

Corporate Governance

Basic Approach

Customer satisfaction is the fundamental starting point for the Group's corporate activities, and earning the esteem and trust of our customers makes it possible to achieve sustained growth and profits. The Group recognizes corporate governance as an important task for management in realizing its basic policy of connecting this customer satisfaction to greater corporate value, and to the satisfaction of shareholders and other stakeholders. We believe it is also important to establish

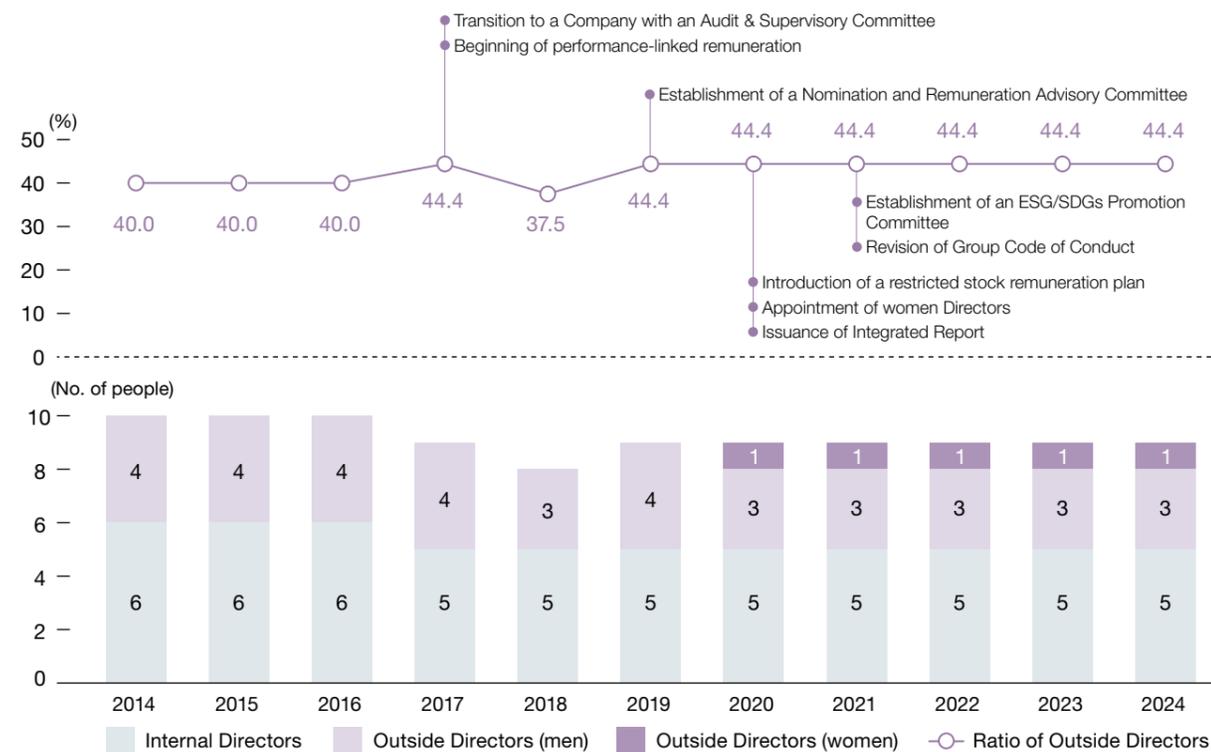
management organizations and internal controls so that sound, highly transparent decision-making can be swiftly carried out.

Corporate governance fundamentally is not only compliance with laws and regulations but also consists of promoting business activities that respect corporate ethics, morality, and fairness and developing smooth, disciplined and cooperative relationships with all stakeholders.

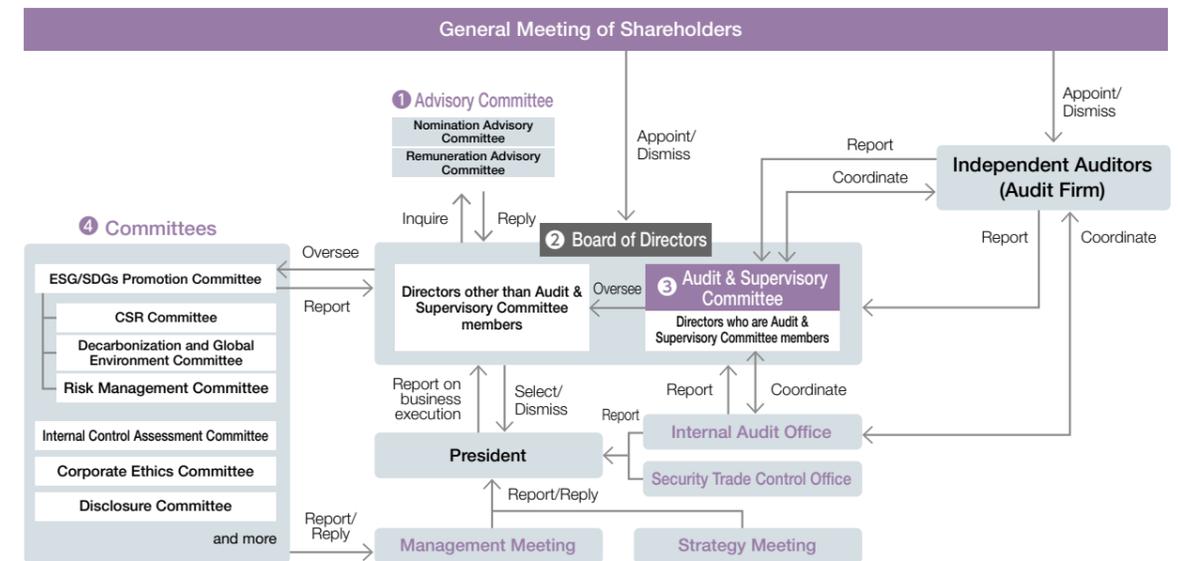
Governance Summary

Format of governance organization Company with an Audit & Supervisory Committee	Advisory body to Board of Directors Independent committees	Number of directors (excluding directors who are Audit & Supervisory Committee members) 6 (including 2 outside directors)
Number of directors who are Audit & Supervisory Committee members 3 (including 2 outside directors)	Number of independent directors (including Audit & Supervisory Committee members) 4	Number of Board of Directors meetings in fiscal 2024 7
Term of office for directors 1 year (excluding directors who are Audit & Supervisory Committee members)	Performance-linked remuneration Provided	Takeover defense measures Implemented

Transition of Corporate Governance



Corporate Governance System



1 Advisory Committee

As advisory bodies to the Board of Directors, the Nomination Advisory Committee and the Remuneration Advisory Committee, which are voluntary committees, have been established to strengthen the oversight function of the Board of Directors and enhance the corporate governance system by ensuring the transparency and objectivity of the assessment and decision-making process regarding the nomination and remuneration of directors. Each committee comprises at least three directors selected by the Board of Directors, and the majority of members are independent outside directors.

Nomination Advisory Committee: 67% ratio of Outside Directors (2/3)

The Nomination Advisory Committee deliberates on matters pertaining to the composition of the Board of Directors, appointment and dismissal of directors, and other matters, and reports to the Board of Directors. Committee Chairperson: Chairman & CEO

Remuneration Advisory Committee: 67% ratio of Outside Directors (2/3)

The Remuneration Advisory Committee deliberates on matters pertaining to the remuneration structure for directors, policies for determining their remuneration, contents of remuneration, and reports to the Board of Directors. Committee Chairperson: Chairman & CEO

2 Board of Directors: 44% ratio of Outside Directors (4/9)

Four outside directors (two who are not members of the Audit & Supervisory Committee and two who are members of the Audit & Supervisory Committee) have been invited to sit on the Board of Directors, which meets regularly. Based on their extensive knowledge and experience, their opinions are sought in order to further raise the quality and transparency of management decisions and strengthen oversight. The schedule for board meetings is provided to outside directors in advance and their attendance is coordinated. Chairperson: Chairman & CEO

3 Audit & Supervisory Committee: 67% ratio of Outside Directors (2/3)

The Company changed its legal format to a company with an Audit & Supervisory Committee upon approval by the Ordinary General Meeting of Shareholders on June 23, 2017. The Audit & Supervisory Committee comprises three directors who are Audit & Supervisory Committee members (including two outside directors) and is convened on a regular basis. Information and opinions are exchanged among the directors who are Audit & Supervisory Committee members and efforts are made to improve management oversight. Committee Chairperson: Audit & Supervisory Committee member (internal)

4 Committees

Internal Control Assessment Committee

The Company has established the Internal Control Assessment Committee in response to the internal control system for financial reporting and promotes the evaluation and operation of the internal control system in the Group.

Corporate Ethics Committee

This Committee was established to discuss how to respond to any event that violates legal compliance or corporate ethics.

Disclosure Committee

This Committee was established to review and deliberate disclosures related to the Company's material information.

Explanations of the ESG/SDGs Promotion Committee, CSR Committee, Decarbonization and Global Environment Committee, and Risk Management Committee can be found on page 49.





Kazumitsu Takaya Kyoko Kobayashi Tomonobu Yoshida Katsuhiko Shukunami Yoshinobu Iwanami Kiyohisa Iwanami Masato Wada Yoshinori Suzuki Haruhiko Maki

Officer Profiles and Reasons for Appointment

*Numbers for years in office are correct as of the end of the 2025 General Meeting of Shareholders

Kiyohisa Iwanami

Chairman & CEO

[Number of years as a Director: 46]

Aug. 1978 Joined the Company
Director
Feb. 1985 Managing Director
Aug. 1987 Executive Vice President
Jun. 1989 President
Jun. 2007 President and Executive Officer
Jun. 2020 Chairman & CEO (to present)

Reasons for appointment

Mr. Kiyohisa Iwanami, who has been in charge of the management of the Group as a Representative Director of the Company for many years, continues to serve as a Director in consideration of his accomplishments in serving as the driving force of the entire Group by demonstrating his leadership, as well as his significant insight, achievements, capabilities, and wealth of experience concerning management.

Yoshinobu Iwanami

President

[Number of years as a Director: 13]

Jun. 2010 Joined the Company
Executive Officer
Jun. 2012 Director
Jun. 2014 Managing Executive Officer
Jun. 2018 Senior Executive Officer
General Manager, Sales Headquarters
Jun. 2020 President (to present)
President and Executive Officer (to present)

Reasons for appointment

Mr. Yoshinobu Iwanami, who has been in charge of the management of the Company and demonstrated strong leadership as President of the Company, continues to serve as a Director in consideration of his wealth of experience and broad insight in the Sales Division in Japan and abroad and his expertise in corporate management in general, among other factors.

Katsuhiko Shukunami

Director, Deputy President

[Number of years as a Director: 11]

May 2014 Joined the Company
General Manager, Corporate Planning Department
Jun. 2014 Director (to present)
Executive Officer
Jun. 2016 Managing Executive Officer
Mar. 2017 General Manager, Security Trade Control Department
General Manager, Information System Department
Jun. 2018 General Manager, Administration Headquarters (to present)
Jun. 2020 Senior Executive Officer
Apr. 2025 Executive Vice President and Executive Officer of the Company (to present)

Reasons for appointment

Mr. Katsuhiko Shukunami has demonstrated leadership in areas such as corporate planning, accounting & finance, general affairs, and personnel as General Manager of Administration Headquarters. He continues to serve as a Director in consideration of his substantial accomplishments and his wealth of knowledge based on past experience.

New appointment

Masato Wada

Director, Senior Executive Officer

Apr. 1989 Joined the Company
Mar. 2015 General Manager of Sanda Engineering Dept., Engineering Headquarters of the Company
Jun. 2018 Executive Officer of the Company
General Manager of 2nd Sales Dept., Sales Headquarters of the Company
Apr. 2020 General Manager of Engineering Headquarters of the Company
Apr. 2023 Managing Executive Officer of the Company
Representative Director and President of TANKEN SEAL SEIKO CO., LTD.
Apr. 2025 Senior Executive Officer of the Company (to present)
In charge of Technological Development and Quality Assurance of the Company (to present)
Jun. 2025 General Manager of Sanda Factory of the Company (to present)
Director (to present)

Reasons for appointment

Mr. Masato Wada newly serves as a Director in consideration of his achievements and his wealth of experience and insight, having engaged in important roles such as developing new products and strengthening the sales force, mainly in the Technological Development Division.

Outside Independent

Yoshinori Suzuki

Outside Director

[Number of years as a Director: 6]

Apr. 1975 Joined OMRON Tateisi Electronics Co. (now OMRON Corporation)
Jun. 2003 Executive Officer
Jun. 2006 Managing Executive Officer
Apr. 2013 Senior Managing Executive Officer
Jun. 2013 CFO and Senior Managing Director
Apr. 2014 Visiting Professor, Doshisha Business School
Jun. 2014 Representative Director, Vice President and CFO, OMRON Corporation
Jun. 2019 Outside Director of the Company (to present)

Reasons for appointment

Mr. Yoshinori Suzuki has a wealth of knowledge and experience and broad insight, which he has gained throughout his career as a management executive of business corporations. Mr. Suzuki continues to serve as an Outside Director because the Company considers that, by leveraging such knowledge, experience, and insight, he will be able to duly oversee the management of the Company as an independent director while also providing objective and useful advice and proposals.

New appointment

Outside Independent

Haruhiko Maki

Outside Director

Apr. 1982 Joined Kaneka Corporation (current KANEKA CORPORATION)
Nov. 2008 General Manager of Shiga Manufacturing Site
Apr. 2013 Executive Officer, General Manager of Electrical & Electronic Materials Division
Mar. 2016 Executive Officer, General Manager of Shiga Manufacturing Site
Apr. 2020 Managing Executive Officer, General Manager of Shiga Manufacturing Site
Apr. 2022 Advisor of Shiga Manufacturing Site
Oct. 2023 Representative Director of MAKI Corporation (to present)
Jun. 2024 Outside Director of E-ThermoGentek Co., Ltd. (to present)
Jun. 2025 Outside Director of the Company (to present)

Reasons for appointment

Mr. Haruhiko Maki has a wealth of knowledge and experience and broad insight, which he has gained throughout his career as a director and a strategic consultant in the production divisions, etc. of business corporations. Mr. Maki newly serves as an Outside Director because the Company considers that, by leveraging such knowledge, experience, and insight, he will be able to duly oversee the management of the Company as an independent director while also providing objective and useful advice and proposals.

Tomonobu Yoshida

Director (Audit & Supervisory Committee member)

[Number of years as a Director: 1]

Aug. 2014 Joined the Company
Apr. 2018 General Manager, Fukuchiyama Production Department
Apr. 2021 General Manager, Internal Audit Office
Apr. 2024 General Manager, General Affairs & Personnel Department
Jun. 2024 Director (Full-Time Audit & Supervisory Committee member) (to present)

Reasons for appointment

Mr. Tomonobu Yoshida is mainly engaged in overall production and internal audits and has a wealth of operational knowledge and experience in compliance and internal control. Mr. Yoshida continues to serve as a Director who is an Audit & Supervisory Committee member because the Company considers that he has the ability to properly fulfill his duties in these roles based on his wealth of knowledge and experience.

Outside Independent

Kazumitsu Takaya

Outside Director (Audit & Supervisory Committee member)

[Number of years as a Director: 6]

Mar. 1989 Registered as a certified public accountant
Aug. 1992 Registered as a certified public tax accountant
Mar. 2004 Established Takaya CPA Office
Dec. 2004 Representative Partner, Nexus Audit Corporation (to present)
Jun. 2016 Outside Director, HIRANO TECSEED Co., Ltd. (Audit & Supervisory Committee member)
Jun. 2019 Outside Director of the Company (Audit & Supervisory Committee member) (to present)

Reasons for appointment

Mr. Kazumitsu Takaya has a high level of expertise and broad experience in finance and accounting as a certified public accountant. Mr. Takaya continues to serve as an Outside Director who is an Audit & Supervisory Committee member because the Company considers that he will be able to duly audit the execution of the management of the Company from his professional standpoint, while also providing objective and useful advice and proposals that contribute to transparent management.

Outside Independent

Kyoko Kobayashi

Outside Director (Audit & Supervisory Committee member)

[Number of years as a Director: 4]

Apr. 1999 Registered as an attorney at law
Joined Irokawa Law Office (currently Irokawa Legal Professional Corporation)
Sep. 2009 Seconded to Legal Affairs Office, Sharp Corporation
Sep. 2014 Returned to Irokawa Law Office
Jan. 2018 Partner at Irokawa Law Office
Feb. 2018 Outside Auditor of Kawakami Paint Manufacturing Co., Ltd. (to present)
Jan. 2020 Partner of Irokawa Legal Professional Corporation
Jun. 2020 Outside Director of Mitsubishi Logisnext Co., Ltd. (to present)
Jun. 2021 Outside Director of the Company (Audit & Supervisory Committee member) (to present)
Jan. 2025 Irokawa Legal Professional Corporation (to present)

Reasons for appointment

Ms. Kyoko Kobayashi has a wealth of achievements and insight primarily as a lawyer in corporate law, as well as experience of working at a listed company. Ms. Kobayashi continues to serve as an Outside Director who is an Audit & Supervisory Committee member because the Company considers that she will be able to duly audit the execution of the management of the Company from her professional standpoint, while also providing objective and useful advice and proposals that contribute to improving corporate governance.

Executive Officers (Excluding Directors)

Toyokazu Serita	Managing Executive Officer	Sales Headquarters	Masanobu Ono	Executive Officer	Production Headquarters
Masaru Fujiwara	Managing Executive Officer	Production and Production Technology, Fukuchiyama Factory	Yutaka Miyamoto	Executive Officer	Process Dept. and Seismic Isolation Headquarters
Kazukiyo Teshima	Executive Officer	Engineering Headquarters	Yoshihiro Ito	Executive Officer	President, TANKEN SEAL SEIKO CO., LTD.
Tomotaka Nakagami	Executive Officer	Chairman, TANKEN SEAL SEIKO CO., LTD.	Takashi Terasawa	Executive Officer	Administration Headquarters, Next Gen System Project Dept.

Executive Skills Matrix

While taking into account the management environment and issues with which the Company is confronted, we have categorized the skills that Directors must possess into the following three strategic perspectives.

① Management perspective	Maximizing corporate value and building a sound business foundation	Corporate management; Legal affairs / Compliance; Finance / Accounting
② Business perspective	Securing the source of competitiveness and generating customer value	Production / Technological development; Sales / Marketing
③ Market perspective	Addressing environmental issues and accomplishing our social responsibilities	Environment / Sustainability

Name	External	Corporate management	Production / Technological development	Sales / Marketing	Finance / Accounting	Legal affairs / Compliance	Environment / Sustainability	No. of times attended/No. of meetings held (FY2024)			
								Board of Directors	Nomination Advisory Committee	Remuneration Advisory Committee	Audit & Supervisory Committee
Directors	Kiyohisa Iwanami	●	●	●	●	●	●	7/7	2/2	2/2	—
	Yoshinobu Iwanami	●	●	●	●	●	●	7/7	—	—	—
	Katsuhiko Shukunami	●	●	●	●	●	●	7/7	—	—	—
	Masato Wada	●	●	●	●	●	●	—	—	—	—
	Yoshinori Suzuki	●	●	●	●	●	●	7/7	—	2/2	—
	Junichi Komamura	●	●	●	●	●	●	4/5*1	1/1	—	—
Directors who are Audit & Supervisory Committee members	Haruhiko Maki	●	●	●	●	●	●	—	—	—	—
	Tomonobu Yoshida	●	●	●	●	●	●	6/6*2	—	—	8/8*3
	Kazuhiro Maruoka	●	●	●	●	●	●	1/1*4	—	—	4/4*5
	Kazumitsu Takaya	●	●	●	●	●	●	7/7	—	2/2	12/12
	Kyoko Kobayashi	●	●	●	●	●	●	7/7	2/2	—	12/12

*1 Mr. Junichi Komamura passed away on December 18, 2024, so his attendance only applies to Board of Directors meetings held in the period until that date.

*2 The attendance, etc. of Mr. Tomonobu Yoshida only applies to Board of Directors meetings held subsequent to his appointment as a Director (Audit & Supervisory Committee member) at the 76th Ordinary General Meeting of Shareholders on June 25, 2024.

*3 The attendance record of Mr. Tomonobu Yoshida applies to the period subsequent to his appointment as a Director who is an Audit & Supervisory Committee member on June 25, 2024.

*4 The attendance of Mr. Kazuhiro Maruoka only applies to Board of Directors meetings held in the period until his resignation from the position of Director (Audit & Supervisory Committee member), which took effect at the end of the 76th Ordinary General Meeting of Shareholders on June 25, 2024.

*5 The attendance record of Mr. Kazuhiro Maruoka applies to Audit & Supervisory Committee meetings held until June 25, 2024.

Primary Initiatives of the Board of Directors in Fiscal 2024

During fiscal 2024, the Board of Directors discussed matters such as the progress of our Medium-Term Management Plan One2025, investment strategies that include the construction of a new TANKEN SEAL SEIKO factory, and ESG initiatives.

► Principal Items Discussed by the Board of Directors in Fiscal 2024

- Reported progress of the Medium-Term Management Plan One2025.
- Discussed changes to the Company's name, logo, and management philosophy.
- Discussed the formulation of fiscal 2025 management policy.
- Deliberated various investment strategies (investment in new facilities, etc.).
- Formulated activity plans relating to sustainability management and reported on initiatives. (Expanding information disclosure based on TCFD recommendations, activities to reduce CO₂ emissions, initiatives for human capital management, etc.)
- Assessed the effectiveness of the Board of Directors and followed up on that assessment.

Assessing the Effectiveness of the Board of Directors

In order to further improve the effectiveness of the Board of Directors, in fiscal 2024, each director responded to a questionnaire regarding issues such as the composition and operation of the Board of Directors, management strategy and business strategy, corporate ethics and risk/crisis management, performance monitoring and management assessment, and dialogues with shareholders and other stakeholders. The effectiveness of the Board of Directors was also analyzed and assessed, with the results being shared and discussed at Board of Directors meetings.

When implementing these measures in fiscal 2025, we elicited honest opinions from Board members, and utilized an external

► Questionnaire Content

- Composition and operation of the Board of Directors
- Management strategy and business strategy
- Corporate ethics and risk/crisis management
- Performance monitoring and management assessment
- Dialogues with shareholders, etc.

organization for the design and analytical evaluation of the questionnaire, thereby providing a more objective assessment.

As a consequence, the Company's Board of Directors received a positive assessment overall, for example, due to the fact that its effectiveness has noticeably improved compared to the fiscal 2024 results. In particular, it was confirmed that the Board is composed of Directors who ensure the necessary skills and diversity, based on factors such as PILLAR's management strategy.

At the same time, some responses asked for more frequent Board of Directors meetings, more time for deliberation, and more substantial discussion of management strategy, business strategy, and so on, so these will be considered as future themes.

In order to further invigorate deliberations, in October 2024, opportunities were also provided to hold a Board of Directors meeting and factory inspection at TANKEN SEAL SEIKO, which became a group company in 2023, and to have heads of operational divisions report on the status of their efforts for priority measures. Going forward, we will seek further improvement for achieving more substantial deliberations, for example, by continuing to hold Board of Directors meetings and inspections at our key bases.

Nomination of Candidates for Board of Directors

The appointment of directors will be considered in light of the scale of the Company's business, the human talent capable of adequately fulfilling their roles and responsibilities toward achieving the Medium-Term Management Plan One2025, and the diversity of Company directors. In nominating directors, the Board of Directors selects individuals with diverse perspectives, work experience, and a high level of skills sufficient to supervise and audit the execution of business operations, and nominates those individuals after deliberation by the Nomination Advisory Committee, a voluntary committee, and, for directors who are Audit & Supervisory Committee members, after obtaining the consent of the Audit & Supervisory Committee, they are each nominated by the Board of Directors and elected at the General Meeting of Shareholders. In dismissing a director, the Board of Directors will decide on the dismissal of a director upon deliberation by the voluntary Nomination Advisory Committee when circumstances make it difficult for that director to

execute their duties, and with the consent of the Audit & Supervisory Committee when that director is a member of the Audit & Supervisory Committee.

In appointing outside directors, in accordance with the Corporate Governance Code (Principle 4-9) and the independence standards stipulated by financial instruments exchanges, and with the consent of the Audit & Supervisory Committee and approval of the Board of Directors of the Company, for the purpose of clarifying the criteria to ensure the independence of independent outside directors, the Company has established the "Criteria for Determining the Independence of Independent Outside Directors." The Company will consider an outside director or candidate for outside director to be sufficiently independent if, as a result of the Company's investigation to the extent reasonably possible, it is determined that the outside director or candidate for outside director satisfies all the requirements listed on the following page.

[Criteria for Determining the Independence of Independent Outside Directors]

1. The person is not currently an executive officer of the Company or its affiliates (below "Company Group") and has never been an executive officer of the Company Group in the past.
2. An outside director who is a member of the Audit & Supervisory Committee must never have been a director or an accounting advisor (or an employee who should perform the duties of an accounting advisor if the accounting advisor is a juridical person) who does not execute operations for the Company Group.
3. None of the following applies at present or in the past three years:
 - (1) A person who is not a relative within the second degree of kinship of an accounting advisor, executive officer, corporate officer, manager, or other significant employee (below "director, etc.") of the Company Group.
 - (2) Not be a major shareholder of the Company (directly or indirectly holding 10% or more of the voting rights) or a director, etc. thereof, or a director, etc. of a company in which the Company Group is a major shareholder.
 - (3) Not be a director, etc. of a company that is a major business partner of the Company Group (a company whose payments or receipts from transactions with the Company Group account for 2% or more of actual consolidated sales of the Company Group or our business partners' group).
 - (4) Must not have received donations of 10 million yen or more from the Company Group in the current fiscal year.
 - (5) Not be a lawyer, certified public accountant, or professional service provider such as a consultant that receives more than 10 million yen in remuneration from the Company Group in the current fiscal year, other than remuneration as a director or corporate auditor.
 - (6) There must be no relationship of "reciprocal appointment of outside officers" between the company to which the individual belongs as a director, etc., and the Company Group.

Officer Remuneration

The remuneration of our senior management and directors is linked to our business performance and corporate value. The purpose of the remuneration is to further raise morale and motivation to continuously improve business performance and corporate value over the medium to long term, and to secure outstanding human talent to improve corporate governance through the proper supervision and auditing of the execution of business operations. Thus, the Company has established an equitable remuneration level and remuneration system commensurate with the duties of each employee.

Remuneration for senior management and directors (excluding outside directors and directors who are members of the Audit & Supervisory Committee) consists of fixed remuneration, performance-linked remuneration, and restricted stock remuneration. The amount of compensation is determined by the Board of Directors after deliberation by the Remuneration Advisory Committee, a voluntary committee comprised of a majority of independent outside directors, within the amount resolved at the General Meeting of Shareholders.

For outside directors (directors who are not members of the Audit & Supervisory Committee and those who are members of the Audit & Supervisory Committee), the amount of their remuneration is determined at the time of their invitation, together with the nature of their work. Since they are in a position independent of the execution of operations, performance-linked remuneration and restricted stock remuneration are not paid to them. In addition, the remuneration of directors who are members of the Audit & Supervisory Committee is determined through discussions by the Audit & Supervisory Committee.

The fixed remuneration ranges from 50% to 60% of the cash

remuneration corresponding to the position, with the higher the position, the lower the percentage of the fixed remuneration.

The indicators used for performance-linked remuneration are consolidated sales as an indicator of business scale, consolidated operating income as an indicator of sustained improvement in corporate value, consolidated operating margin as a gauge of management efficiency, ROE as an indicator of capital efficiency, and ESG indicators. These are weighted according to each position, with the addition of stock price levels as a KPI from fiscal 2025. Consolidated sales and consolidated operating income are assessed by comparison with the previous year. Furthermore, consolidated operating income and ROE are assessed by setting standard values and upper and lower limit values.

ESG indicators are assessed on a four-level scale based on a comprehensive evaluation of external assessments and the Company's own efforts to address ESG items. Stock prices are assessed with a relative comparison of PILLAR's stock price and the Nikkei 225.

For the fiscal year ended March 31, 2024, consolidated sales were 120.3% of the previous year's level, and similarly, consolidated operating income was 102.6% of the previous year's level.

The consolidated operating margin was 135.6% and ROE was assessed at 200.0%.

We have evaluated ESG indicators according to their ranks by employing our CDP questionnaire score, and 110% was applied as our assessment having scored a B in 2024. The newly added stock price resulted in an assessment of 118.2%.

Officer classification	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)				Number of officers
		Fixed remuneration	Performance-linked remuneration	Retirement bonuses	Non-monetary remuneration	
Directors (excluding Audit & Supervisory Committee members and outside directors)	231	63	118	—	49	4
Directors (Audit & Supervisory Committee members) (excluding outside directors)	8	8	—	—	—	2
Outside officers	19	19	—	—	—	4

Note: The breakdown of the total amount of non-monetary remunerations for directors (excluding Audit & Supervisory Committee members and outside directors) is the amount of restricted stock remuneration recorded as an expense for the current fiscal year of 49 million yen.