

# Electronic Equipment Business

## Strengthening Our Production and Sales Systems in Markets Outside Japan While Improving Our Productivity and Production Capacity

We are engaged in market development in China, Europe, and North America in the interests of further expanding our business.

In addition, we have demonstrated our commitment to strengthening our competitiveness by improving the productivity of Fukuchiyama Factory No. 2, which began operating in fiscal 2023.



**Masaru Fujiwara**

Executive Officer  
General Manager of Production Engineering Headquarters  
General Manager of SANDA Production Engineering Dept.  
General Manager of Fukuchiyama Factory

### Business Overview

The main product groups of our Electronic Equipment Business benefit from the unique properties of fluororesins. These include piping components (fittings, pipes, pumps, and valves) that carry chemical solutions used in semiconductor and liquid crystal manufacturing equipment; sealing parts for reciprocating and rotating equipment; sliding supports, slide bearings and other seismic isolators; and high-frequency PCB materials suitable for millimeter wave applications.

In fiscal 2023, we posted a decrease in profit despite an increase in sales, which attained a record high for the fourth consecutive fiscal year.

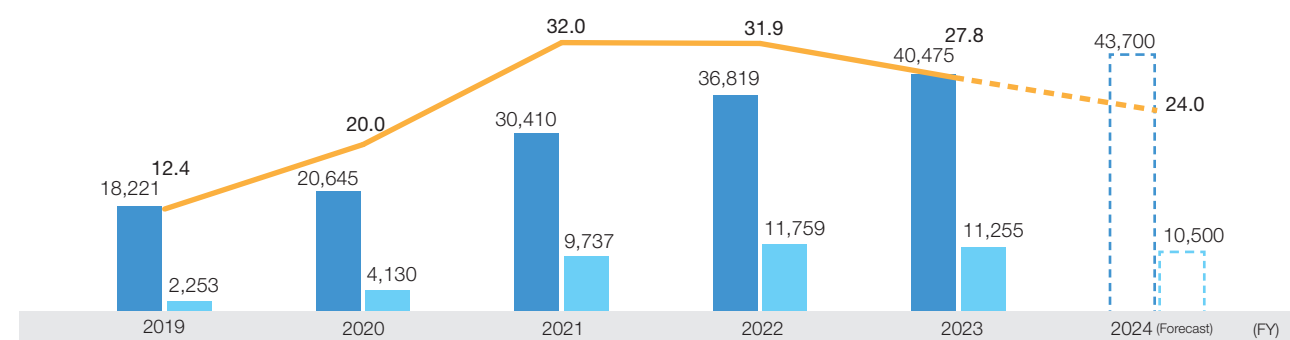
Regarding our mainstay products for the semiconductor market, sales declined due to a softening trend in orders, but this was offset

by the elimination of our backlog. In addition, sales of seismic isolators for semiconductor factories and public facilities increased to 40,475 million yen, which represents a 9.9% increase in sales for the segment as a whole compared to the preceding fiscal year.

Operating income decreased 4.3% year on year to 11,255 million yen, as rising raw material prices had a significant impact despite our efforts to improve productivity and sell at appropriate prices.

Regarding the shortage of resin used as the raw material, which has become an issue in recent years, we are continuing to test innovative production technology and apply our technical expertise in consultation with our customers. Our objective is to enable increased use of recycled resin and alternative materials.

**Trends in Sales, Operating Income, and Operating Income Margin**  
Sales (millions of yen) | Operating income (millions of yen) | Operating income margin (%)



### Progress, Challenges, and Initiatives of Medium-Term Management Plan One2025

#### ① Strengthening the foundation for further improving our competitiveness

With the completion of Fukuchiyama Plant No. 2, we are planning to increase production capacity by up to 1.8 times. As part of this effort, we will further improve productivity by expanding the number of multi-cavity molds and by achieving full-scale operation of our automated transport equipment and

automated warehouse. Moreover, we will meet the challenge of fluororesin recycling with the aim of initiating in-house production with recycled resin in addition to conserving resources and reducing our environmental impact. Our goal is to produce these recycled resins in a clean room ensuring very high levels of cleanliness.

#### ② Strengthening existing markets and products

We continue to strengthen our production and sales systems outside Japan.

In the Chinese market, we are opening a new sales base in Beijing to expand our customer base. In the area of production, we are expanding the range of products produced by Pillar Technology (Chuzhou) Co., Ltd.

In the European and North American markets, we are building on our track record of success with major manufacturers, who have been incorporating our products in their new models.

#### ③ Developing new businesses

In the realm of market development, we systematically monitor market needs. As for new material development, we have achieved success using recycled fluororesins and alternative materials.

Looking to product development, we are capitalizing on our successful sweep elbow project by developing the next generation of related products.

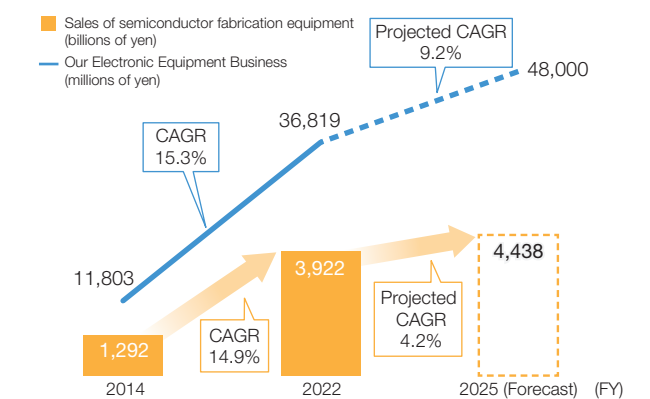
	Results for the Fiscal Year Ended March 31, 2024	Future Action Plan
<b>Strengthening the foundation for further improving our competitiveness</b>	<ul style="list-style-type: none"> <li>Completed our new Fukuchiyama Factory No. 2 and started operation as planned, thus increasing our production capacity to meet market demand.</li> <li>Developed new sources for procuring fluororesins.</li> </ul>	<ul style="list-style-type: none"> <li>To expand production capacity by up to 1.8 times in response to semiconductor market conditions</li> <li>To strengthen competitiveness by promoting greater production efficiency and automation</li> <li>To strengthen the supply chain through in-house production of recycled materials and the like and fulfill our responsibilities as a supplier</li> </ul>
<b>Strengthening existing markets and products</b>	<ul style="list-style-type: none"> <li>Opened our Beijing sales office and expanded the range of products produced by Pillar Technology (Chuzhou) Co., Ltd. for the semiconductor market.</li> <li>Major European and North American manufacturers of semiconductor fabrication equipment incorporated our products as standard parts in new equipment.</li> <li>Semiconductor factories and public facilities adopted our seismic isolators.</li> </ul>	<ul style="list-style-type: none"> <li>To expand our customer base in the Chinese market</li> <li>To develop products that are differentiated through improved cleanliness</li> <li>To expand business in the European and North American markets by proactively devising solutions and strengthening our supply system</li> </ul>
<b>Developing new businesses</b>	<ul style="list-style-type: none"> <li>Developed and prototyped fluororesin substrates and sensors.</li> <li>Engaged in product development and public relations in preparation for entering the medical care and pharmaceutical markets and other new markets.</li> </ul>	<ul style="list-style-type: none"> <li>To introduce a line of fluororesin sensors</li> <li>To continue development of fluororesin substrates for 5G base stations and data centers</li> </ul>

### Outlook and Prospects

We expect to experience increasing demand for semiconductors for use in personal computers and smartphones as well as in EVs and other motor vehicles. This demand will be further accelerated by the evolution of 5G communication standards and data centers incorporating semiconductors. In addition, we expect the market to continue growing as a result of the expansion of IoT, AI, and other new applications.

Our company's sales in the Electronic Equipment Business have exceeded the market's compound annual growth rate (CAGR) in both actual and forecast terms, and we expect this trend to continue in the years ahead. In addition to the growth of the market itself, we intend to expand the scale of our business by developing new customers, applications, and business segments.

#### Trends in the Market for Semiconductor Fabrication Equipment and Sales Trends in Our Main Business



Source: Company forecasts based on "Market Forecast Report—Semiconductor and FPD Manufacturing Equipment" issued by the Semiconductor Equipment Association of Japan (SEAJ) in January 2024

### TOPIC

#### Opening of the Beijing Office of PILLAR Shanghai

In July 2023, we opened the Beijing office of Shanghai Pillar Trading Co., Ltd. (currently PILLAR Shanghai Co., Ltd.) as a new sales hub with the aim of strengthening our sales capabilities in China.

Through on-site sales activities, we are meeting the needs of the Chinese market, which is expected to continue expanding in the years ahead.

