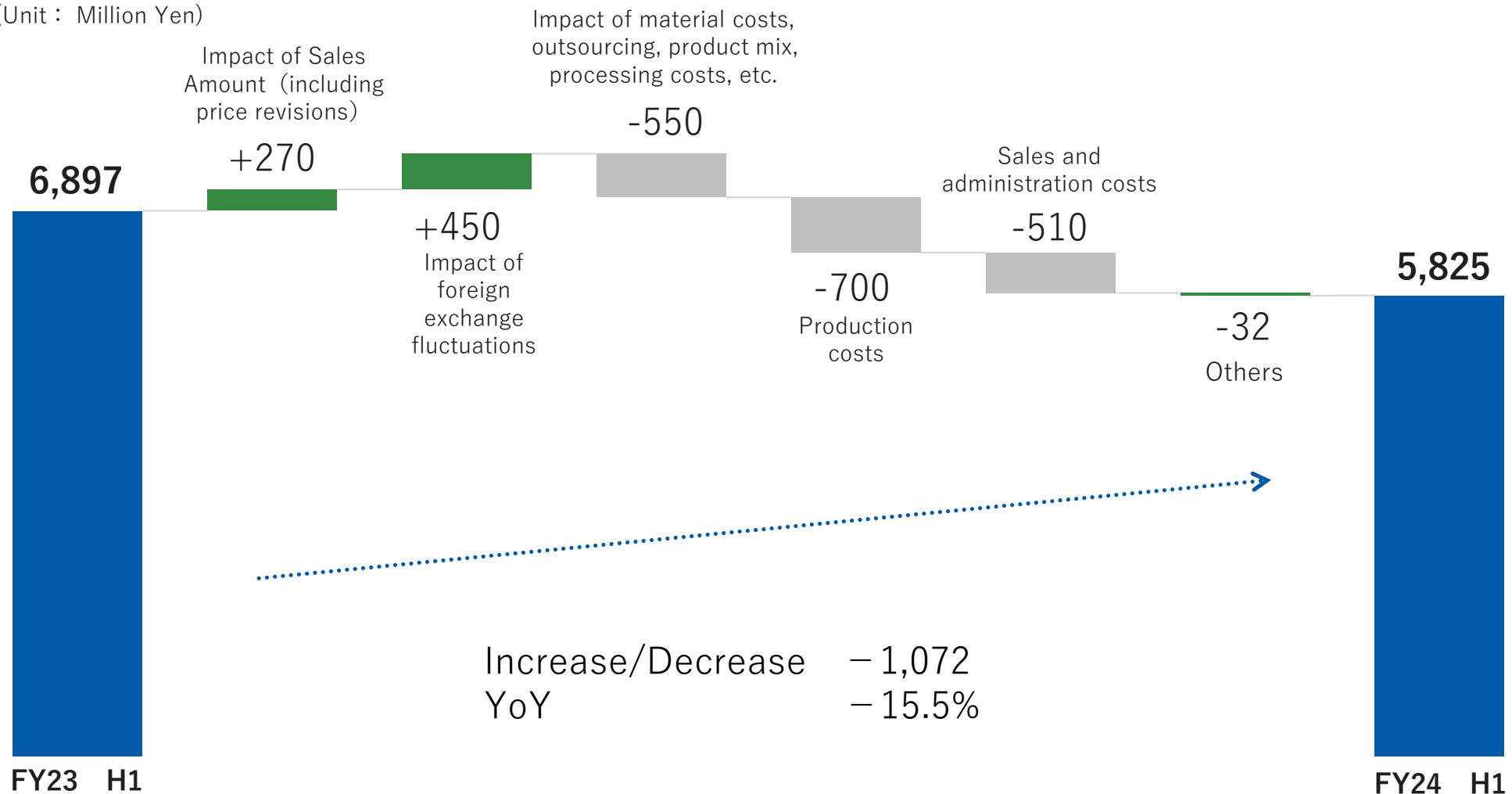
(Unit : Million Yen)



# Analysis of Increase/Decrease in Operating Income for FYE March 31, 2025

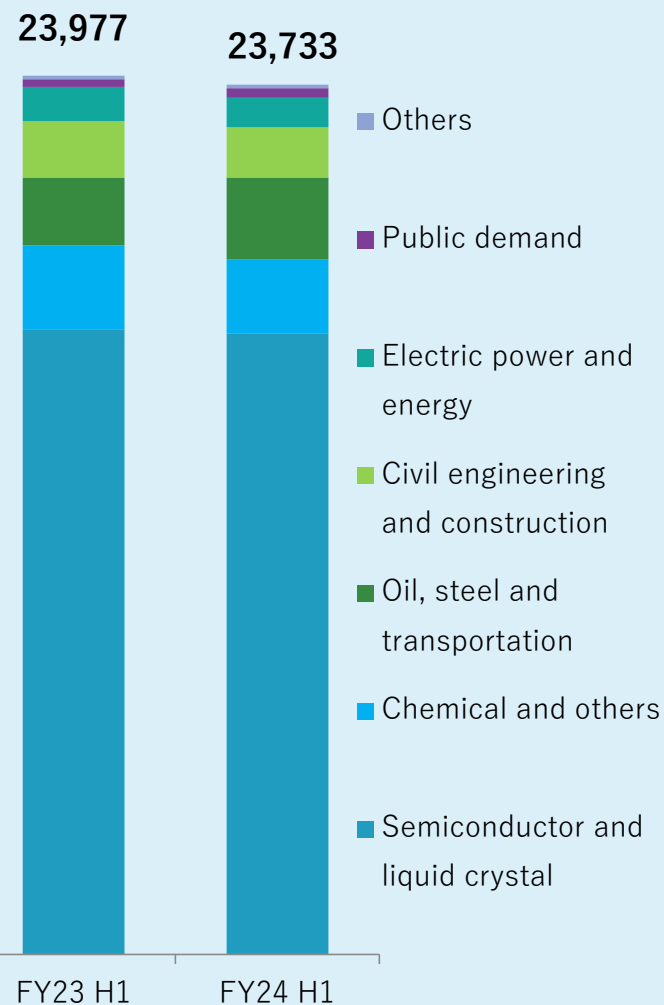
- Depreciation cost increased (by 500 million yen) as the Fukuchiyama Second Factory and the R&D center at the Sanda factory began operations in the second half of FY2023.
- One-time costs increased (by 300 million yen) due to the company name change and the 100<sup>th</sup> anniversary ceremony.
- The strong performance of TANKAN SEAL SEIKO, along with the positive foreign exchange effects, boosted our income.

(Unit : Million Yen)



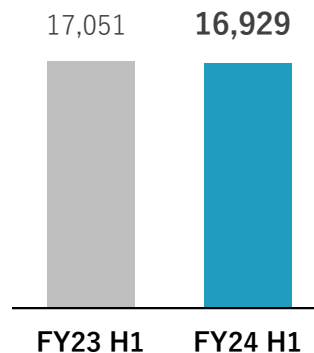
# Sales by Market (Non-consolidated)

(Unit : Million Yen)



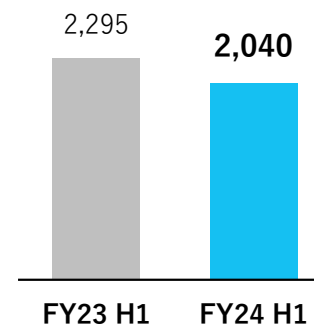
## Semiconductor and liquid crystal

Mechanical Seals for CMP remained in an adjustment phase, while the Chinese market performed well.



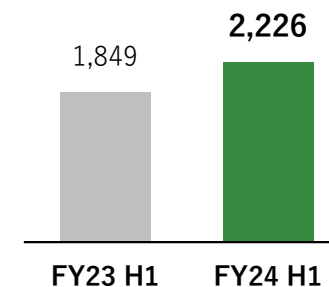
## Chemical and others

Fittings/tubes remained sluggish. GP/VG in the overseas market declined.



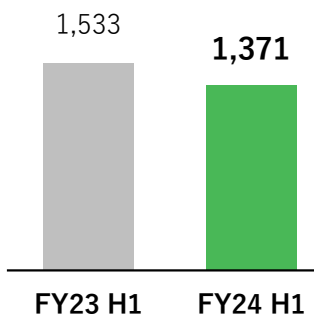
## Oil, steel and transportation

Demand for plant safety measures and sales of overseas spare parts contributed.



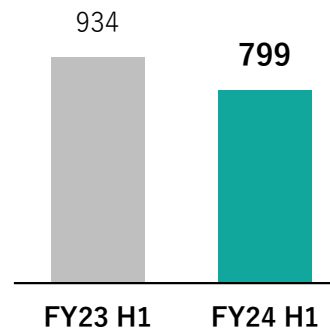
## Civil engineering and construction

Despite new orders for seismic isolation devices in semiconductor plants, sales declined compared to last year's high demand.



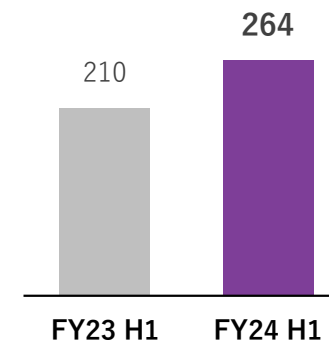
## Electric power and energy

Sales of spare parts for overseas power plants and domestic repair parts were sluggish.



## Public demand

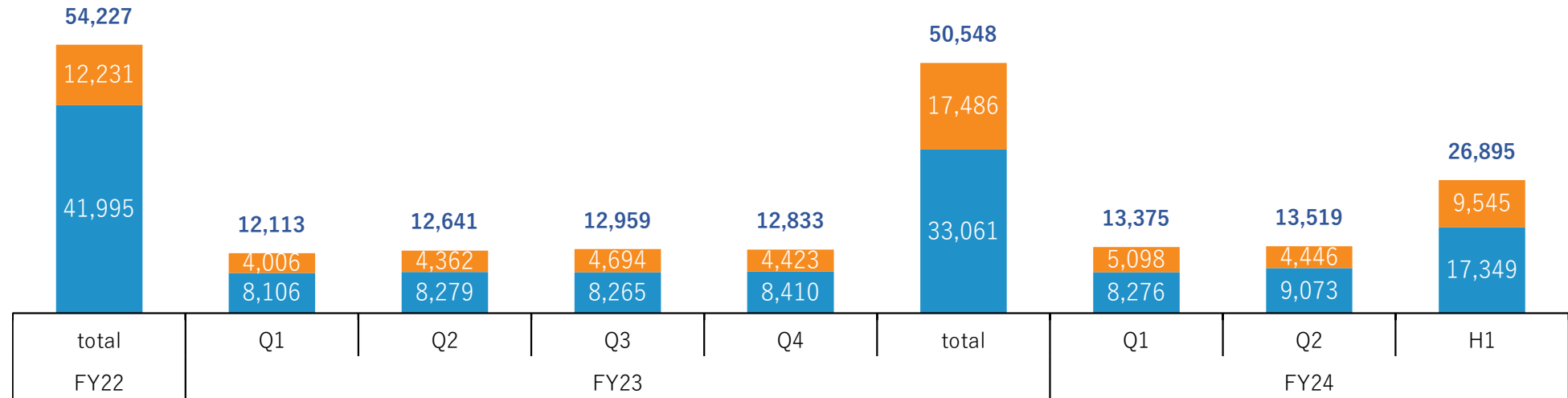
Demand for air conditioning and water supply infrastructure remained strong.



# Trends of Orders Received and Order Backlog

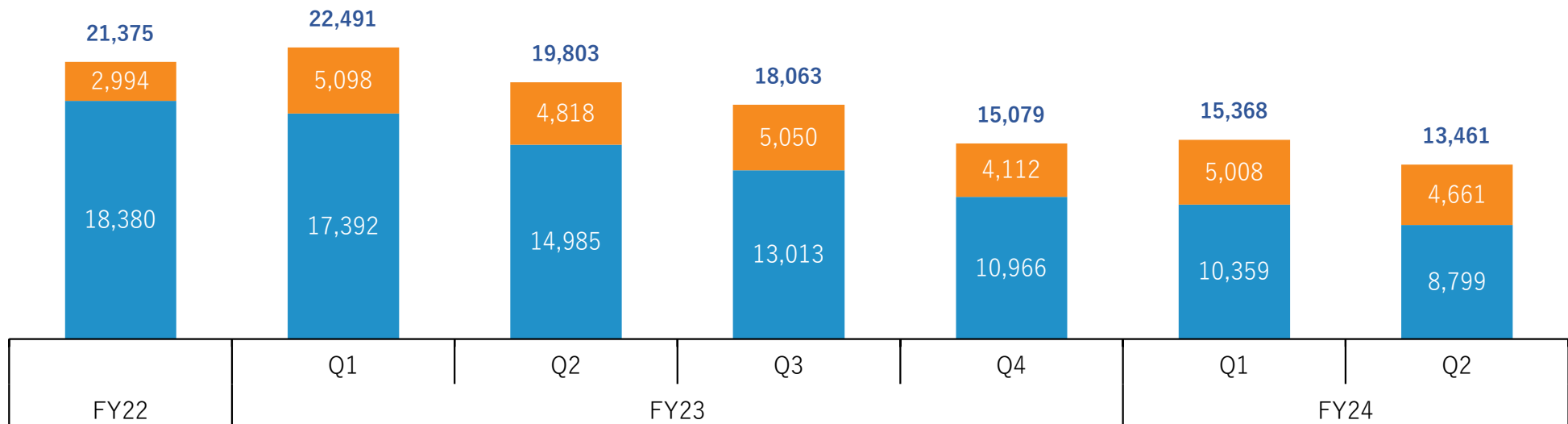
## Orders received (Unit : Million Yen)

■ Electronic Equipment Business ■ Industrial Equipment Business



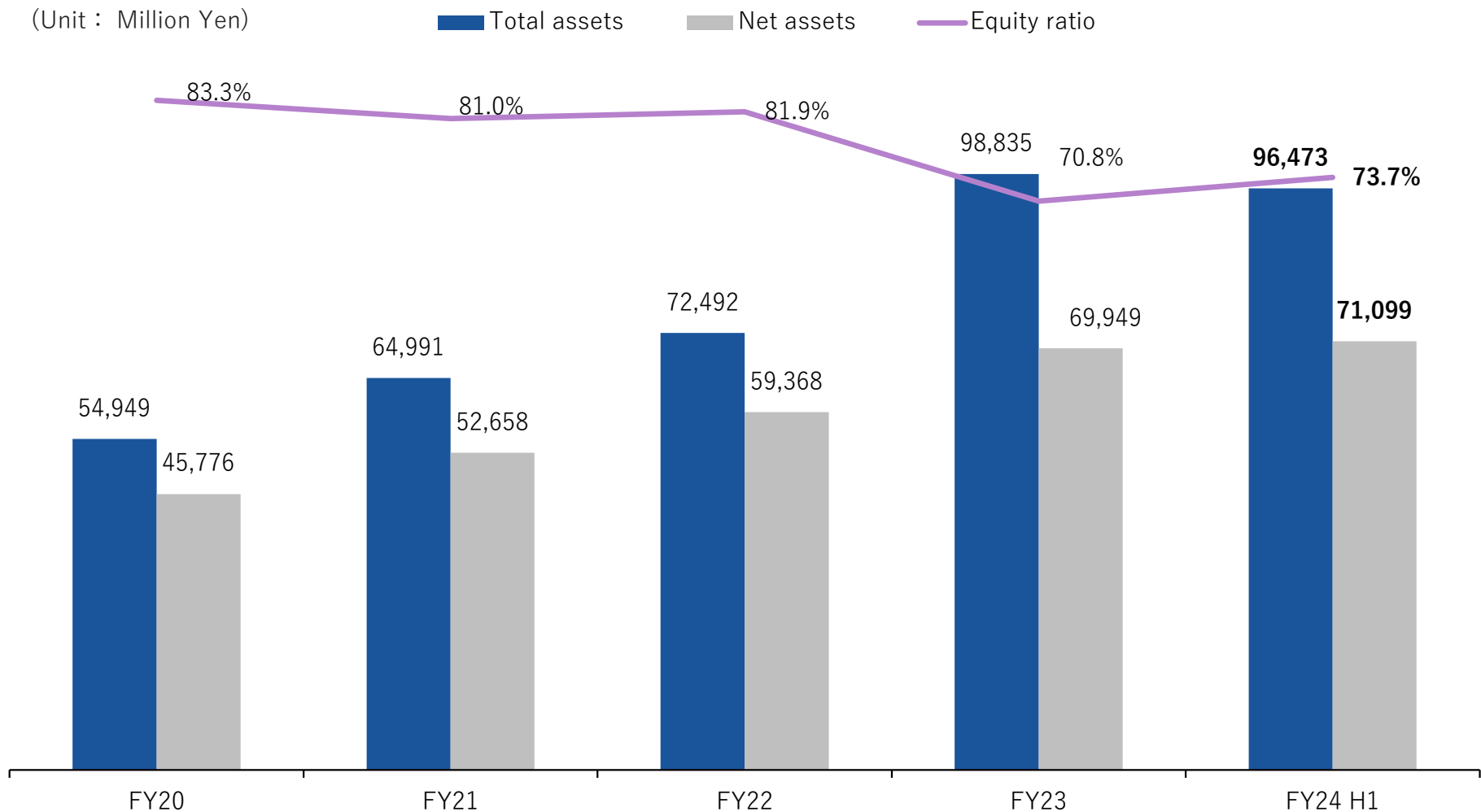
## Order backlog (Unit : Million Yen)

■ Electronic Equipment Business ■ Industrial Equipment Business



# Financial Status

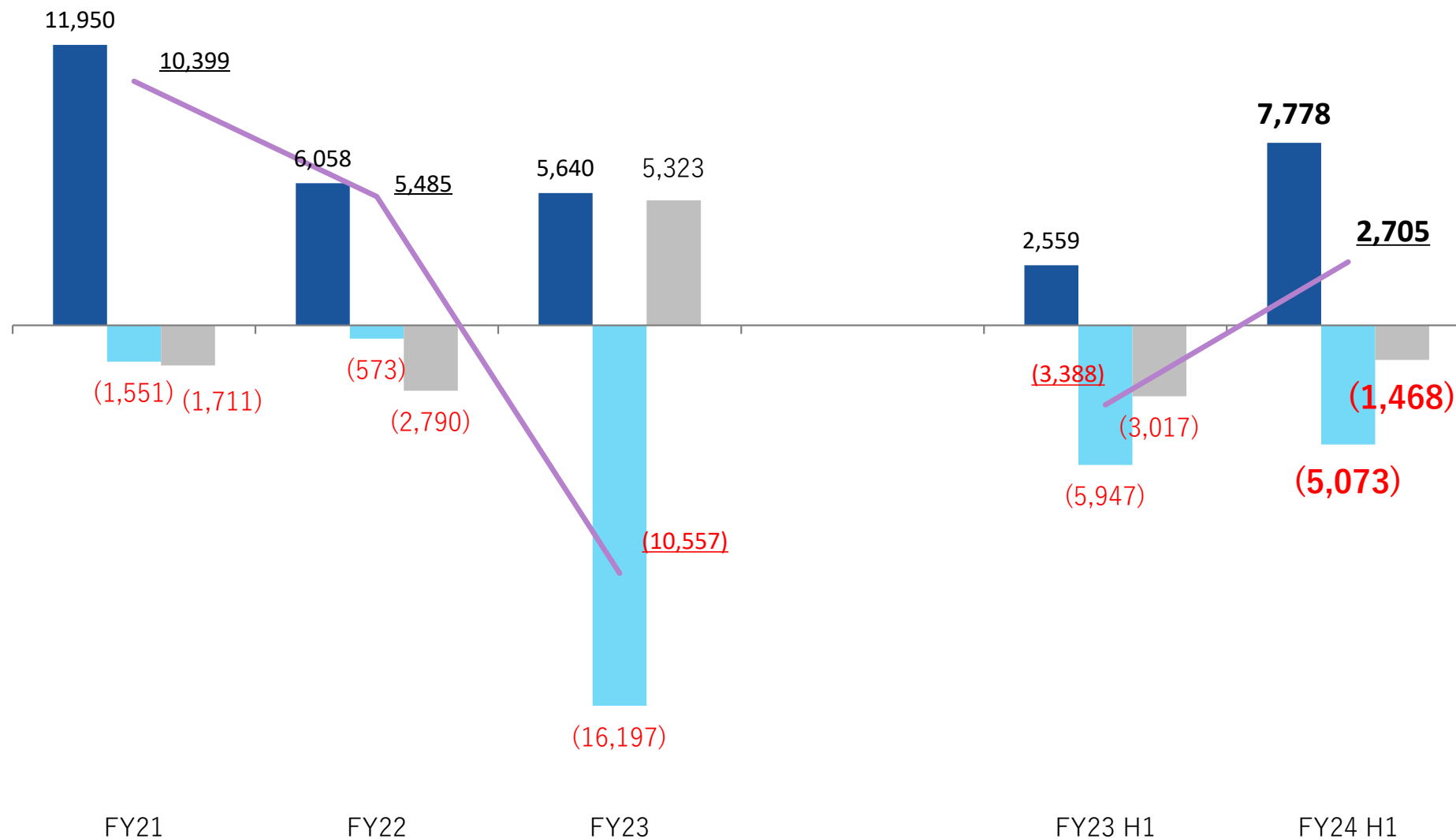
- **Equity Ratio : 73.7%** (+2.9pt compared to the end of FY2023)
- **Electronically recorded obligations for the Fukuchiyama Second Factory and the R&D center at the Sanda factory decreased by nearly 3 billion yen.**



# Cash Flow

(Unit : Million Yen)

■ Cash flows from operating activities 
 ■ Cash flows from investing activities  
■ Cash flows from financing activities 
 — Free cash flow





# 02

## **Full-year Earnings Forecast for the Fiscal Year Ending March 31,2025**

# Summary of Full-Year Earnings Forecast for the FYE March 31,2025

## The FY2024 Forecast remains unchanged.

### Consolidated

(Unit : Million Yen)	FY23 Results	FY24 Forecast	Year-on-Year	
			Change	Change rate(%)
Sales	58,605	<b>62,000</b>	3,395	5.8
Operating income	14,206	<b>13,000</b>	-1,206	-8.5
Operating income ratio	24.2%	<b>21.0%</b>	-3.2P	-
Ordinary income	15,098	<b>13,000</b>	-2,098	-13.9
Net income	10,780	<b>9,000</b>	-1,780	-16.5
Net earnings per share(Yen)	462.57	<b>386.17</b>	-76.40	-
Dividend(Yen)	159	<b>125</b>	-34	-

### By Segment

#### Electronic Equipment Business

Sales	40,475	<b>43,700</b>	3,225	8.0
Operating Income	11,255	<b>10,500</b>	-755	-6.7

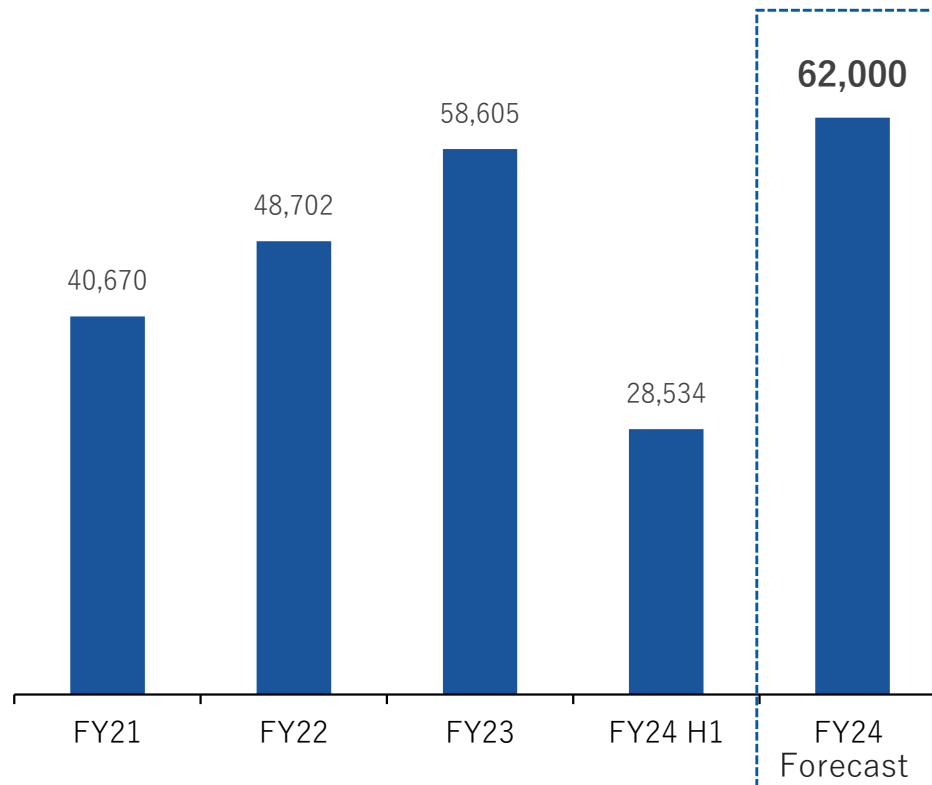
#### Industrial Equipment Business

Sales	18,093	<b>18,300</b>	207	1.1
Operating Income	2,928	<b>2,500</b>	-428	-14.6

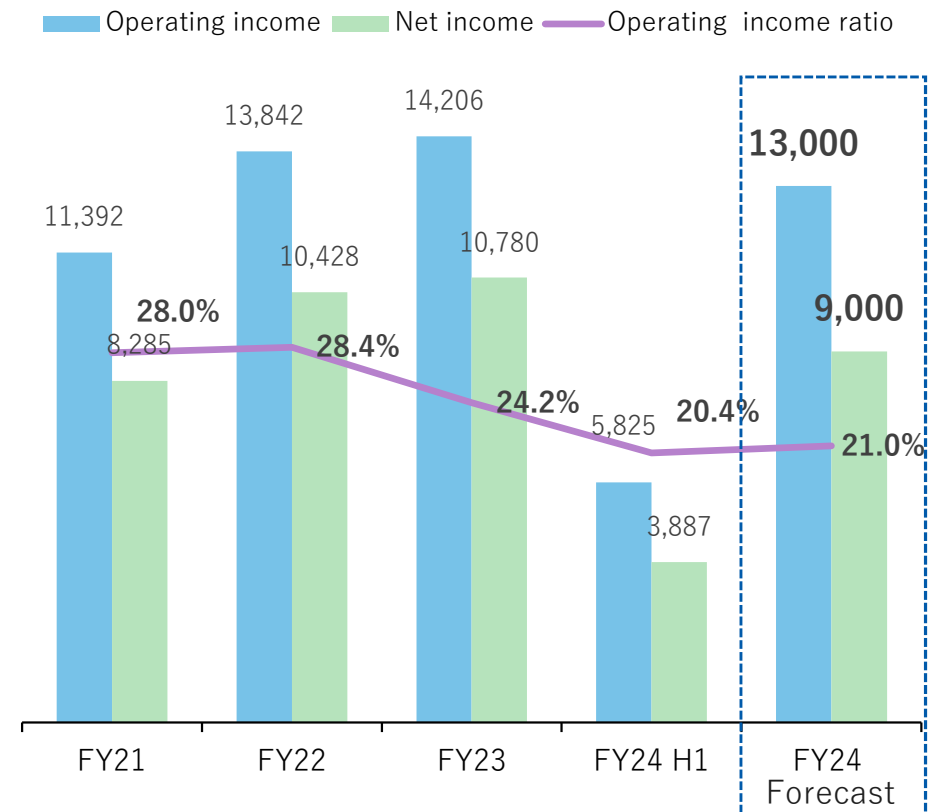
# Trends of Company-wide Performance

- The FY 2024 Forecast remains unchanged, with order recovery expected in the year's second half.
- Progress against plan : Sales 46.0% , OP Income 44.8%
- We are committed to increasing income and improving our OP income ratio through enhanced productivity and company-wide cost reduction.

**Sales** (Unit: Million Yen)



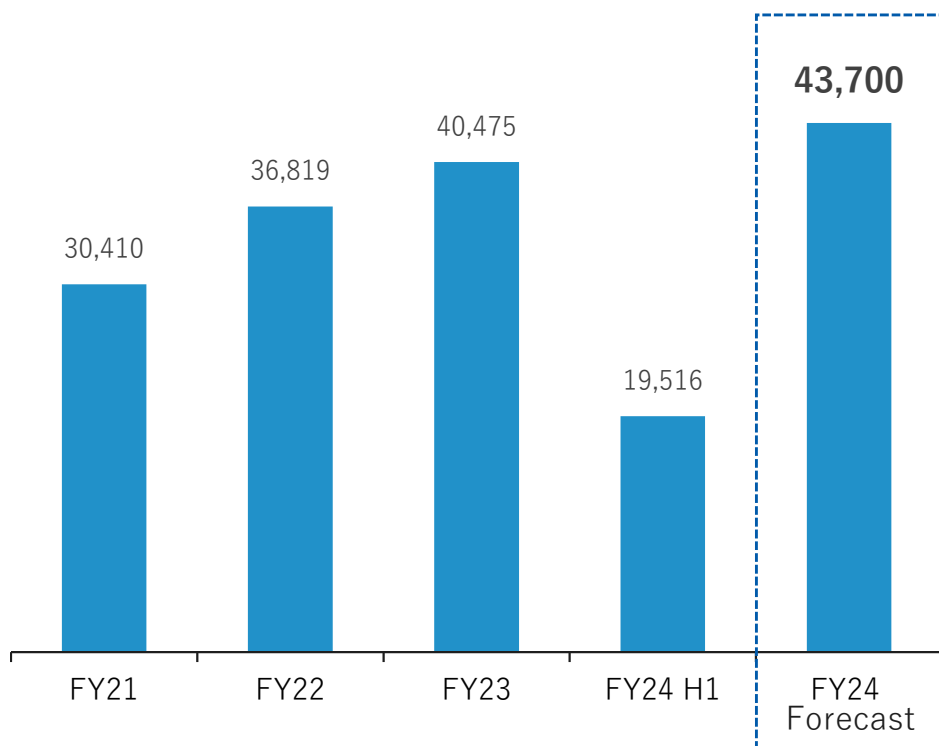
**OP Income • Net Income • OP Income ratio**  
(Unit: Million Yen)



# Electronic Equipment Business Performance Trends

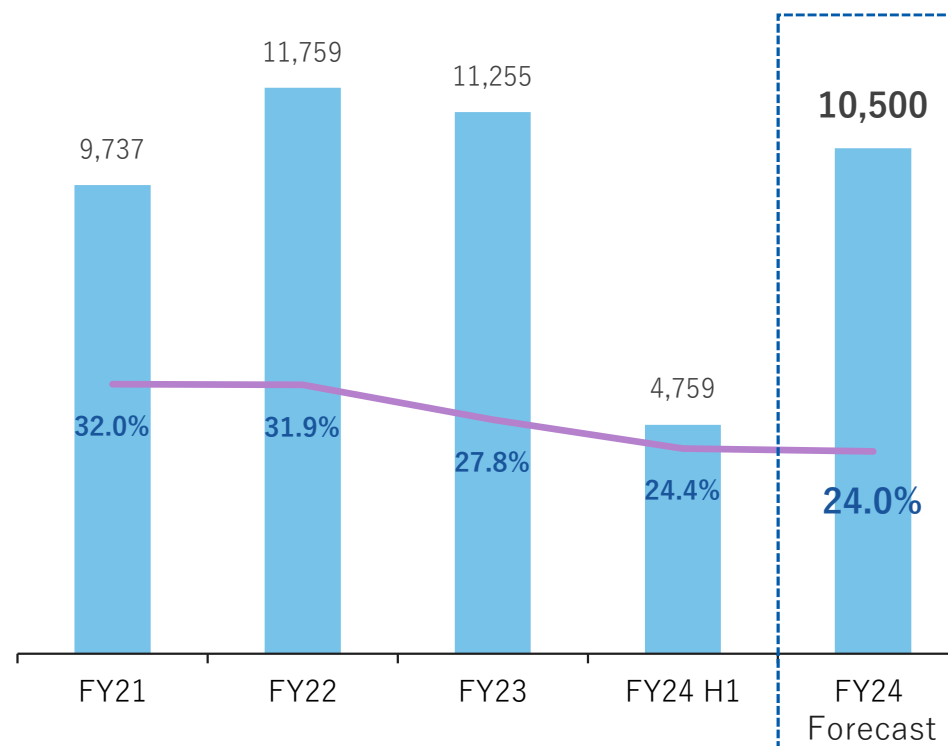
- Sales are expected to reach a record high for the fifth consecutive year.
- Progress against plan : Sales 44.7% , OP Income 45.3%
- With the phased operation of our state-of-the-art facilities, productivity will continue to improve.
- We must closely monitor client trends, given the investment slowdown in China and concerns about the strengthening of regulations due to US-China rivalry.

**Sales** (Unit : Million Yen)



**Operating Income • OP Income Ratio**

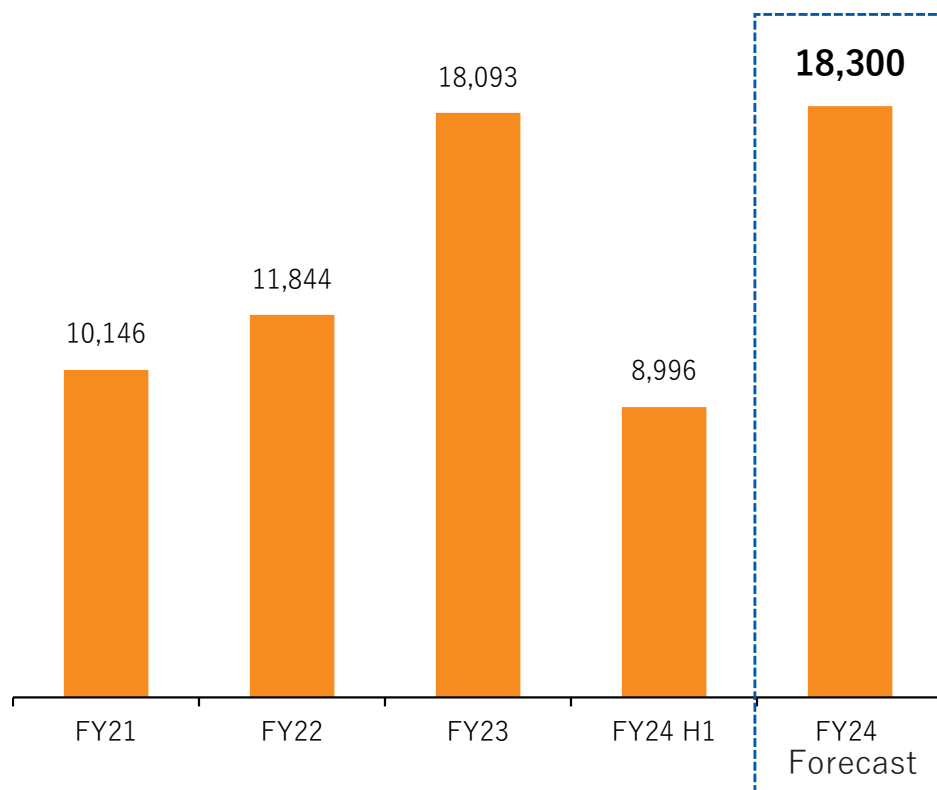
(Unit : Million Yen)



# Industrial Equipment Business Performance Trends

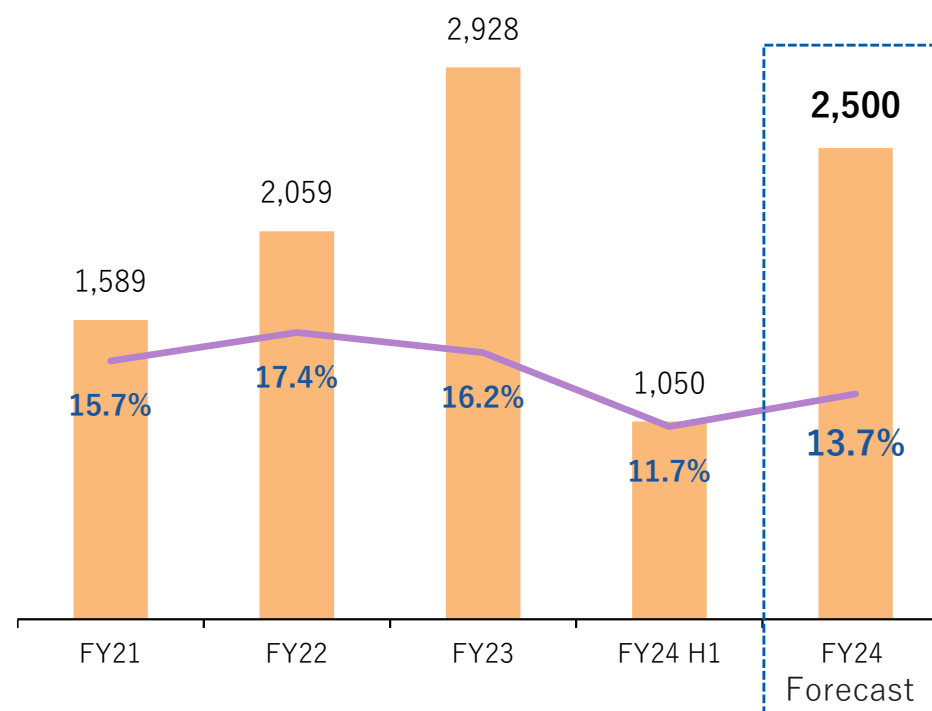
- Sales are expected to reach a record high for the third consecutive year.
- Progress against plan: Sale 49.2% , OP Income 42.0%
- Orders of Rotary Joints are showing mild recovery, and client inventory adjustments are expected to be completed within the year.
- TANKEN SEAL SEIKO continues to perform strongly, with both sales and OP income anticipated to reach record highs for the second consecutive year.

**Sales** (Unit : Million Yen)



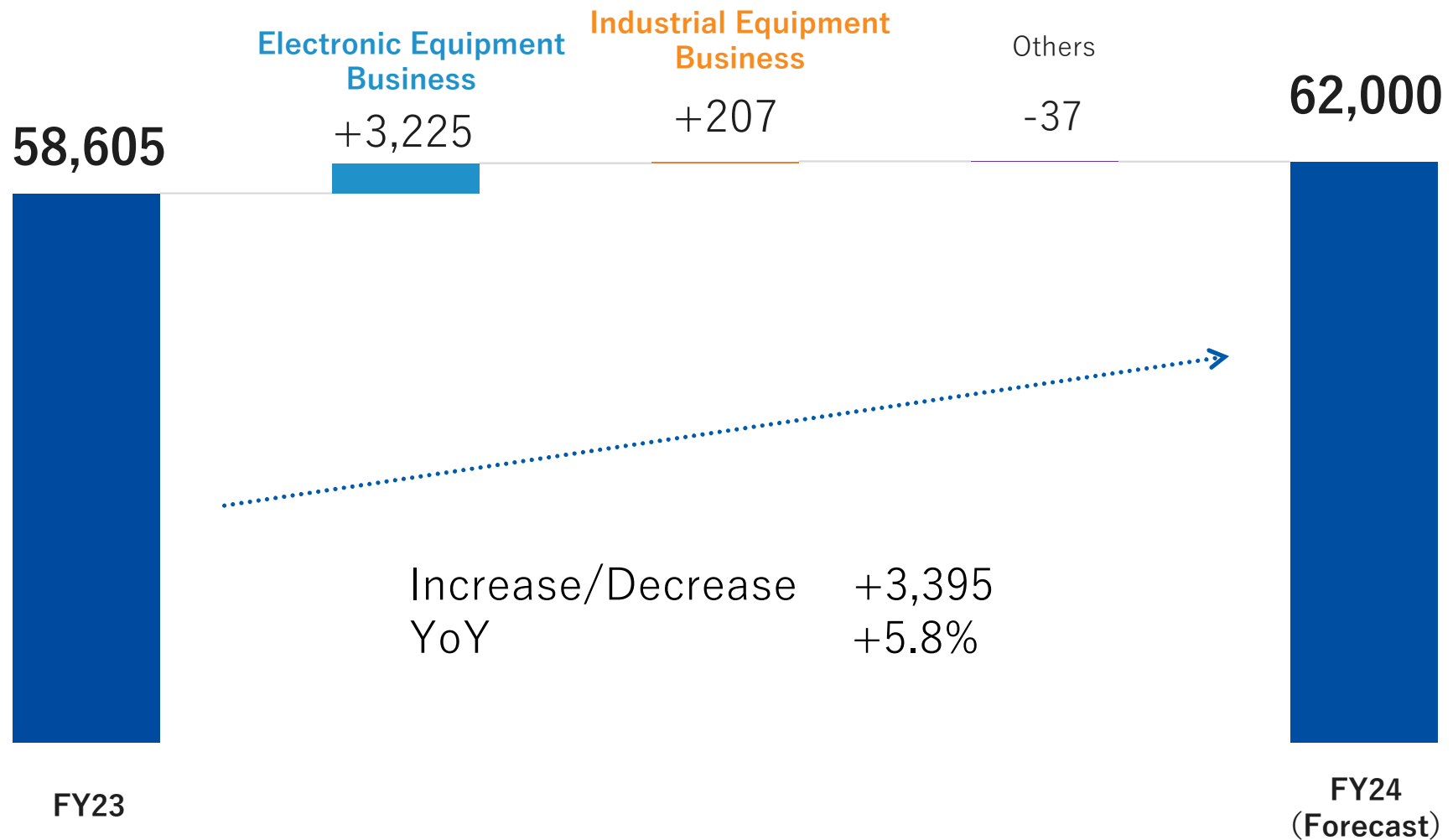
**Operating Income · OP Income Ratio**

(Unit : Million Yen)



# Analysis of Increase/Decrease in Sales for FYE March 31,2025

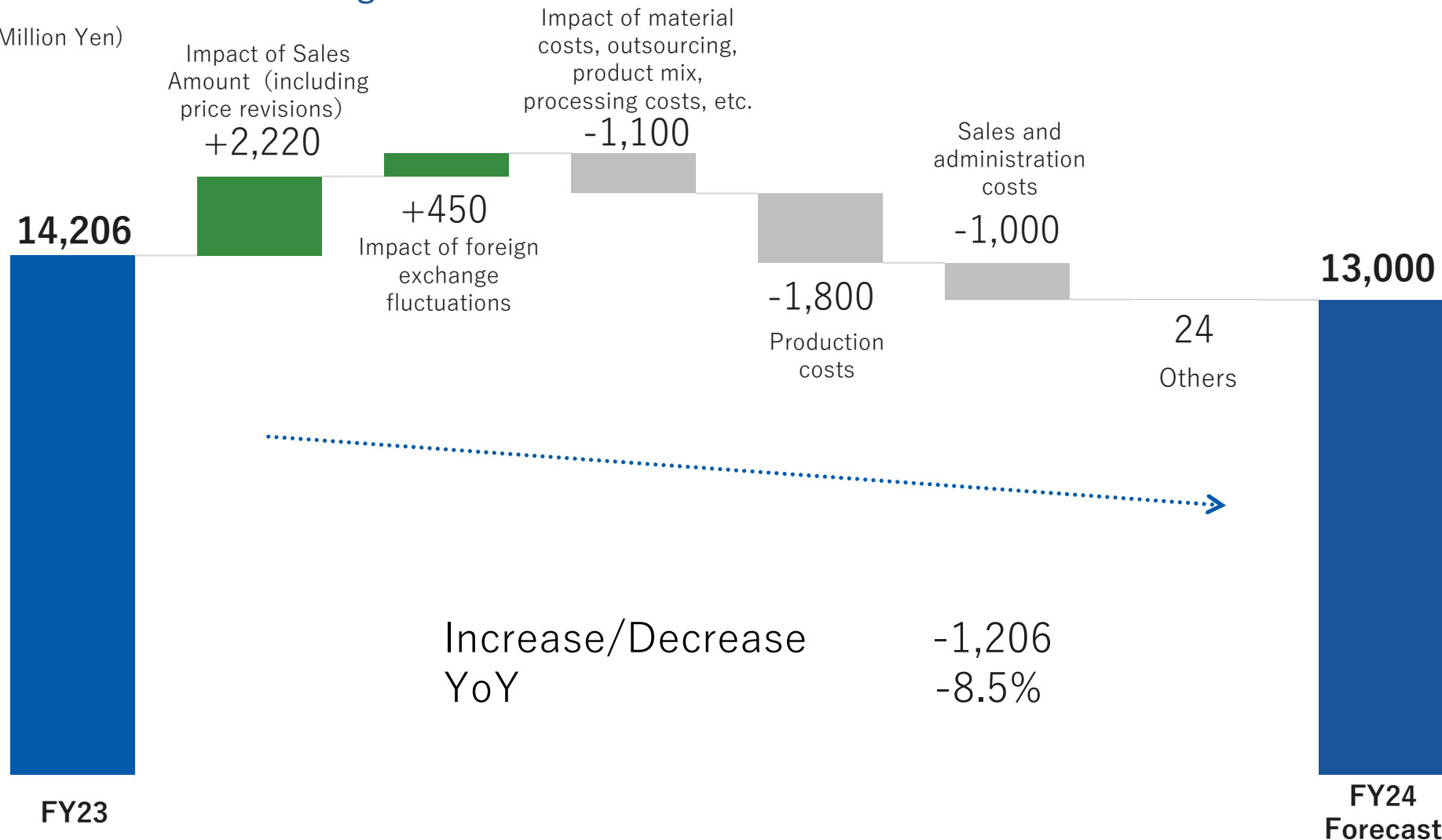
(Unit : Million Yen)



# Analysis of Increase/Decrease in Operating Income for FYE March 31, 2025

- Expenses are expected to decrease by around 200 million yen due to cost reductions related to the 100<sup>th</sup> anniversary ceremony and real estate acquisition tax.
- A 200 million yen increase in costs is anticipated due to rising raw material and energy prices, but this will be offset by personnel reductions.
- We aim to enhance productivity and cost competitiveness through the introduction of state-of-the-art automation and labor-saving facilities.

(Unit : Million Yen)

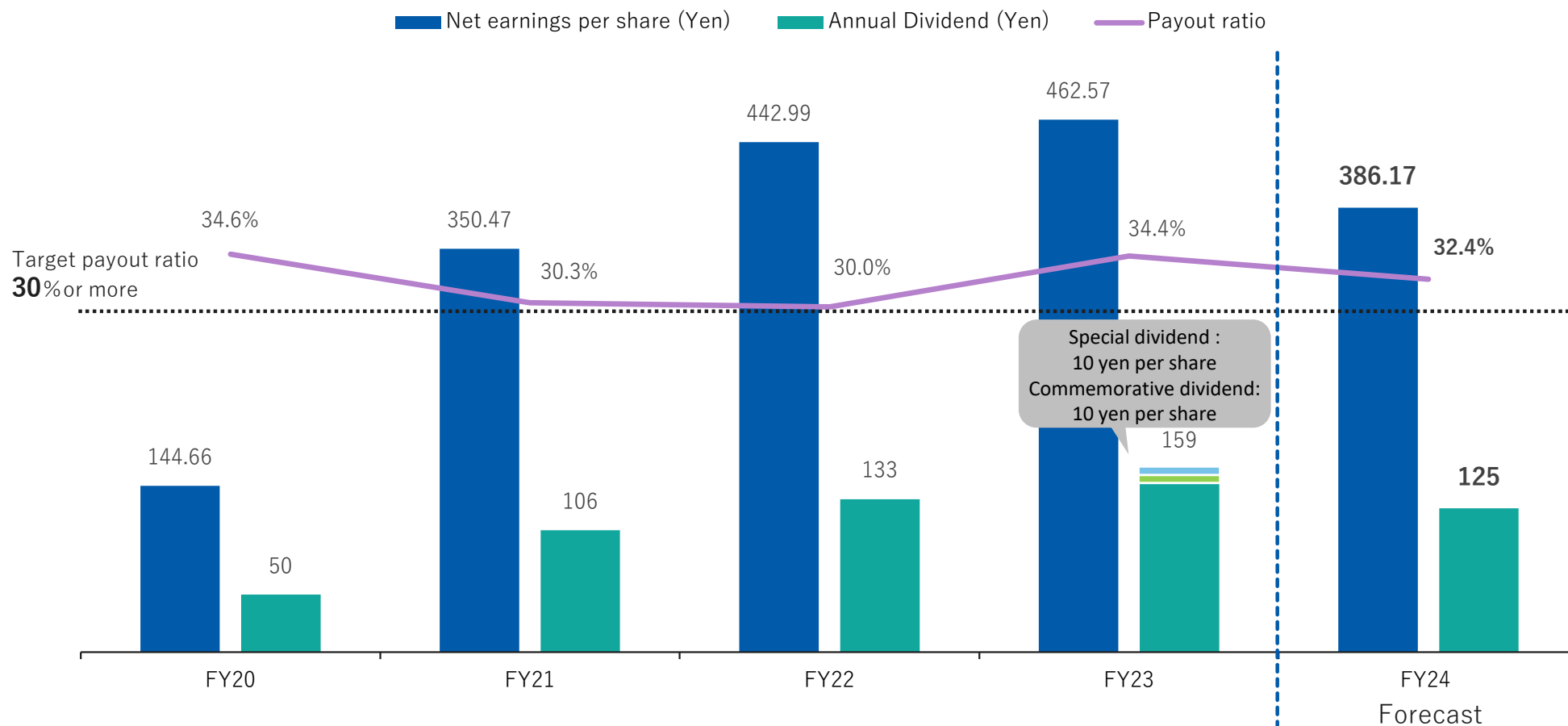


# Return to Shareholders

- **Dividend Policy** : Ensuring stable and continuous payment while targeting a payout ratio of 30% or more
- **Dividend Forecast** : Annual dividend of 125 yen per share (Interim : 54 yen Year-end : 71 yen)
- **Consolidated Payout Ratio** : 32.4%

(Unit : Yen)

## Current net income per share • Dividend • Payout ratio





# 03

## Reference Materials① : Corporate Profile



## Origin of our Company Name

This naming originated from our first product developed in 1924, the “Patented Pillar Packing No. 1”, which was shaped like a pillar.

Established	1924
Representative	Yoshinobu Iwanami
Stock Exchange Listing	Tokyo Stock Exchange Prime Market (code:6490)
Capital	JPY 4,966 million
Business	Manufacturing and selling fluid control equipment
Number of Employees	1,132 (consolidated: As of March 31,2024)
Sales	JPY 58,605 million (consolidated: As of March 31,2024)

## Purpose

### Creating a future that supports society

C L E A N	Minimizing energy consumption and maximizing benefits
S A F E T Y	Safety first and peace of mind at all times
F R O N T I E R	Always at the cutting edge and seeking out new fields

## Corporate Principles

- **Quality First**
- **Cooperation and Harmony**
- **Steady Research**

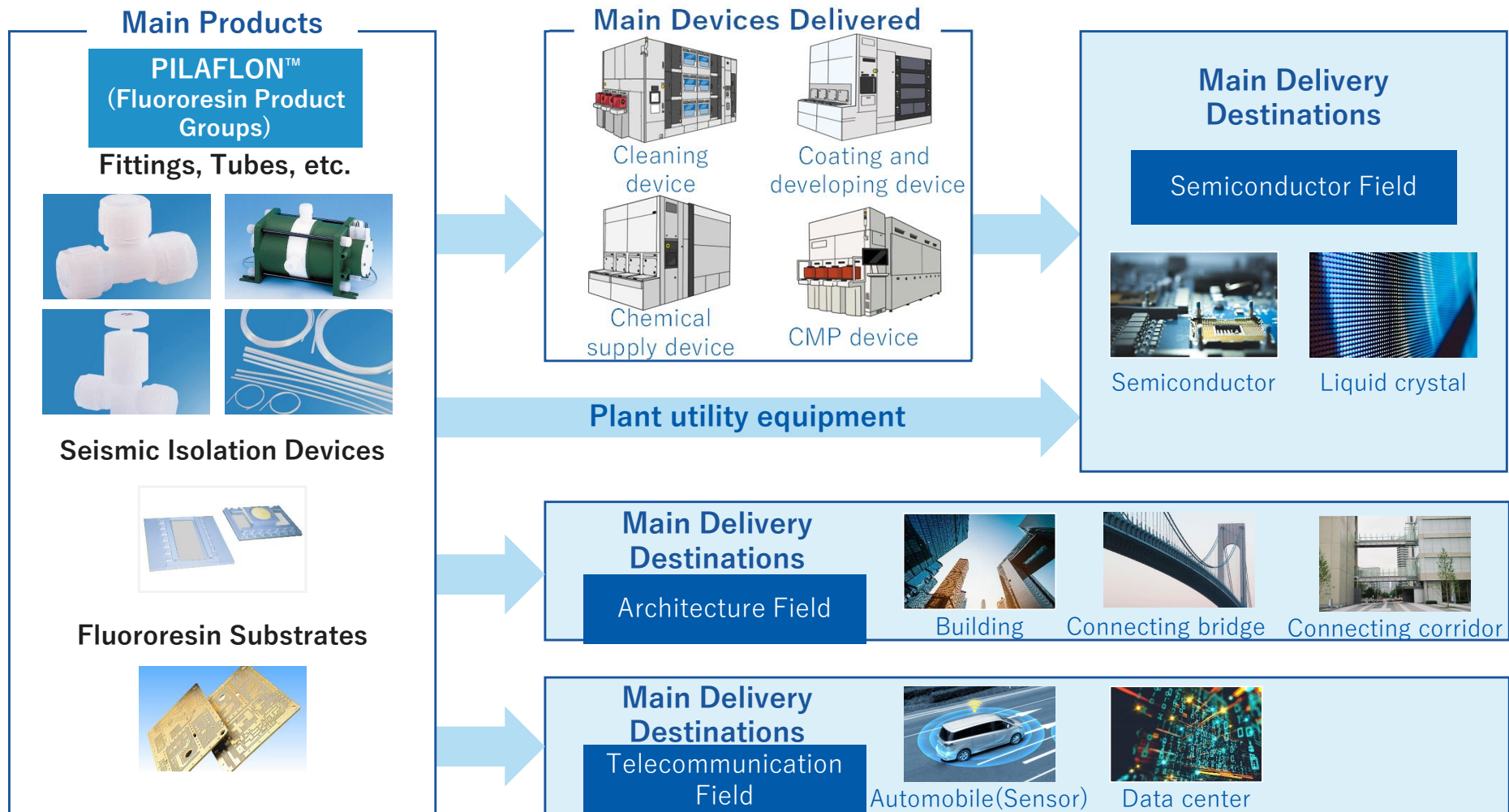
# Electronic Equipment Business

## Main Products and Delivery Destinations

Our product groups that take advantage of fluoro resin's properties such as "chemical resistance", "heat resistance" and "low friction"

Fluoro resin fittings and tubes are unaffected by various chemical liquids. Therefore, they are used in cleaning devices for silicon wafers, which are the foundation of semiconductors.

Additionally, due to their low frictional properties, fluoro resin products are used in seismic isolation devices that protect buildings from earthquake shaking.



# Industrial Equipment Business

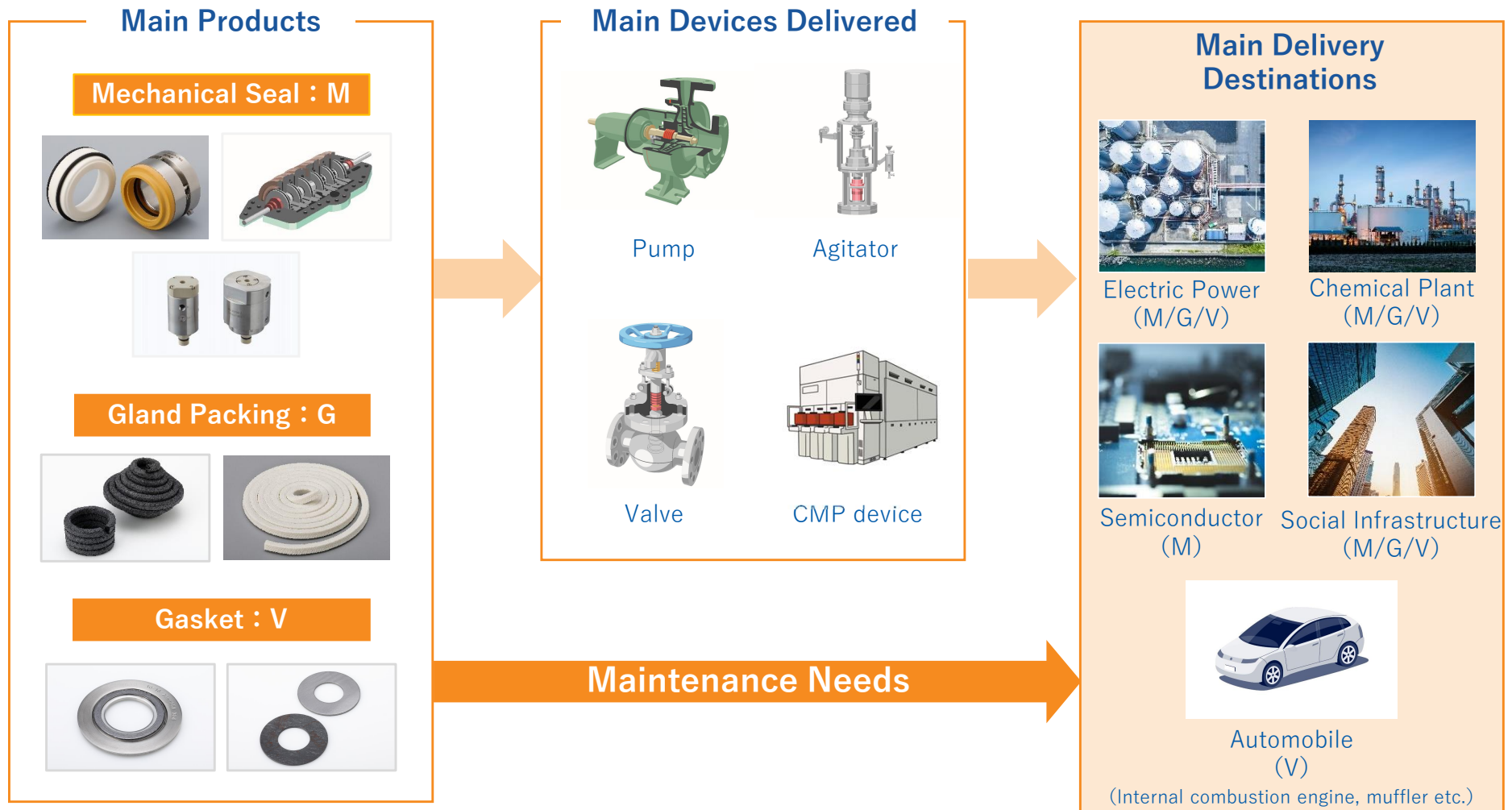
## Main Products and Delivery Destinations

### Mechanical Seals, Gland Packings

These devices prevent leak of fluid under extreme conditions of high temperature and high pressure, and are used in pumps and valves in oil refining and chemical plants.

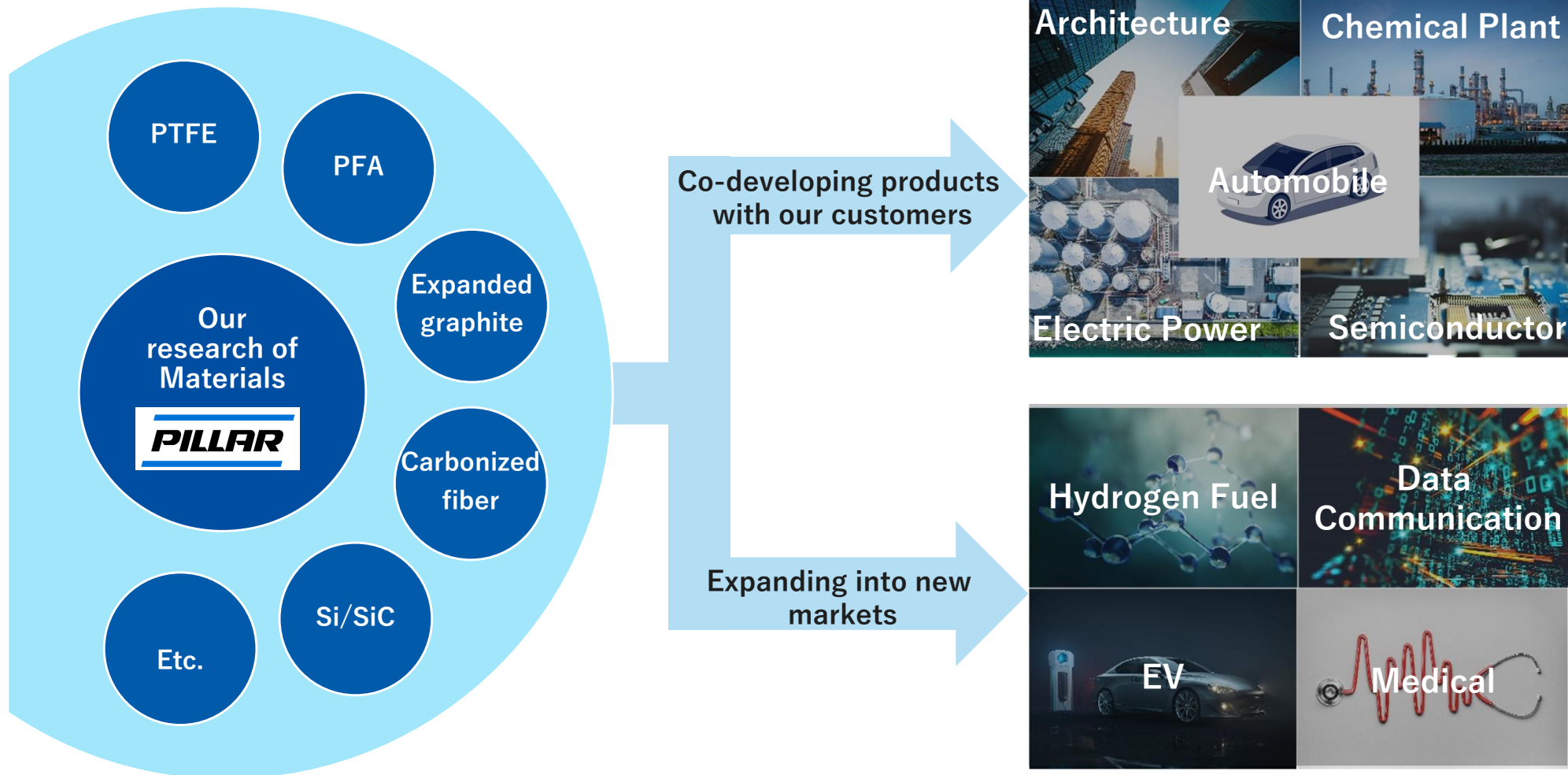
### Gaskets

These parts prevent leaks of fluid at pipe connections and are used in automobile exhaust system.



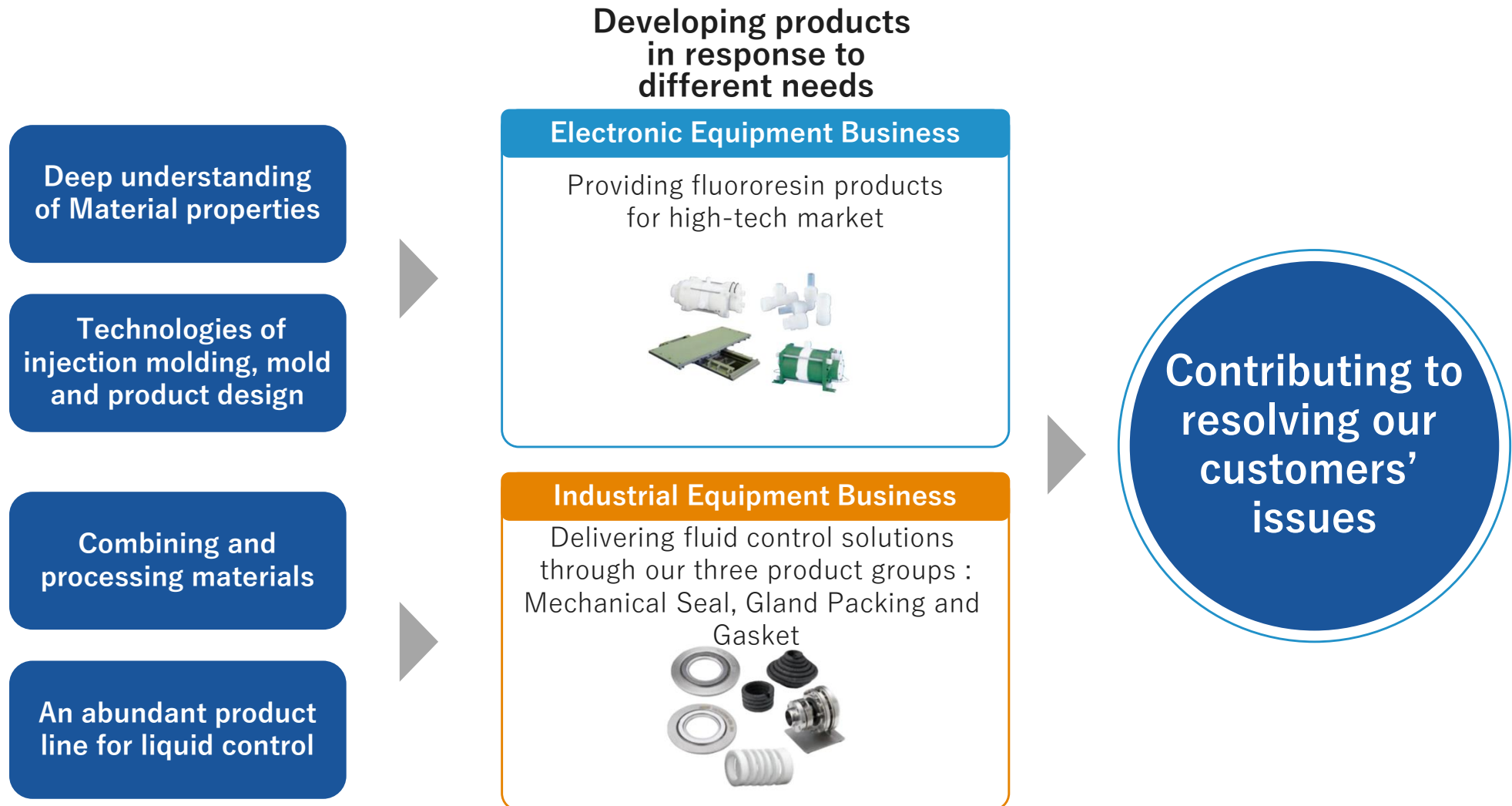
# Our Advantages① Over 100 years of material development capabilities

- Over the past 100 years, we have been conducting independent research and development across various materials, including those used for gas and liquid applications, at both high temperatures and low temperatures.
- With our deep understanding of material properties, we are able to meet the diverse needs of our customers and markets by offering a broad range of solutions.
- Based on our cultivated material development capabilities, we are expanding into new markets such as EVs, hydrogen and next-generation telecommunication (5G/6G).



# Our Advantages② Material × Technology × Abundant Fluid Solutions

- In the Electronic equipment business, leveraging our deep understanding of material properties, we are able to utilize injection molding technology for shapes that commonly requiring cutting, as our technology continues to advance.
- In the Industrial equipment business, by leveraging our 3 products groups specializing in sealings, we offer tailored liquid solutions to our customers and work together to solve their problems.



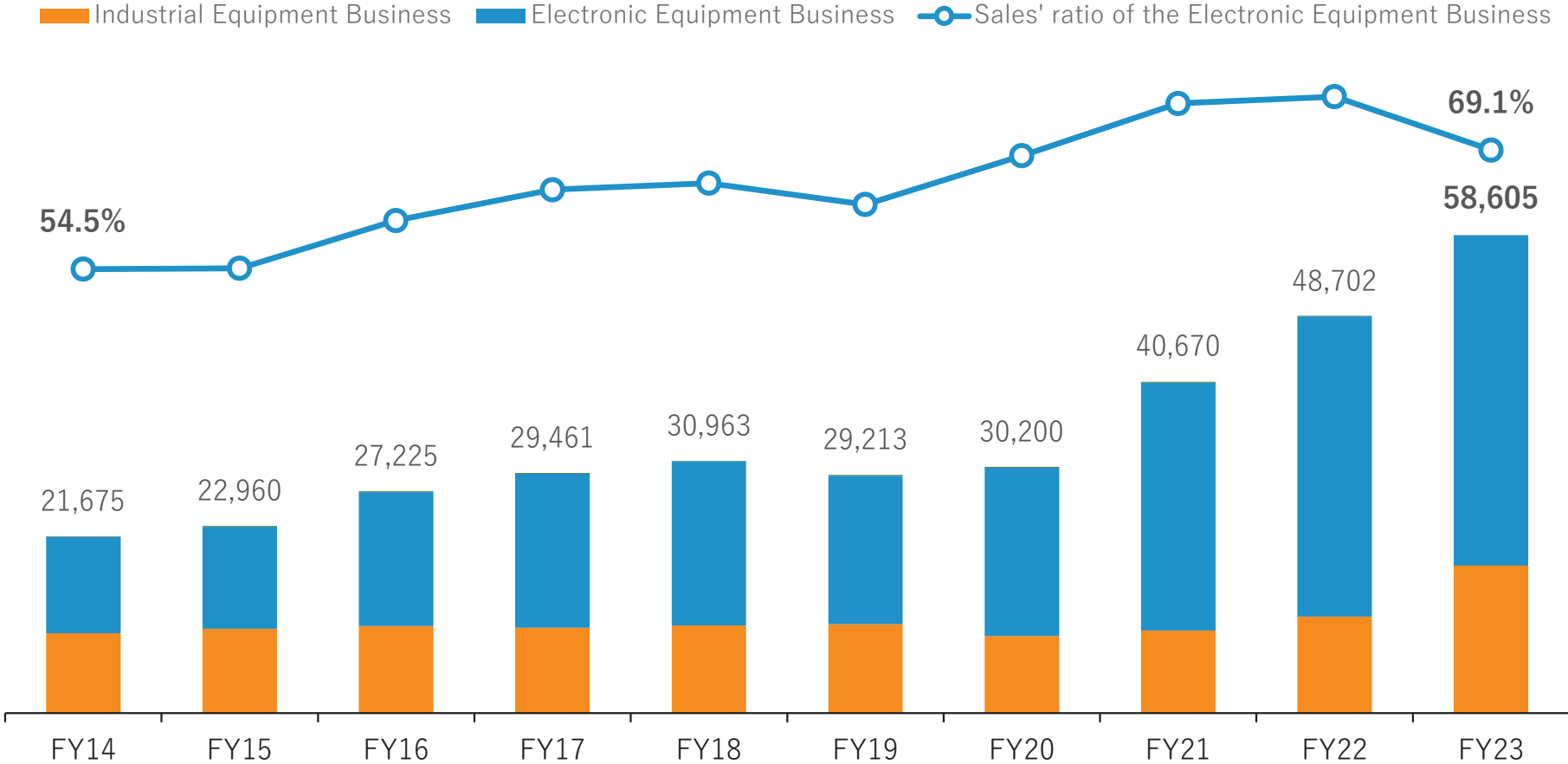


# Sales by Segment and Trend in the Composition Ratio



- The sales composition of the electronic equipment business has increased significantly, from 54.5% in FY2014 to 69.1% in FY2023, due to continuous growth alongside the markets while maintaining a high market share.
- The sales of the industrial equipment business contribute to stabilizing the business foundation due to strong maintenance needs. In FY2023, we expanded our business scale through M&A and are moving towards a management approach that is well-balanced between segments.

(Unit : Million Yen)



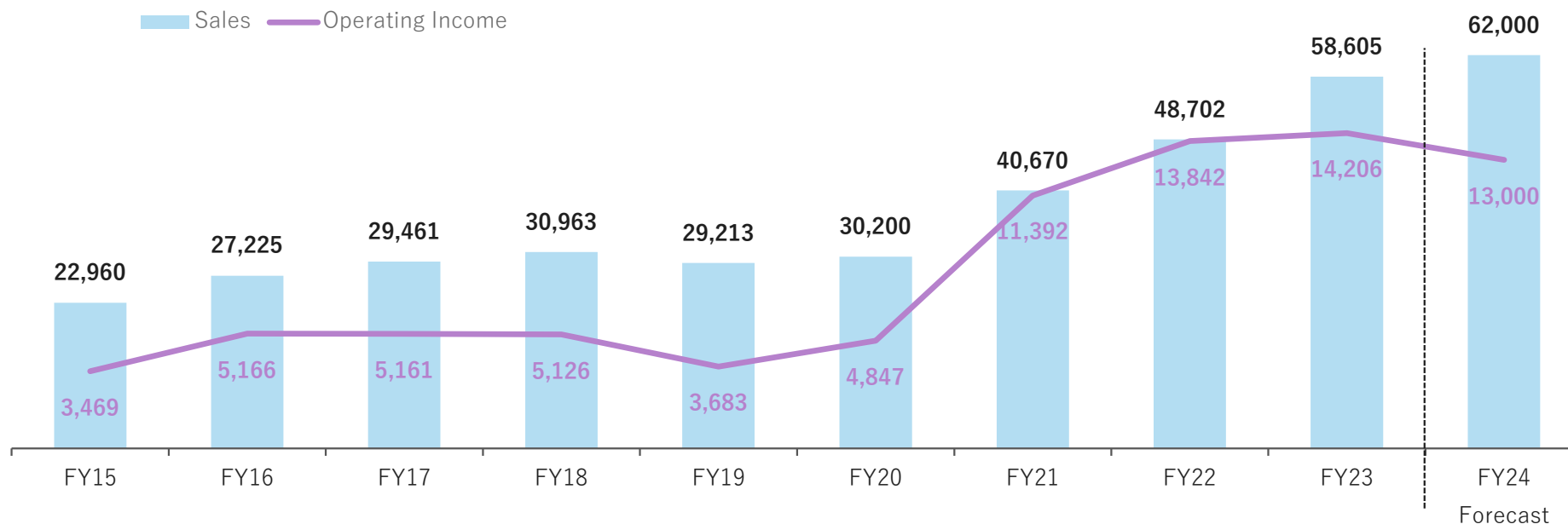
# 04

## Reference Materials② : Key Indexes

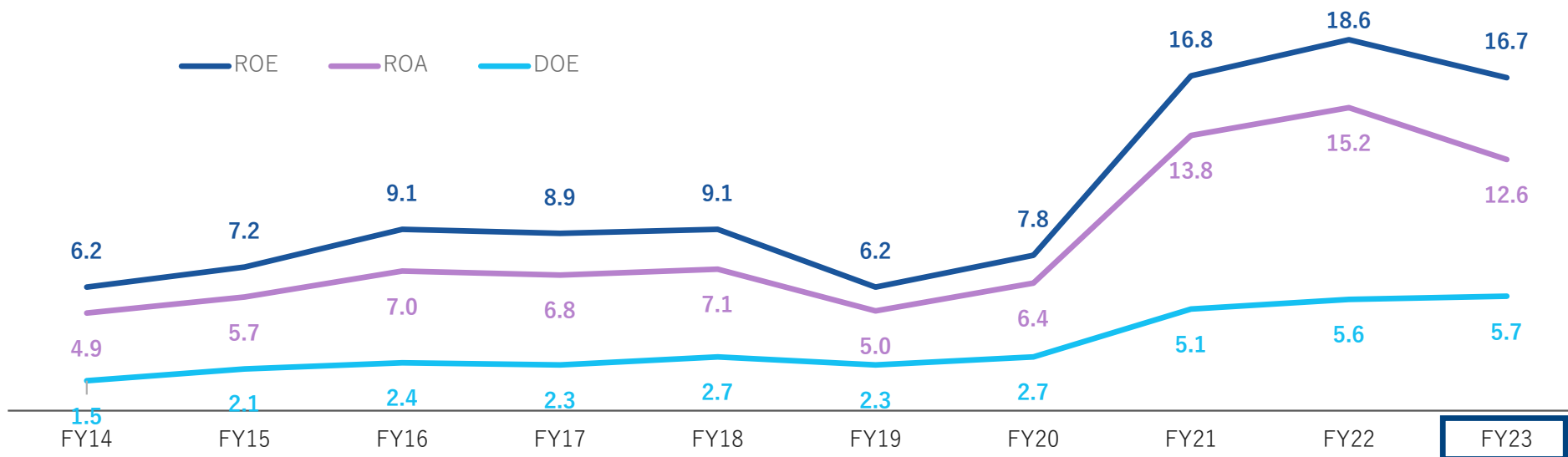


# Long-term Trend of Key Indexes

Sales/Operating Income (Unit : Million Yen)



ROE · ROA · DOE (Unit: %)



# Long-term Trend of P/L

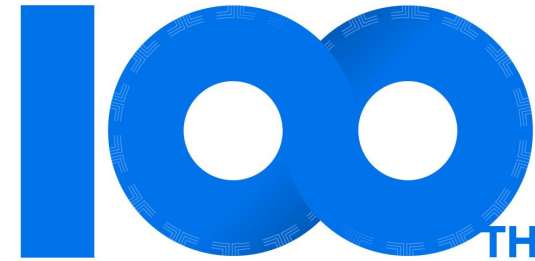
(Unit : Million Yen)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
<b>Sales</b>	21,675	22,960	27,225	29,461	30,963	29,213	30,200	40,670	48,702	58,605
<b>YoY</b>		5.9%	18.6%	8.2%	5.1%	-5.7%	3.4%	34.7%	19.7%	20.3%
<b>Operating Income</b>	3,226	3,469	5,166	5,161	5,126	3,683	4,847	11,392	13,842	14,206
<b>YoY</b>		7.5%	48.9%	-0.1%	-0.7%	-28.2%	31.6%	135.0%	21.5%	2.6%
<b>Ordinary Income</b>	3,447	3,493	5,255	5,156	5,227	3,725	5,094	11,821	14,136	15,098
<b>YoY</b>		1.3%	50.4%	-1.9%	1.4%	-28.7%	36.8%	132.1%	19.6%	6.8%
<b>Net Income</b>	1,986	2,397	3,204	3,422	3,719	2,635	3,445	8,285	10,428	10,780
<b>YoY</b>		20.7%	33.7%	6.8%	8.7%	-29.1%	30.7%	140.5%	25.9%	3.4%
<b>Net earnings per share (Yen)</b>	80.29	97.23	131.06	139.98	152.13	108.57	144.66	350.47	442.99	462.57
<b>Net assets per share (Yen)</b>	1,337.54	1,386.81	1,502.79	1,629.39	1,724.93	1,781.16	1,937.02	2,227.16	2,548.19	3,001.02
<b>Dividend per share (Yen)</b>	20	28	34	36	45	40	50	106	133	159
<b>ROE (%)</b>	6.2	7.2	9.1	8.9	9.1	6.2	7.8	16.8	18.6	16.7
<b>ROA (%)</b>	4.9	5.7	7.0	6.8	7.1	5.0	6.4	13.8	15.2	12.6

# Long-term Trend of B/S

(Unit : Million Yen)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
<b>Current assets</b>	26,124	25,279	29,832	28,821	28,375	27,025	27,994	38,050	44,605	49,274
<b>Non-current assets</b>	15,342	16,884	19,514	22,717	24,597	26,165	26,955	26,941	27,886	49,561
<b>Total assets</b>	41,466	42,164	49,347	51,539	52,972	53,190	54,949	64,991	72,492	98,835
<b>Current liabilities</b>	6,213	6,267	9,193	8,960	8,608	8,313	7,133	10,113	10,492	14,078
<b>Non-current liabilities</b>	2,154	1,991	3,413	3,137	2,194	1,866	2,038	2,219	2,631	14,807
<b>Net assets</b>	33,099	33,905	36,740	39,834	42,169	43,010	45,776	52,658	59,368	69,949
<b>Equity Ratio (%)</b>	79.8	80.4	74.5	77.3	79.6	80.9	83.3	81.0	81.9	70.8
<b>Current Ratio (%)</b>	420.5	403.4	324.5	321.7	329.6	325.1	392.5	376.2	425.1	350.0
<b>Fixed Assets to Equity Ratio (%)</b>	46.4	49.8	53.1	57.0	58.3	60.8	58.9	51.2	47.0	70.9
<b>Debt to Equity Ratio (%)</b>	25.3	24.4	34.3	30.4	25.6	23.7	20.0	23.4	22.1	41.3

# Long-term Trend of C/F

(Unit : Million Yen)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
<b>Cash flow from operating activities</b>	2,957	3,074	3,220	3,752	5,035	4,064	5,676	11,950	6,058	5,640
<b>Cash flow from investing activities</b>	-1,378	-3,230	-2,363	-3,244	-3,902	-2,950	-3,705	-1,551	-573	-16,197
<b>Cash flow from financing activities</b>	-839	-1,145	813	-1,455	-1,493	-1,862	-2,238	-1,711	-2,790	5,323
<b>Cash and cash equivalents at end of period</b>	12,561	11,132	12,729	11,813	11,582	10,798	10,517	19,809	22,284	17,878
<b>Free cash flow</b>	1,579	-156	857	508	1,133	1,114	1,971	10,399	5,485	-10,557
<b>Capital Investment</b>	1,703	1,475	4,189	3,008	5,110	3,531	972	992	1,751	15,115
<b>Depreciation Cost</b>	954	940	1,022	1,397	1,718	1,822	2,056	1,991	1,954	2,652
<b>R&amp;D Cost</b>	551	634	757	808	1,022	1,045	1,108	1,015	1,115	1,380



- This material includes descriptions about forecasts, plans and outlooks of future business performance. These descriptions do not guarantee the future business performance and contain elements of risk and uncertainty.
  - Please note that the future business performance may largely differ from the contents described in this presentation material due to economic information of main markets, changes in product demand, effects of exchange rates, various regulations in Japan and overseas, and changes in accounting standards and practices.
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- \* Note: This material has been translated from the Japanese original for reference purposes only.  
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### Clip of our Company and Products

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