

The Strengths and Sources of PILLAR

During the course of our 100-year history, the PILLAR GROUP has cultivated breadth and depth in technologies enabling the introduction of a variety of materials to our products, in building information networks, and in simple, honest technological development. Furthermore, by combining these elements, we provide technologies, products, and services unique to the Company and in line with customer needs.

The PILLAR 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 to include those of shipbuilding, plants (factories), automotive, and semiconductors by continuing to respond to the needs of the times. In the process, we have also expanded our lineup to include gland packings, gaskets, mechanical seals, and fluororesin products.

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.



Strengths as the Cornerstone of the PILLAR Business Model

100 years of refining expertise in material development

It is no exaggeration to say that the histories of seal development and of material research are one and the same. PILLAR products are utilized in a wide range of applications—for example, pumps, valves, and pipes—and under various conditions—for example, those of temperature, pressure, peripheral speed, and chemical resistance. As such, we research a variety of materials for adoption in our products, such as silicon carbide (SiC), expanded graphite, and fluororesin.

Going forward, we will expand into new markets that include EV, hydrogen, and next-generation communications.

Materials × Technological expertise × A wealth of fluid 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 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.

(FY2023 results)

	Related capital	Advantages
Financial Capital	<ul style="list-style-type: none"> • Sound financial position • Maintaining operating income margin • Generating new cash flow • Proactive shareholder returns 	<ul style="list-style-type: none"> • Net assets 69.9 billion yen • Equity ratio 70.8% • Operating income margin 24.2% • Payout ratio 34.4%
Manufacturing Capital	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Domestic production bases 12 production bases • Overseas production bases 5 production bases • Capital expenditure 15.1 billion yen
Knowledge Capital	<ul style="list-style-type: none"> • Sophisticated fluid control technologies • Know-how cultivated during our 100-year history • Technological expertise responding to leading-edge needs • Expertise for developing unknown materials 	<ul style="list-style-type: none"> • R&D expenses 1.4 billion yen • Establishing the R&D Center at the Sanda Factory to enhance product development expertise across the organization
Human Capital	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Number of consolidated employees 1,132 • Investment in human resources development per employee 71 thousand yen • Number of global human resources* 73
Social/Relationship Capital	<ul style="list-style-type: none"> • Customer contacts in diverse fields • Suppliers that ensure stable supply • Promoting collaboration among industry, government, and academia • Contributing to local communities 	<ul style="list-style-type: none"> • Sales offices 39 • Number of suppliers 652 • Number of individual IR responses 208
Natural Capital	<ul style="list-style-type: none"> • Promoting the use of natural energy • Products that reduce environmental impact • Conserving the global environment in response to climate change 	<ul style="list-style-type: none"> • CO₂ emissions (Scopes 1+2) 14,861 t-CO₂ • CO₂ emissions (Scope 3) 149,077 t-CO₂ • Solar power generation (selling electricity) 835,986 kWh

*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)