A Record of Growth

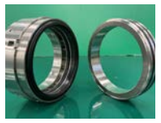
Since our founding in 1924, we have responded to the demands of growth industries by focusing on the development and commercialization of innovative materials while contributing to the emergence of a prosperous society committed to sustainability.
Going forward, we will continue to provide original, high-quality products and services while further improving our fluid control technologies.

Committed to development since our founding 1920– OUR DNA

Our founder, Kaju Iwanami, succeeded in developing a highly wear-resistant cylindrical packing for use in ships. In 1924, he launched Nippon Pillar Packing Industries as a private entity, and in 1926 he began full-scale production of industrial-use sealing packings. In 1932, he began production of gaskets for automotive and marine internal combustion engines. In 1948, Mr. Iwanami established Nippon Pillar Packing Co., Ltd., and in 1951, he developed and began production of Japan's first mechanical seal. In 1967, the Sanda Factory was constructed in Sanda, Hyogo Prefecture.

1924 Nippon Pillar Packing Industries is established in Nada-ku, Kobe.
1926 Our new factory is established in Yodogawa-ku, Osaka to begin full-scale production of industrial leak prevention packings.
1930 Our Pillar packing is registered as the company's first utility model patent.
1932 Production of gaskets begins.
1948 Nippon Pillar Packing Co., Ltd. is established.
1951 The Company develops and starts production of Japan's first mechanical seal.
1952 Production of fluororesin products begins. (Series name: Pilaflon™)
1967 The Sanda Factory in Sanda City, Hyogo Prefecture, is completed.
1968 It becomes the industry's first JIS-certified manufacturing facility for spiral-wound gaskets for piping compliant with the JIS B 2404 standard.
1970 The Company develops and starts production of carbonized fiber, an innovative new material.
1974 50th anniversary


Founder Kaju Iwanami


Developed and started production of Japan's first mechanical seal (1951)


Completed construction of the Sanda Factory in Sanda, Hyogo, Japan (1967)

Expanding into the electronics sector BUSINESS GROWTH 1980–

In 1980, the head office building was constructed. Production of ISO series mechanical seals began the following year. The Company developed a series of new products to meet emerging needs and, in quick succession, started production of fluororesin fittings and expanded graphite braided packing for semiconductor manufacturing equipment. In 1995, the Company obtained ISO certification and established a brand that was soon to earn the confidence of customers.

1980 New head office building is completed.
1984 The Company's shares are listed as a specially designated share issue on the Second Section of the Osaka Securities Exchange.
1989 The Fukuchiyama Factory is completed.
1995 The Company's shares are redesignated to the Second Section of the Osaka Securities Exchange.


Started production of ISO series mechanical seals for agitators (1981)


Completed construction of the Fukuchiyama Factory (currently Fukuchiyama Factory No. 1) in Fukuchiyama, Kyoto Prefecture, Japan (1989)

Strengthening our competitive advantage through ongoing business development DRIVE COMPETITIVE ADVANTAGE 2000–

In 2002, the Company began production of the Super 300 Type Pillar Fitting, a groundbreaking sealing mechanism that represented an industry first. The following year saw the start of production of Pillar Techno Black No. 2603-EEE, which contributed to the early conversion to asbestos-free sealing products. In 2012, we began production of a novel type of rotary joint for the semiconductor industry.

2001 The Company's shares are listed on the First Sections of the Tokyo Stock Exchange and Osaka Securities Exchange.
2004 Construction of the Kyushu Factory is completed in Koshi, Kumamoto Prefecture.
2012 Production of a new type of rotary joint for the semiconductor market begins.
2017 The head office is relocated to Nishi-ku, Osaka.


Began production of Super 300 Type Pillar Fitting with a revolutionary sealing mechanism, the first of its kind in the world (2002)


Completed construction of the Kyushu Factory in Koshi, Kumamoto Prefecture, Japan (2004)

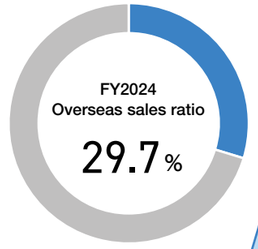
Identifying market changes with the goal of sustainable growth TOWARD NEXT 100 YEARS 2020–

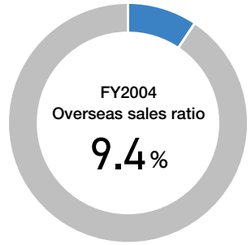
In preparation for the development of next-generation products and the expansion of the semiconductor market, the Company completed construction of the new Sanda Factory in 2020. We are continuing to transform our business and organizational structure with the aim of further enhancing our corporate value. Moreover, we remain focused on the development of new materials and technologies.

2022 The Company's shares are moved to the Prime Market of the Tokyo Stock Exchange.
2023 TANKEN SEAL SEIKO CO., LTD. becomes a member of our Group.
Construction of Fukuchiyama Factory No. 2 is completed.
Construction of the R&D Center at the Sanda Factory is completed.
2024 To mark the Company's centennial, the Company is renamed PILLAR.


Completed construction of the new Sanda Factory (2020)


TANKEN SEAL SEIKO CO., LTD. became a member of our Group. (2023)





[Major Events]

1985 Plaza Accord
1989 Fall of the Berlin Wall
1991 Collapse of the Japanese economic bubble; Collapse of the Soviet Union
1993 Establishment of the European Union
1999 Creation of the Euro
2005 Kyoto Protocol comes into effect.
2008 Lehman Shock
2011 Great East Japan Earthquake
2016 Paris Agreement comes into effect.
2020 Brexit comes into effect. COVID-19 pandemic
2021 The Tokyo Olympic and Paralympic Games are held.
2022 Russian forces invade Ukraine.
2023 The Palestinian-Israeli conflict begins.
2024 The Noto Peninsula is struck by a powerful earthquake.

Value Creation Process

As stated in our Purpose, the PILLAR GROUP is committed to providing value to the world with an awareness of social challenges and our materiality, focusing on our two businesses—electronic equipment and industrial equipment—so that we may create a future that supports society.

The Purpose of the PILLAR GROUP

Creating a future that supports society

CLEAN | SAFETY | FRONTIER

Input

Financial Capital
- Sound financial position

Manufacturing Capital
- Integrated production system within the Group

Knowledge Capital
- Fluid control technologies
- Know-how cultivated over many years

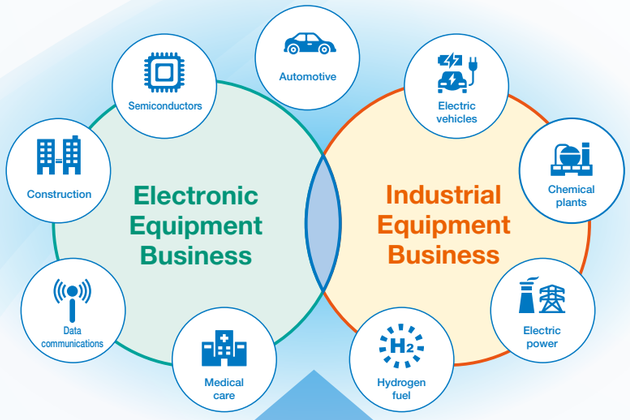
Human Capital
- Global and diverse human resources
- Professional human resources

Social/Relationship Capital
- Customer contacts in diverse fields
- Suppliers that ensure stable supply

Natural Capital
- Promoting the use of natural energy
- Products that reduce environmental impact

For details see P.24

Business Model



100 years of refining expertise in material development

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Materials × Technological expertise × A wealth of fluid control solutions

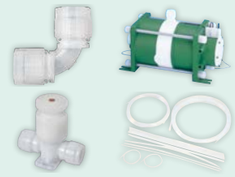
For details see P.21 – P.23

Output

Main products

Pilaflon™ (fluororesin product lines)

Fittings, tubes, etc.



Fluororesin substrates

Seismic isolators

Mechanical seals

Gland packings

Gaskets

For details see P.19 – P.20

One2025

FY2024 achievements
(Targets for FY2025)

Sales
57.9 billion yen
(57.5 billion yen)

Operating income
11.3 billion yen
(10.3 billion yen)

ROE
11.5 %
(10% or higher)

Payout ratio
35.1 %
(30% or higher)

Growth investment
Two-year cumulative
25.0 billion yen
(4.0 billion yen)

For details see P.37 – P.38

Outcome

Value to society and the environment
- Safety and security in people's lives
- Reduction of environmental impact
- Rapid development of industrial products
- Ensuring the safety and trust of employees and local communities
- Stable job creation
- Highly transparent management
- Increasing the sophistication of semiconductors
- Products and services indispensable for the supply of infrastructure

Value for PILLAR
- Products that contribute to solving social and environmental issues
- Development and manufacturing of products for new markets
- Providing value-added proposals to customers based on technological innovation and intellectual property strategies, etc.
- Realizing improved productivity and lower costs
- Stable return of profits to stakeholders
- Endeavoring to create advanced technology by integrating fluid control technology and IT/DX technology
- Providing solution proposals and products through unique fluid control products
- Improving corporate strength for customers and the market as a whole

Key Issues to Address

Aggressive Materialities
- Decarbonization and energy saving
- Circular economy and resource conservation
- Prevention of chemical pollution and conservation of water resources
- Product development and manufacturing in response to social issues

Defensive Materialities
- Biodiversity conservation
- Creation of workplaces that enable diverse human resources to grow and succeed
- Living in harmony with the world and society
- Establishing transparent and responsible governance

For details see P.25 – P.28

Social Issues [Ext. Environment]

Global environmental conservation | Respect for diversity | Shift to IoT/DX

Opportunities
- Expansion of eco-friendly business
- Further growth in the semiconductor field
- The age of IoT, where sensors are installed in everything

Climate change | Human rights issues | Labor shortages

Risks
- Rapid expansion and contraction of market size
- Structural changes and tightening of regulations, etc.
- Decline in international competitiveness due to emergence of competitors, cost fluctuations, etc.

For details see P.19 – P.20

Creating Value for the Benefit of Humanity and the Environment

We are a manufacturer skilled in the design, development, and manufacture of equipment to control fluids such as water, oil, toxic gases and chemicals, and more.
Our products are used in facilities that are essential to the functioning of daily life.
Moreover, they contribute to environmental preservation, resource conservation, and the protection of lives and property.

Opportunities Available in the PILLAR GROUP'S Business Environment

Expansion of eco-friendly business

Providing new products to new markets such as batteries for electric vehicles, sealing materials using high performance materials for hydrogen and ammonia, pharmaceuticals, and the food industry

Further growth in the semiconductor field

Providing cleaner, more energy-efficient products that also contribute to protecting the environment

The age of IoT, where sensors are installed in everything

Providing sensing in harsh environments where higher temperatures than ever before and chemical resistance are essential

Risks Present in the PILLAR GROUP'S Business Environment

Rapid expansion and contraction of market size

Opportunity losses due to technological innovation, resource shortages, and other factors resulting from unexpectedly rapid market expansion and contraction in the semiconductor and LCD markets, etc.

Structural changes and tightening of regulations, etc.

Unexpected changes in the political or economic system in the country of operation, as well as increased restrictions on raw materials due to conflicts, natural disasters, infectious diseases, environmental considerations, etc.

Decline in international competitiveness due to emergence of competitors, cost fluctuations, etc.

Decline in international price competitiveness due to the emergence of competitors, with innovative technologies, changes in manufacturing processes, increased infrastructure costs, etc.

Major Products of Our Electronic Equipment Business Segment

Circulation products (Fittings, tubes, and pumps)

Contributing to improved performance through semiconductor miniaturization and integration

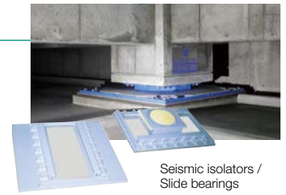
By providing chemical solution piping materials for semiconductor and liquid crystal manufacturing equipment, we meet a variety of needs that include safety, cleanliness, and adaptability of pipe size.


Circulation

Seismic isolators / Slide bearings

Protecting buildings from earthquakes

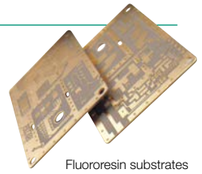
Our rotating and sliding mechanisms absorb and reduce the forces that act on the supporting structures used in seismically isolated buildings, roofs, and connecting bridges. These innovations contribute to improved earthquake resilience and greater durability of buildings and other structures.


Seismic isolators / Slide bearings

Fluororesin substrates

Contributing to increasingly advanced communications

Thanks to their excellent low electrical loss characteristics in the high frequency bands, these products contribute to improved performance and lower power consumption in millimeter-wave and microwave equipment such as auto collision prevention radar, antennas for 5G/6G mobile base stations, and multilayer boards for high-speed servers used in data centers.


Fluororesin substrates

Major Products of Our Industrial Equipment Business Segment

Gland packings

Enhancing the safety and security of our everyday lives

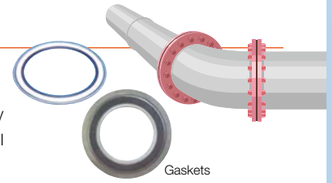
Our gland packings prevent leakage of internal fluids around rotating or reciprocating shafts, such as valve stems and pump shaft seals.


Gland packing

Gaskets

Contributing to safer and more secure equipment applications

These products seal the joints between stationary parts, such as pipe joints and equipment joints as well as joints linking equipment and pipes.


Gaskets

Mechanical seals / Rotating equipment seals

Contributing to safer and more secure plant operation

These products prevent leakage of internal fluids from shaft seals in pumps, agitators, compressors, rotary joints, and a variety of other industrial devices.


TANKEN ABC seal


Pillar Phoenix-Seal®

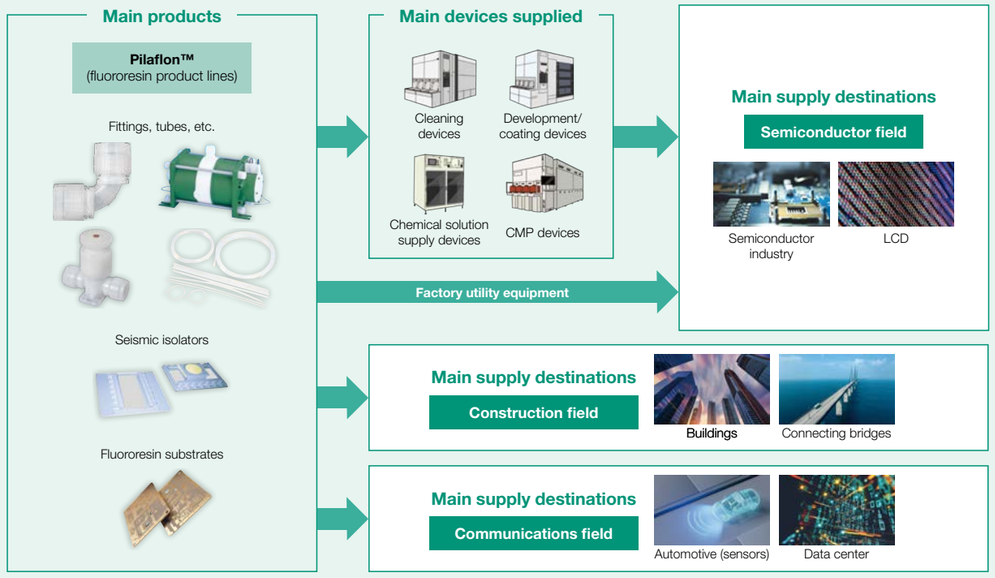
Business Model

During the PILLAR GROUP's 100-year history, through fluid control products with our leak control technologies at their core, we have expanded our markets by continuing to respond to the needs of the times while simultaneously expanding our product lineup. Based on the two segments of our Electronic Equipment and Industrial Equipment businesses, we are currently providing products and services to a wide range of markets.

Trends in sales by segment

Electronic Equipment Business

Fluororesins exhibit many desirable characteristics such as chemical stability, low coefficient of friction, and low dielectric constant. Various technologies are used to commercialize fluororesin products and supply them to the semiconductor, construction, and communications markets.



Competitive advantage in the Electronic Equipment Business

High technologies from handling fluororesin for sealing materials and maximizing our materials expertise

Our resin products for the semiconductor market are the result of a technology shift that involved adapting the fluororesin originally used in gland packings and mechanical seals. On the basis of expertise in material technologies that we have independently researched and developed, we produce products that leverage the characteristics of those technologies for use in other industries.

Highly trusted by the market due to no workplace accidents

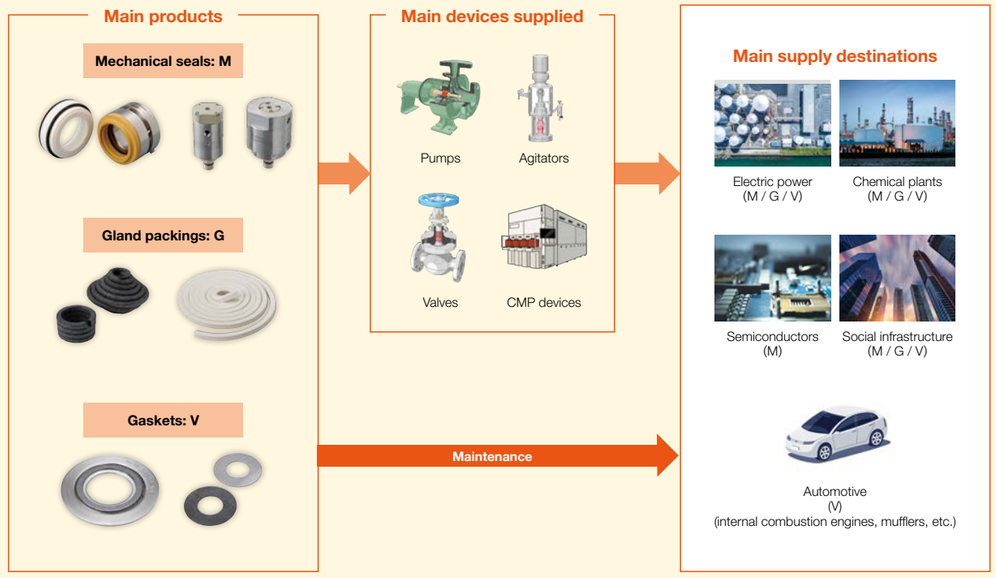
We have developed and launched products in the semiconductor market by leveraging the characteristics of fluororesin, which has a positive reputation in markets for various industrial equipment. By continuing to provide high-quality products ever since the dawn of semiconductors, we have gained a positive reputation among customers and acquired the No. 1 market share globally in semiconductor cleaning equipment.

Uncovering market needs through direct transactions with major companies in leading-edge markets

We have extensive connections thanks to our direct transactions with major manufacturers of semiconductor fabrication equipment in Japan and overseas. In markets that are constantly changing and always demand a speedy response, while meeting strict customer requirements, the PILLAR GROUP is the first to perceive development trends and needs, and to adopt them as our own technologies.

Industrial Equipment Business

We provide sealing parts for controlling various fluids used in plants and equipment in a wide range of industries, including energy, oil refining, chemical, automotive, marine, medical, and food, thereby supporting those industries.



Competitive advantage in the Industrial Equipment Business

A comprehensive seal manufacturer with diverse product lines

Sealing parts for industrial use can be roughly divided into four categories: gland packings, gaskets, mechanical seals, and resin seals. We are unique in Japan as a manufacturer that handles all these categories. For example, we respond to the potential needs of customers who submit inquiries relating to gland packings, and we are the only manufacturer that can undertake proposals for mechanical seals. With a view to the next 100 years, we have assembled a team of engineers at the Sanda Factory R&D Center, on which construction was completed in 2023. Here they will further combine and integrate the PILLAR GROUP's technologies.

Generating momentum in the Industrial Equipment Business through the acquisition of TANKEN SEAL SEIKO

TANKEN SEAL SEIKO, which became a Group company in 2023, has achieved record sales and operating income for two consecutive years. This synergistic effect is due to a complementary relationship in which we quickly combined the main business fields of both companies and the in-house production of parts. Going forward, we will generate more opportunities through reciprocity and cross-selling in the markets in which both companies specialize while further increasing synergistic effects, for example, by developing new products with a fusion of the technologies that each company has cultivated.

Our Strengths and Competitive Advantage

Strengths as the Cornerstone of the PILLAR Business Model

The PILLAR GROUP contributes to society through the development, manufacture, and sale of sealing parts for industrial use. Our strengths are reliable leak control technologies, accumulated know-how from taking on the challenge of market expansion, and the trust of our customers, all of which have been cultivated over the course of our 100-year history.

The Purpose of the PILLAR GROUP

Creating a future that supports society

CLEAN　SAFETY　FRONTIER

100 years of refining expertise in material development

During those 100 years, we have independently researched and developed materials that are suited to various conditions—for example, those of temperature, pressure, peripheral speed, and chemical resistance—in numerous different devices—for example, pumps, valves, and pipes. Our products, which include silicon carbide (SiC), expanded graphite, and fluororesin, are produced thanks to our exhaustive knowledge of material characteristics, and respond to a wide range of market and customer requirements. In the future, we will expand into new markets that include EV, hydrogen, and next-generation communications.

Materials × Technological expertise × A wealth of fluid control solutions

In line with customer needs, we are combining our know-how as a Group to provide technologies, products, and services that only PILLAR can achieve. For example, in the field of fluororesin products, for forms that were ordinarily created using a cutting process, we switched to injection molding, thereby realizing shorter lead times and improved production volumes. With proposals that leverage a technological track record that is characteristic of a comprehensive manufacturer of seals, we are also responding precisely to customer needs in the field of seals for industrial equipment.

The PILLAR GROUP's Competitive Advantage

01 Technical expertise

We are generating new value by combining reliable leak control technologies we have cultivated in various markets and products during our 100-year history. With the aim of generating comprehensive knowledge of a diverse range of technologies, we assembled a team of PILLAR GROUP engineers at the Sanda Factory R&D Center, which began operating in November 2023. In the process of developing new technologies and products, we are utilizing collaboration among industry, government, and academia and IT and DX technologies more than ever before. This is improving our quality, capacity, and speed, and strengthening technological development in each business field.

02 Procurement expertise

Because the PILLAR GROUP uses high-mix, small-lot production, we are building a supply chain through which a variety of parts can be appropriately procured. While seeking to strengthen our engagement with procurement sources, we are also advancing the development of new procurement sources and improving our price negotiation capabilities. In recent years, the whole company has worked together to diversify procurement sources in response to shortages of fluororesin raw materials, and we have sought to tackle such issues by fulfilling our responsibilities as a supplier. Furthermore, we are leveraging the fact that our Group company TANKEN SEAL SEIKO is in the same industry to generate synergy in procurement.

03 Human resources expertise

Diverse human resources are necessary for raising the level of the organization and proceeding to the next stage of its development. We are working on human resources development, for example, by appointing women as general managers and recruiting foreign nationals. We are also enhancing internal training programs and increasing the financial support provided to employees for gaining further qualifications, as we continue to create a structure that encourages employees to actively shape their careers. Furthermore, we are working to design a system that is unique to the PILLAR GROUP and makes the maximum possible use of our employees' abilities, evaluating and rewarding them based on their performance, regardless of age, gender, life experience, or nationality.

The Source of PILLAR's Competitive Advantage

Six Kinds of Capital

We have divided the PILLAR GROUP's diversity of capital into six categories. Each of these is utilized in our business activities, resulting in even greater business expansion and new value creation.

(FY2024 results)

	Related capital	Advantages	Related content
Financial Capital	• Sound financial position • Maintaining operating income margin • Generating new cash flow • Proactive shareholder returns	• Net assets 73.8 billion yen • Equity ratio 75.3% • Operating income margin 19.5% • Payout ratio 35.1%	P.31 – P.36 P.38
Manufacturing Capital	• Building an integrated system within the Group • Establishing local production systems outside Japan • Improving productivity by promoting automation and the adoption of IoT • Installing high-standard clean rooms • Safe and environmentally friendly factories	• Domestic production bases 12 production bases • Overseas production bases 5 production bases • Capital expenditure 3.6 billion yen	P.75 – P.76 P.79 – P.80
Knowledge Capital	• Sophisticated fluid control technologies • Know-how cultivated during our 100-year history • Technological expertise responding to leading-edge needs • Expertise for developing unknown materials	• R&D expenses 1.7 billion yen • Establishing the R&D Center at the Sanda Factory to enhance product development expertise across the organization	P.43 – P.44
Human Capital	• Human resources who can understand things from a global perspective • Human resources who can demonstrate high levels of leadership, resolve, and drive • A workplace environment in which human resources with diverse experience and knowledge can play an active role • A workplace environment in which it is possible to work with peace of mind and in good health	• Number of consolidated employees 1,212 • Investment in human resources development per employee 91 thousand yen • Number of global human resources* 98	P.53 – P.54
Social/ Relationship Capital	• Customer contacts in diverse fields • Suppliers that ensure stable supply • Promoting collaboration among industry, government, and academia • Contributing to local communities	• Sales offices 39 • Number of suppliers 577 • Number of individual IR responses 205	P.57 P.74 P.79 – P.80
Natural Capital	• Promoting the use of natural energy • Products that reduce environmental impact • Conserving the global environment in response to climate change	• CO_2 emissions (Scopes 1+2) 8,651 t-CO_2 • CO_2 emissions (Scope 3) 106,501 t-CO_2 • Solar power generation (selling electricity) 807,648 kWh	P.61 – P.63

*Number of global human resources = Number of human resources with management experience at overseas bases (Number of human resources with experience at overseas bases primarily through personnel rotation + Number of human resources promoted to management from national staff)

Materialities

The PILLAR GROUP seeks to contribute to a sustainable society through practicing our Motto of "Quality First, Cooperation and Harmony, Steady Research," and we are advancing initiatives to realize our Purpose of "Clean, Safety, and Frontier" for creating a future that supports society.

As one aspect of this, we have specified the material issues (materialities) that PILLAR must work on as a group that has single-mindedly refined its technologies for controlling fluids.

Materialities 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 materialities 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.

The Materiality Identification Process

In 2022, we held training and discussions among management to identify materialities the PILLAR GROUP must give particular priority to addressing among the many that exist in society.

● Identification Process

Understanding the present situation and identifying social issues	We comprehensively identified global social issues while taking into account the Company's business environment and social responsibilities, and with reference to international guidelines*1. Through dialogues and workshops with external experts*2, we then calculated backwards from our ideal state, which expresses the kinds of social issues we would like to contribute to solving in future, and consolidated from there. We also prioritized consistency between our Corporate Principles and Medium-Term Management Plan, and compiled a list of materialities through repeated discussions.
Assessing and prioritizing social issues	The importance of management and stakeholder perspectives was quantified for each identified issue, and we then created a materiality map. During assessment, consideration was given to factors such as the degree of business impact, our social responsibilities, and future growth opportunities, and we prioritized a process in which the essence of each issue was ascertained. We had repeated discussions with external experts, which also enabled us to achieve consistency from an objective viewpoint.
Confirming the validity of materiality proposals	The validity of materiality proposals to which an order of priority had been assigned was verified through dialogues with and feedback from experts. In particular, we achieved consistency with corporate strategy and value creation stories through the repeated exchange of ideas with management and operational divisions. While referring to examples from other companies and industry trends, the expression and categorization of materialities were reviewed, and adjustments were made with a view to creating final proposals. Even at this stage, the materiality map was reassessed and issues were recategorized through further discussion.
Approval at management and Board of Directors meetings	The validity for the PILLAR GROUP of the materialities which had been created was confirmed at management meetings, and final decision was made after receiving approval from the Board of Directors.

*1 FTSE, MSCI, GRI standards, ISO 26000, and the 169 SDG targets
*2 Experts active at the forefront in the fields of policy, management, and sustainability

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.

List of Materialities

The PILLAR GROUP has identified 21 materialities in eight materiality groups.

Gr. 1: Decarbonization and energy saving
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

Gr. 2: Circular economy and resource conservation
3. Development and manufacture of sealing products using IT/DX technology and sustainable raw materials
4. Development and manufacture of resource-conserving products
5. Resource efficiency and sustainability through improved production technology (IT/DX, autonomation), etc. and 3Rs of waste

Gr. 3: Prevention of chemical pollution and conservation of water resources
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

Gr. 4: Biodiversity conservation
8. Promoting biodiversity conservation at each base

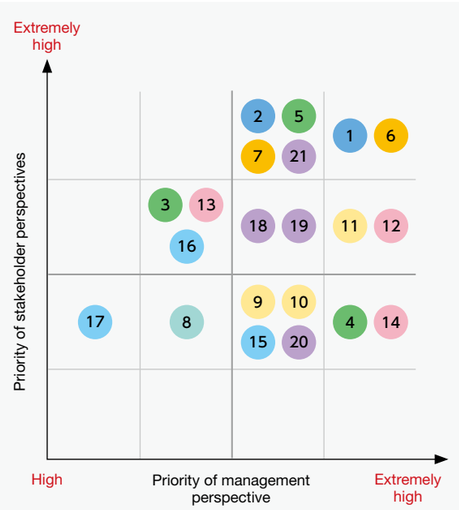
Gr. 5: Product development and manufacturing in response to social issues
9. Development and manufacture of products to cope with disasters such as earthquakes and floods
10. Development and manufacture of new products by applying technology to meet market needs (sensor business, IoT utilization, etc.)
11. Pursuit of safety and quality assurance of product services

Gr. 6: Creation of workplaces that enable diverse human resources to grow and succeed
12. Occupational safety and health
13. Respecting human rights and promoting diverse human resources and work styles
14. Human resources development, recruitment and retention

Gr. 7: Living in harmony with the world and society
15. Creating innovation through collaboration among industry, government, and academia
16. Promoting CSR procurement
17. Contribution to regional and community development

Gr. 8: Establishing transparent and responsible governance
18. Ensuring board independence and transparency
19. Establishing a system for managing potential risks in business activities
20. Implementing our corporate principles and integrity
21. Corruption prevention

Materiality Matrix



TOPIC

Initiatives for Familiarization with Materialities

Training for new employees in fiscal 2024 involved group work relating to materialities and SDGs. This gave the employees a real sense that our business content contributes to solving social issues, and enabled them to address these issues in their work.

Feedback from participants

- "I felt that it is important to think and act based on the fact that SDGs are not just about the Company but also something that directly concerns each and every one of us. Through this PILLAR training, I hope to discover what it is possible for me to do and to become actively involved."
- "I learned that initiatives for achieving SDGs generate credibility for the Company. With the knowledge that PILLAR is earnestly engaging in its activities based on our Purpose, I would also like to work here with a sense of pride."

Going forward, we will continue with our initiatives for increasing awareness of the PILLAR GROUP's materialities.

Materiality KPIs, Targets, and Achievements

We established KPIs and targets for the eight materiality groups and 21 materialities which had been identified, while linking them with ESG and SDGs.
By working to achieve our problem-solving targets, we aim to contribute to a sustainable society through our business activities.

E	S	G	Materiality group	Materialities	KPIs / FY2025 targets	FY2024 results	Related SDGs	Reference page(s)
			Gr. 1: Decarbonization and energy saving	1 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 3.1 billion yen	7 9 12 13	P. 64
				2 Expanding clean energy and energy savings in manufacturing	• 25% reduction in company CO_2 emissions (compared to FY2023)* • Installation of equipment for solar power generation for internal consumption	• CO_2 emissions (Scopes 1+2) of 8,651 t-CO_2 (41% reduction compared to FY2023) • Obtained third-party verification • Equipment for solar power generation for internal consumption now operating at five buildings in four factories	7 9 12 13	P. 61–63
			Gr. 2: Circular economy and resource conservation	3 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 packings that balance improved performance with environmental contribution by combining different material properties • Manufactured and assessed recycled resins	3 8 9 12	P. 39–44
				4 Development and manufacture of resource-conserving products	• Market launch of at least three products that contribute to resource conservation by customers	• Launched two products to market that help customers to conserve resources	7 8 9 12 13	–
				5 Resource efficiency and sustainability through improved production technology (IT/DX, autonomation), etc. and 3Rs of waste	• Reduce development lead times and improve productivity	• Improved productivity by introducing automation and labor-saving equipment (Fukuchiyama Factory No. 2) • Promoted reciprocal procurement with TANKEN SEAL SEIKO	8 9 12	P. 31–36
			Gr. 3: Prevention of chemical pollution and conservation of water resources	6 Development and manufacture of products that 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 authorized PFAS-free packings to market	3 4 6 8 11 12 14	P. 41
				7 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 lapping oils • Switched to pure water for cleaning processes	3 6 11 12 14	P. 60
			Gr. 4: Biodiversity conservation	8 Promoting biodiversity conservation at each base	• Promote nature conservation work	• Conducted analysis of dependence on and impact of natural capital • Ongoing cooperation with work to conserve cherry blossom trees in Sanda City	14 15	P. 60
			Gr. 5: 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 multi-stage sliding bearings capable of withstanding long-period, large-amplitude seismic motion • Manufactured and launched mechanical seals for pumps to combat flooding (seal surfaces divided in two)	1 9 11 13	P. 40
				10 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	• Created a prototype mechanical seal with an integral IoT device that monitors the state of the seal • Launched the EcoMA electric power monitoring sensor to market	3 8 9 11	P. 44
				11 Pursuit of safety and quality assurance of product services	• Promote work reforms	• Promoted work reforms that use generative AI • Improved quality using IT and DX	8	P. 45
			Gr. 6: 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	• No incidents of lost-time injury • Conducted occupational accident training using VR • Certified as an “Excellent Corporation for Health and Productivity Management 2025”	3 8	P. 55 and 56
				13 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	• 3.9% ratio of female managers • Number of global human resources: 98 people • 100% participation rate of managers in DE&I training programs • Began human rights due diligence initiatives	3 4 5 8 10 16	P. 51–55
				14 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 91,000 yen per person • 28% ratio of women for new hires	4 5 8	P. 51–55
			Gr. 7: Living in harmony with the world and society	15 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	• 10 collaborative research projects with industry, government, and academia	8 9 17	P. 43 and 44
				16 Promoting CSR procurement	• Conduct CSR procurement questionnaire • Hold business partner policy briefings	• 83% response rate to CSR procurement questionnaire (subjects: all business partners) • 74 companies attended a business partner policy briefing	1 8 10 12 13 16 17	P. 57
				17 Contribution to regional and community development	• Promote activities that contribute to society with a focus on regional communities	• Sponsored events aimed at regional communities • Continued working to support students and persons with disabilities	4 11 17	P. 58
			Gr. 8: Establishing transparent and responsible governance	18 Ensuring board independence and transparency	• Ensure the independence and transparency of the Board of Directors	• Effectiveness of the Board of Directors assessed by an external organization • Held officer training sessions	16	P. 67–72
				19 Establishing a system for managing potential risks in business activities	• Review periodic risk reduction measures	• Held a practice drill hypothesizing a real-life security incident • Strengthened information security	3 11 13 16	P. 73
				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 • Conducted training in security export control and information security (CSIRT)	5 8 10 13 16 17	P. 73 and 74
				21 Corruption prevention	• Continue to implement Group Code of Conduct training	• 100% participation rate in Group Code of Conduct training	16	P. 73 and 74

* Reference year was revised in FY2024.

PILLAR by the Numbers

Financial Data

Sales

¥57.9 billion

(FY2024)

Demand in the semiconductor market was slow to recover and revenue fell year on year, but sales surpassed 50 billion for the second consecutive year to achieve our second highest figure to date.

Operating income / Operating income margin

¥11.3 billion

19.5%

(FY2024)

Although our operating income margin was lower than the previous year due to increased depreciation and research and development costs accompanying capital expenditure, we have maintained our profit margin at a high level.

Sales growth rate

14.7%

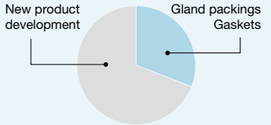
(Average annual growth rate: FY2019 to FY2024)

In the past five years, the scale of our business has expanded against a backdrop of M&A and a thriving semiconductor market.

Segment sales

Electronic equipment business: Approx. 67.3%
Circulation
New product development

Industrial equipment business: Approx. 32.6%
Mechanical seals
Gland packings
Gaskets



(FY2024)

We improved our segment balance by acquiring TANKEN SEAL SEIKO CO., LTD. as a member of the Group.

Overseas sales ratio

Approx. 29.7%

(FY2024)

We are promoting globalization, for example, by actively investing in the Chinese market.

PILLAR fittings: Global market share

No.1 in the world

(For semiconductor cleaning equipment)

Our fittings for semiconductor cleaning equipment account for a market share of 90% or more, making them the de facto industry standard.

ROE

11.5%

(As of the end of March 2025)

Although the target for ROE in our medium-term management plan is 10% or higher, our current target is now 13 to 15%.

Equity ratio

75.3%

(As of the end of March 2025)

We are promoting management with an awareness of capital costs and working to achieve stable management.

Dividend per share / Payout ratio

¥125

35.1%

(FY2024)

The goals of our dividend policy are stable and sustainable dividends with a payout ratio of 30% or higher.

Non-Financial Data

Number of overseas bases

11 countries and regions

16 bases

(Overseas Group companies)

Number of employees

Consolidated

1,212 employees

Overseas (nonconsolidated)

193 employees

(Full-time employees only, as of the end of March 2025)

Male-to-female ratio (consolidated)

75:25%

Number of global human resources

98 employees

(As of the end of March 2025)

We have continued to actively recruit new graduates and mid-career hires, and employee numbers are on an upward trend. We also aim to increase the ratio of women hired to at least 30% in order to promote their active participation.

CO_2 emissions

(Scope 1 + Scope 2)

8,651 t-CO_2

Scope 3

106,501 t-CO_2

(FY2024 results)

CO_2 emissions fell compared to results from the previous year due to the procurement of CO_2-free electric power in Scope 2 and lower Category 2 emissions in Scope 3.

Track record of dialogues with shareholders and investors

232 times

(FY2024 results)

As well as overseas IR activities and factory tours for institutional investors and analysts, we transitioned to live streaming financial results briefings, thereby improving convenience for investors and increasing participation rates.

Number of patents held

1,060

(As of the end of March 2025)

The number of patents held by the Company is increasing each year, both in Japan and overseas.

Percentage of female managers

3.9%

(FY2024)

With a target of 5% or higher, we are actively promoting hires through leadership training for women and DE&I training.

Male (Female) employees taking childcare leave

75.0 (100)%

(FY2024/nonconsolidated)

By conducting e-learning and proactively speaking with employees, we achieved our target of a 75% uptake of childcare leave a year early.

Investment in human resources development per employee

¥91,000 per person

(FY2024/nonconsolidated)

We are enhancing leadership and management training, with a target of 95,000 yen per person.

*All target figures are for FY2025