

# 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.



## 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

## Social Issues [External Environment]

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

#### Opportunities

- 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

### Climate change    Human rights issues    Labor shortages

- 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.

#### Risks