PILLAR's Materiality

Materiality

The PILLAR GROUP seeks to contribute to a sustainable society through practicing our Motto of "Quality First, Cooperation and Harmony, Steady Research." With Clean, Safety, and Frontier as our keywords, we are advancing initiatives for our purpose of creating a future that supports society. As one aspect of this, we have specified the material issues that PILLAR must work on as a group that has single-mindedly refined its technologies for controlling fluids.

Materiality for PILLAR

As stated in our Sustainability Policy, in order to contribute to a sustainable society through our business and to realize sustained corporate value, we have identified material issues that the PILLAR GROUP must address.

As guideposts for business promotion and through our business activities as a Group, these issues will serve to generate a positive impact on society and the environment, or to reduce any negative impact that we may have.

Based on the management environment that surrounds us, changes to global needs in relation to social issues, advice that we receive during our dialogues with stakeholders, and so on, going forward, we will seek to review and reexamine this materiality as appropriate.

■ The Materiality Identification Process

Understanding the present situation and identifying social issues

During repeated discussions and deliberations about understanding and analyzing the reality of our business activities and about issues that must be addressed going forward, we checked these against the 169 SDG targets and ISO 26000 global guidelines. We also referred to important issues at other companies and incorporated expert opinions.

Assessing and prioritizing social issues

Through repeated discussions among management, we assessed and narrowed down a list of social issues. We determined the importance of the management perspective from the point of view of contributing to sustained growth for the Group, along with the importance of stakeholder perspectives that reflect the needs of those stakeholders and of society. We then hybridized these two focal points to assess their materiality and decide an order of priority.

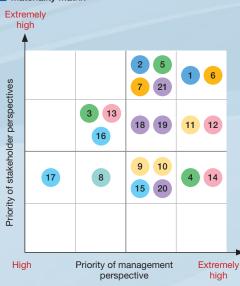
Confirming the validity of materiality proposals

We incorporated the opinions of outside experts to confirm the objectivity and validity of the materialities we had mapped in line with prioritization.

Approval at management and Board of Directors meetings

While reflecting the opinions we had received from experts, we identified materiality groups and the materialities within them. We then confirmed their validity for the PILLAR GROUP at management meetings. Lastly, decisions were made after receiving approval from the Board of Directors.

Materiality Matrix



The PILLAR GROUP's Material Issues

- 1 Development and manufacture of products through the use of fluid control technology and material technology, etc., to enable decarbonization and energy conservation
- 2 Expanding clean energy and energy savings in manufacturing
- ® Development and manufacture of sealing products using IT/DX technology and sustainable raw materials
- 4 Development and manufacture of resource-conserving products
- Sesource efficiency and sustainability through improved production technology (IT/DX, autonomation), etc. and 3Rs of waste
- 6 Development and manufacture of products that contribute to the prevention of chemical pollution and the conservation of water resources
- 7 Prevention of chemical pollution in manufacturing and conservation of water resources
- 8 Promoting biodiversity conservation at each base
- 9 Development and manufacture of products to cope with disasters such as earthquakes and floods
- 10 Development and manufacture of new products by applying technology to meet market needs (sensor business, IoT utilization, etc.)
- 11 Pursuit of safety and quality assurance of product services
- 12 Occupational safety and health
- 18 Respecting human rights and promoting diverse human resources and work styles
- 14 Human resources development, recruitment and retention
- ¹⁵ Creating innovation through collaboration among industry, government, and academia
- 6 Promoting CSR procurement
- Contribution to regional and community development
- ® Ensuring board independence and transparency
- Stablishing a system for managing potential risks in business activities
- Implementing our corporate principles and integrity
- 2) Corruption prevention

SDGs Related to the PILLAR GROUP's Material Issues

Materiality group	Materiality	KPIs / FY2025 targets	FY2023 results	Related SDGs	Reference page(s)
Decarbonization and energy saving	Development and manufacture of products through the use of fluid control technology and material technology, etc., to enable decarbonization and energy conservation	Sales of 3.1 billion yen for environmental contribution products	Sales of environmental contribution products of 2.6 billion yen Developed products that contribute to the carbon-neutral market (hydrogen, EVs, etc.) and energy conservation	7 constant of the state of the	P56
	Expanding clean energy and energy savings in manufacturing	25% reduction in company CO ₂ emissions (compared to FY2013) Installation of equipment for solar power generation for internal consumption	CO2 emissions (Scopes 1+2) of 14,861 t-CO2 (22.9% increase) Completed installation of equipment for solar power generation for internal consumption at three production bases	7 minutes 9 minutes 2 minu	P59
Circular economy and resource conservation	Development and manufacture of sealing products using IT/DX technology and sustainable raw materials	Expand the lineup of environmentally friendly products Establish technologies for the internal production of recycled resins	Developed low-leakage, high-performance packings that comply with standards in Europe and North America Continued to utilize recycled resins	3 minutane 	P29, 30, 39, 40
	Development and manufacture of resource-conserving products	Market launch of at least three products that contribute to resource conservation by customers	Launched two new resource-conserving products to market	7 minutes 8 minutes received 9 minutes received 12 minutes received 13 minutes received 13 minutes received 13 minutes received 13 minutes received 14 minutes received 15 minutes r	_
	Resource efficiency and sustainability through improved 5 production technology (IT/DX, autonomation), etc. and 3Rs of waste	Reduce development lead times and improve productivity	Completed construction of our Fukuchiyama Factory No. 2 with a view to increasing production capacity	8 market and 9 minimized to 12	P37 and 38
Prevention of chemical pollution and conservation of water resources	Development and manufacture of products that 6 contribute to the prevention of chemical pollution and the conservation of water resources	Develop and manufacture products that contribute to preventing chemical pollution and conserving water resources	Launched to market fully split mechanical seals for water turbines	3 minutes 4 minutes 6 minutes 8 minutes 11 minutes 12 minutes 14 minutes 14 minutes 14 minutes 15 minutes 15 minutes 16 minutes 16 minutes 16 minutes 17 minutes 17 minutes 18 minut	_
	Prevention of chemical pollution in manufacturing and conservation of water resources	Abolish three chemical substances specified by the Pollutant Release and Transfer Register (PRTR) Act	Switched some lapping oils	3 introducing	P60
Biodiversity conservation	Promoting biodiversity conservation at each base	Promote nature conservation work	Cooperated with work to conserve cherry blossom trees in Sanda City	14 till to the second s	P60
Product development and manufacturing in response to social issues	9 Development and manufacture of products to cope with disasters such as earthquakes and floods	Develop seismic isolation products in response to customer BCPs Deliver to factories, public facilities, and redevelopment projects	Adopted seismic isolators for the first time in line with long-period ground motion measures	1 man.	_
	Development and manufacture of new products by applying technology to meet market needs (sensor business, IoT utilization, etc.)	Develop new materials and technologies and invest in new products Begin solutions service using IoT devices for monitoring the state of mechanical seals	Consolidated technical expertise with the completion of the R&D Center at the Sanda Factory Began tests using demonstration IoT devices for monitoring the state of mechanical seals	3 monatorial 8 monatorial 9 monatorial 11 mo	P37-40
	Pursuit of safety and quality assurance of product services	Promote work reforms	Implemented activities for self-process completion and work reform	8 HERITOGRAPH	_
Creation of workplaces that enable diverse human resources to grow and succeed	12 Occupational safety and health	Eliminate occupational accidents (zero lost-time injuries) Promote health management initiatives	One incident of lost-time injury Certified as an "Excellent Corporation for Health and Productivity Management 2024"	3 management 8 minorary	P53
	Respecting human rights and promoting diverse human resources and work styles	Ratio of female managers of at least 5% 100% participation rate of managers in DE&I training programs	3.3% ratio of female managers 100% participation rate of managers in DE&I training programs	3 manufacture 4 means	P50-53
	Human resources development, recruitment and retention	Investment in human resources development of 95,000 yen per person At least 30% of new hires to be women	Investment in human resources development of 71,000 yen per person 22% of new hires were women	4 mers 5 man 8 more man 6 more ma	P50-52
Living in harmony with the world and society	Creating innovation through collaboration among industry, government, and academia	Establish a working group to promote open innovation, and seek to upgrade core technologies and acquire new technologies	Conducted collaborative research with a university for understanding the phenomenon of hydrogen tribology. Continued dispatching engineers to universities (developing data scientists)	8 moreowen. 9 moreowen. 17 moreowen.	P39 and 40
	16 Promoting CSR procurement	Conduct CSR procurement questionnaire Hold business partner policy briefings	100% response rate to CSR procurement questionnaire Provided explanations relating to climate change at business partner policy briefings	11 mm 12 mm 13 mm 16 mm 17 mm 17 mm 17 mm 18 mm 19 mm 19 mm 10	P54
	(7) Contribution to regional and community development	Promote activities that contribute to society with a focus on regional communities	Sponsored community events Continued working to support students and persons with disabilities	4 murr 11 500mmil 11 1 500mmil 11 1 100mmil 11 17 min to such	P54
Establishing transparent and responsible governance	18 Ensuring board independence and transparency	Ensure the independence and transparency of the Board of Directors	Assessed the effectiveness of the Board of Directors Held a Board of Directors meeting at the Fukuchiyama Factory No. 2	16 MAN MARIN HOUSE	P41-44
	Establishing a system for managing potential risks in business activities	Review periodic risk reduction measures	Conducted scenario analysis relating to the impact of climate risks and opportunities (TCFD) Reviewed BCPs for main locations	3 mentions 11 minutes 13 min American 13 minutes 14 minutes 15 min	P46, 57, 58
	20 Implementing our corporate principles and integrity	Continue to implement Group Code of Conduct training Continue to implement training related to various laws and regulations	100% participation rate in Group Code of Conduct training Implemented training in security trade control and information security	5 there the second of the seco	P46, 53
	21 Corruption prevention	Continue to implement Group Code of Conduct training	100% participation rate in Group Code of Conduct training	16 orderstein stein stei	P46
	20 Implementing our corporate principles and integrity	Continue to implement training related to various laws and regulations	100% participation rate in Group Code of Conduct training Implemented training in security trade control and information security	5 mm 8 mm mm 10 mm m 13 mm 16 mm m 17 mm m m 17 mm m m 17 mm m m m 18 mm m m m m m m m m m m m m m m m m m	

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