

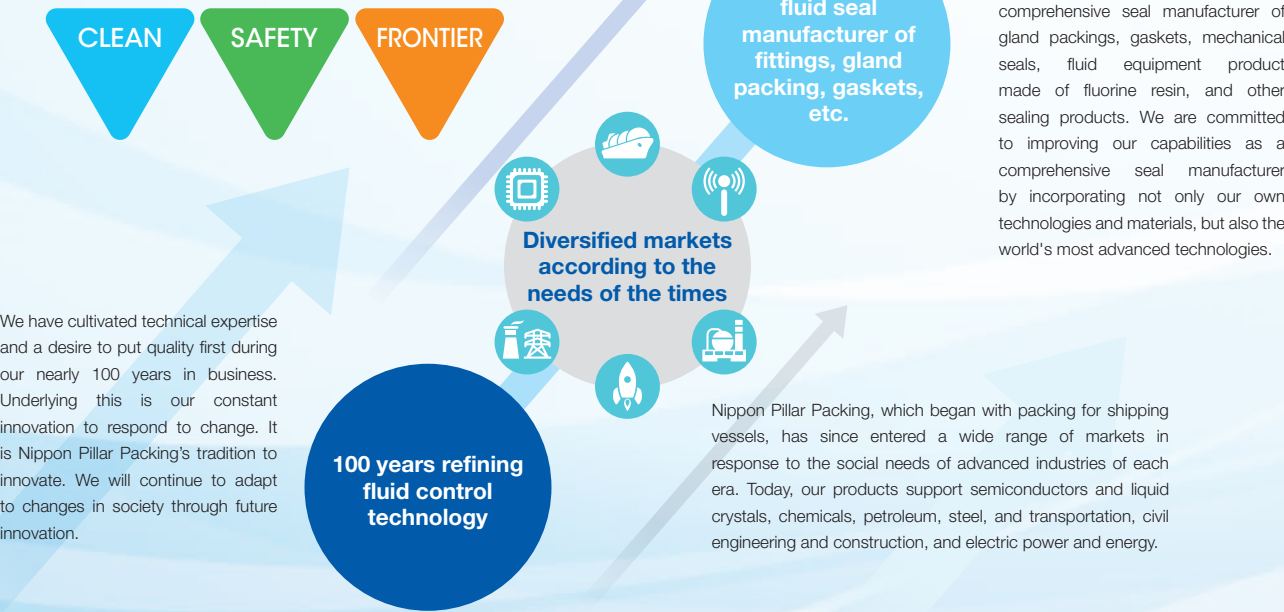
Value Created by Nippon Pillar Packing Co., Ltd.

The Nippon Pillar Packing Group has identified certain strengths as a source of unique value. As we work to create value in the future, we will continue to develop these strengths further while providing our stakeholders with value that is unique to the Nippon Pillar Packing Group.

Strengths cultivated over the Nippon Pillar Packing Group's 100 years in business

We have improved our technological capabilities through an integrated system that covers everything from material development to product design, production, and assessment. Based on our core competence—fluid control technology; we will continue to manufacture products of even higher quality by manufacturing internally all necessary items from materials and integrating all processes in-house so that we can meet the requirements of our customers at the high level they demand.

The Purpose of the Nippon Pillar Packing Group  
Creating a future that supports society



In accordance with our Corporate Principles and Management Philosophy, we support these strengths by formulating a Sustainable Policy to contribute to the realization of a society committed to sustainability through our business and achieve the sustainable enhancement of corporate value.

Sustainable Policy

In accordance with the Corporate Principles and Management Philosophy of Nippon Pillar Group, we will contribute to the realization of a society committed to sustainability through our business and achieve sustainable enhancement of corporate value.

1 Contribution to the global environment through business

We will contribute to the creation of a flourishing global environment by being a source of innovative, high-quality products for society. We will also strive to reduce emissions of substances with environmental impacts in the course of business activities.

2 Responsibility and contribution to society

As a corporate citizen, we will contribute to the resolution of social issues. We will also aim to be an enterprise that continues to earn trust through dialogue with all stakeholders.

3 Strengthening of corporate governance

We will establish a robust corporate governance system to ensure compliance with the Group Code of Conduct and laws and regulations as the starting point of our business activities and to promote sound and transparent management.

Nippon Pillar Packing's business

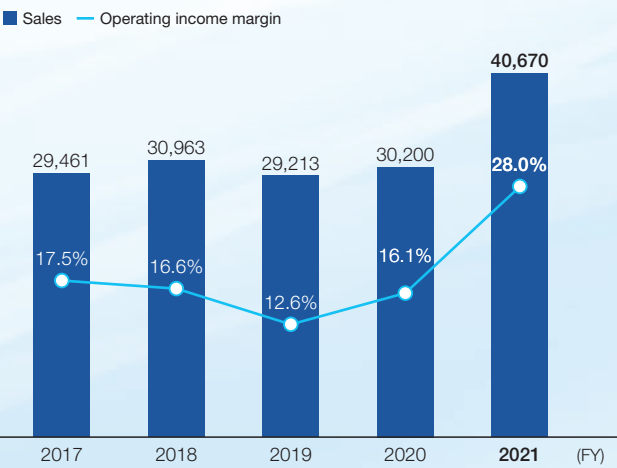
The Nippon Pillar Group has expanded our market as a comprehensive seal manufacturer for fluid control related products such as gland packings, gaskets, and mechanical seals for a variety of industrial equipment.

Today, we contribute to a wide range of fields by developing sealing and material technologies and developing products that meet the demands of the times with cutting-edge technologies, including semiconductors, seismic isolation, and the IT industry.

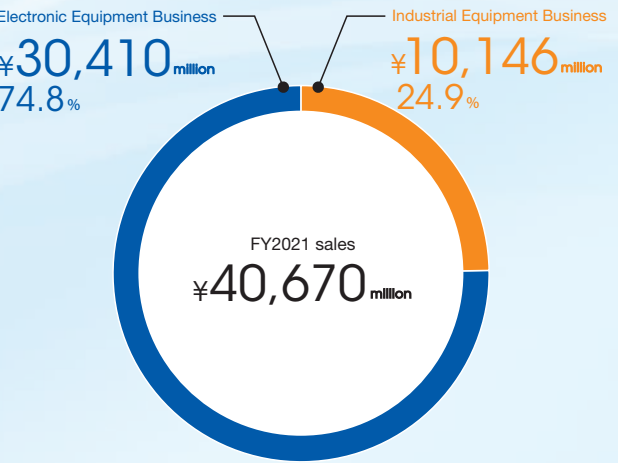
Two business segments supporting global industry

Electronic Equipment Business	Industrial Equipment Business
<p>Sales of Pilaflon™ (fluorocarbon polymer) products for semiconductor and LCD manufacturing equipment-related industries increased significantly both in Japan and overseas due to vigorous demand for semiconductors.</p> <p>As a result, net sales in the electronic equipment business increased 47.3% from the previous fiscal year to 30,410 million yen, and operating income rose 135.8% to 9,737 million yen.</p>	<p>In mechanical seal products, sales of products for oil refinery plants and thermal power plants were sluggish, but demand for aftermarket products and products for precision machinery equipment remained strong. In gland packing and gasket products, sales of automotive products were sluggish, but sales of chemical-related products and products for marine vessels increased.</p> <p>As a result, net sales in the industrial equipment business increased 7.1% from the previous year to 10,146 million yen, and operating income increased 130.0% to 1,589 million yen.</p>

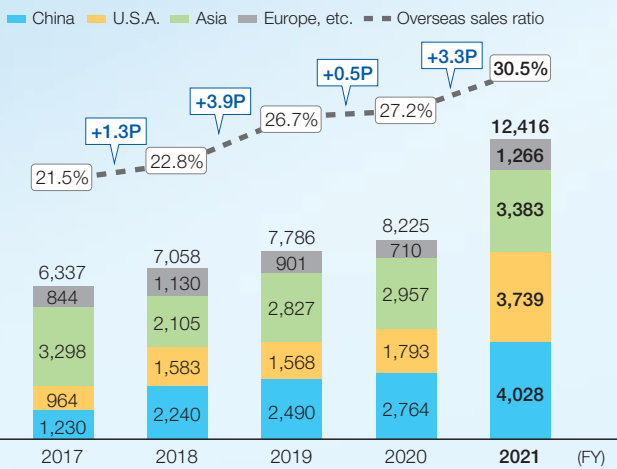
Net sales and operating income margin



Segment sales



Sales trend outside Japan



Sales by market (nonconsolidated)

