

# Industrial Equipment Business

**Accelerate the launch of new products for the renewable energy and electric vehicle markets by strengthening orders for global projects.**

In the industrial equipment market where the stage is shifting to global competition, we will strengthen branding in emerging countries by establishing and expanding our bases in Indonesia, Singapore and Thailand, as well as improving our supply system in the U.S.A. and China to increase orders. In the energy and petrochemical markets, we will aim to work on carbon-neutral seals.



Managing Executive Officer General Manager, Sales Headquarters General Manager **Junji Ohmiya**

## Business Overview and Market Environment

The industrial equipment market has already shifted to a stage of global competition. In addition to increasing orders for global projects, we are developing a supply system for seals mainly for the Chinese market.

In Japan, we are aggressively developing new products for the renewable energy market, such as hydrogen and co-firing technologies, and for the electric vehicle market. On the other hand, in the energy and petrochemical markets, which are one of our strengths, projects related to fossil fuels themselves are on the decline due to the reduction of greenhouse gas emissions, and orders from equipment manufacturers are also sluggish.

While the COVID-19 pandemic has forced us to respond to new forms of communication such as online meetings, we also made progress in using new presentation methods and communication tools. In response to this situation, we

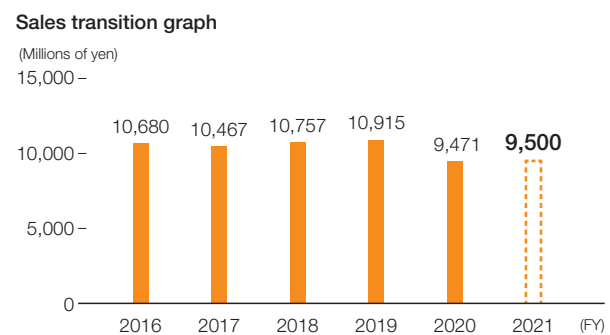
are actively promoting the maintenance of electronic data to share information with our customers and reviewing our information transmission methods.



## Progress of Medium-Term Management Plan "BTvision22"

The EDP Packing Series, which complies with the U.S. Air Pollution Control Act, has high environmental performance, and its global expansion is strong. Demand for seals and agitators for refining equipment used in the production of semiconductor, liquid crystal, and battery materials is also growing significantly. The construction of a new factory to increase production will be completed in 2019, and we are currently verifying productivity improvements through significant labor savings and integrated production. In the area of energy, we are planning to break into the next generation of environmentally friendly power generation, including co-firing power generation and CCS\*.

\* "CCS": Carbon dioxide Capture and Storage—technology to capture CO<sub>2</sub> emitted from industrial activities and store it underground



## TOPICS



### Training data scientists

We will train data scientists who can convert our unique technology and product development processes into data and "visualize" them, thereby ensuring the transmission of technology. In the training of data scientists, we also dispatch them to universities that have specialized courses, which serves to strengthen collaborations across industry, government and academia.



### Moving the production base in China from Suzhou to Chuzhou

In order to respond to the Chinese market, which has expanded and is expected to continue growing, we established a subsidiary in China in May 2021 and moved our production base from Suzhou to Chuzhou. With an area approximately twice as large as the previous factory, the new factory will expand production of products for the Chinese automotive and semiconductor markets.

## Future Outlook

In terms of overseas expansion, we will enhance our presence in Indonesia, Singapore and Thailand by establishing and expanding our bases in order to increase our recognition and strengthen our branding, especially in emerging countries. In Indonesia, we have established a production and sales subsidiary with full repair facilities for sealing products to strengthen after-sales service for local users. This will enable us to shorten the lead time for spare parts in Indonesia, enhance our presence by strengthening user services, and aim to increase orders through local modifications.

In the U.S.A. and China, where local production and after-sales service systems have been established, we will expand our supply system to increase orders. In particular, China is aggressively investing in its domestic market, and a number of large-scale projects have been launched there, so the Group will strengthen cooperation with partner companies to break into new markets in China.

In the industrial machinery field, decarbonization and carbon-neutralization efforts are progressing rapidly. We are also actively developing materials for renewable energy and are working to globalize our business so that we can provide highly reliable, high-quality sealing products, such as seals for hydrogen power generation, from a location close to our customers. Since our products have traditionally been strong in environmental and safety performance, we are proud of their high affinity with ESG/SDGs, and we will continue to aim to become an indispensable presence in the energy field.



Gland packing braiding machine      Combined processing machine for mechanical seals

### Main SDGs addressed by our industrial equipment business

Social issue	Main activities	Corresponding SDGs				
		1	3	4	6	7
Climate change, environmental pollution	Development and marketing of products that reduce fluid leakage	3.9	6.3	9.4	11.6	12.4
Water resources	contribution to the seawater desalination and purifying businesses	4.5	6.1 6.4	8.6		
Natural disasters	contribution to infrastructure that is resistant to heavy rains, floods, and other disasters	1.5		9.1	11.5	13.1
Decarbonized society	contribution to clean energy projects such as hydrogen power generation			7.2 7.a		13.2