

Fiscal Year Ending March 2025 Financial Results Briefing

Wednesday, June 4, 2025

PIOLAX, INC.

(Code: 5988)

Satoshi Yamada, President

Shift in Management Policy

Piolax has grown in line with the increasing car production

- Introduced business unit system by product line (fasteners, fuel system parts, powertrain parts, open and close mechanism parts).
- Pursued management rationality by focusing on the four product lines.



Changes in the business environment

- Accelerating automotive electrification
- Slowing growth in automobile production
- Accelerating automotive development speed
- Increased costs of materials, energy, labor, etc.



For our growth, **pursue management that does not rely solely on automobile production volume**

- Product strategy: challenge on new products beyond our existing product boundaries
- Regional strategy: sales expansion activities based on business analysis
- Organizational reform: flexibly and responsive system beyond the boundaries of business divisions

Shift in Management Policy

■ Product Strategy

Capture changing market needs as CASE grows and create new high-value-added products utilizing our existing technologies.

- Target items: ADAS-related parts, bus bars, electric unit parts *See pages 6-7

■ Regional Strategy

Determine key regions/items/customers through market analysis and focus on effective activities and investments.

- Target regions: North America, China, India *See page 8

■ Organizational reform

Establish a system for rapid and flexible business development.

Replace the divisional structure with a function-based organization that allows for group-wide strategic planning and product and business development.

- New departments: Business Development Dept., Product Development Division, Pre-production Control Dept., Sales Division, Sales Strategy Office
(from July 1)

Medium- to Long-Term Sales Plan

* Numbers in parentheses are those announced in the "notice regarding the revision of the medium-term management plan" on February 12, 2025.

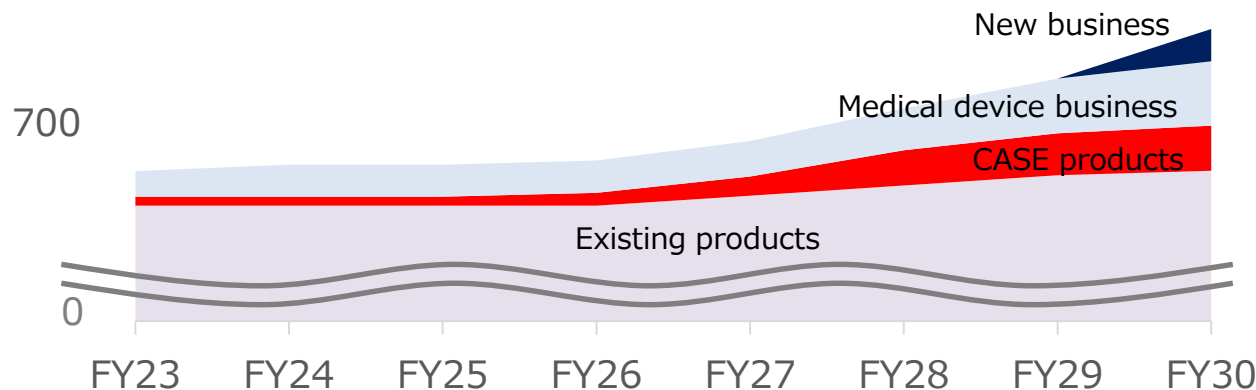
(¥100 mil.)

	FY24 results	FY25	FY26	FY27	FY30
Sales	633	(630) 620	660	690	850
Operating profit	23	(29) 21	46	63	90
Operating profit ratio	3.8%	(4.6%) 3.4%	7.0%	9.1%	10.6%
Net income	18	(24) 12	36	48	66

FY25: Revised based on future trends of major OEMs

FY26 and after: Achieve ROE of 8% or more in FY27 through product development that goes beyond the boundaries of existing product lines, efficient organizational structure, and productivity improvement at the new Moka Plant.

1,000



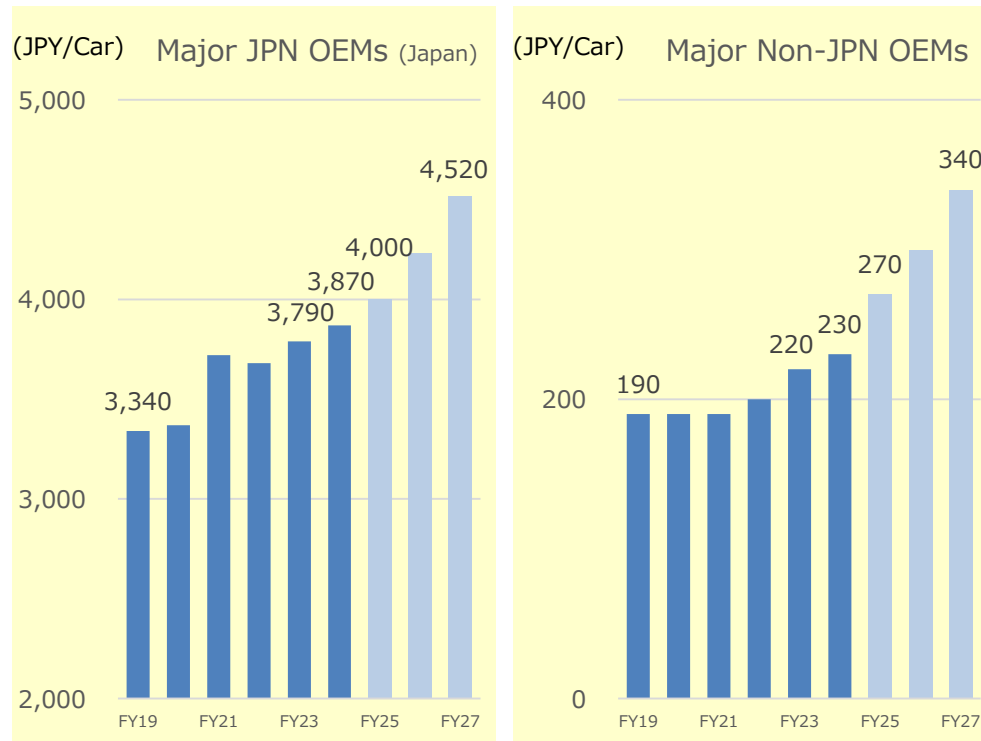
(¥ 100 mil.)

- Existing products: Enhance overseas and o/c parts businesses.
- CASE products: Focus on bus bars and ADAS parts.
- Medical Devices: Accelerate growth in overseas markets.
- New business: Feasibility study by a dedicated department

Sales Expansion Activity

- Increase per-car sales for major OEMs.
- Enhance the customer portfolio by strengthening sales to non-Japanese OEMs.

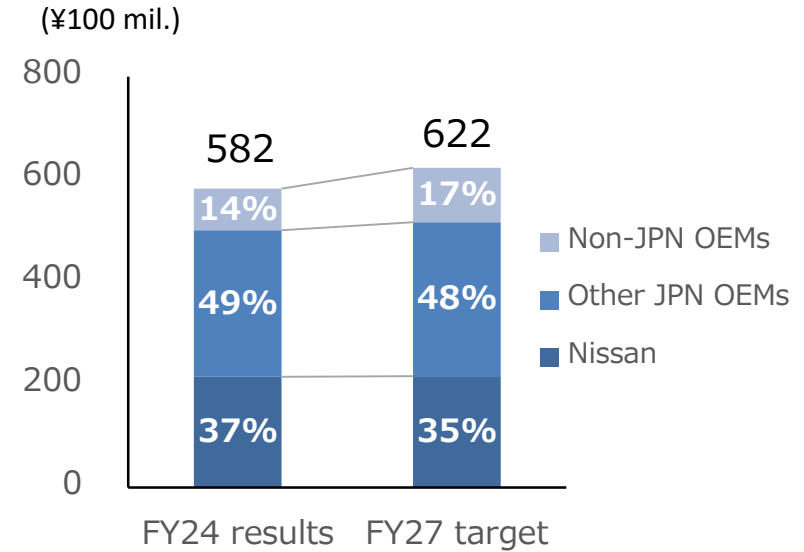
■ Per-car sales



* Top 5 OEMs in Japan

* OEMs in China, India, and North America

■ Sales and ratio by OEM



■ Global sales expansion plan

	FY25	FY26	FY27	
CASE products	10	15	20	(¥100 mil.)
Existing products	70	100	100	(¥100 mil.)
Total	80	115	120	(¥100 mil.)

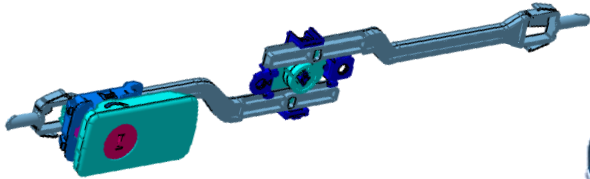
Product Strategy

■ Application and evolution of our conventional technology

Leveraging our accumulated know-how in metals and resins, we will focus on products that meet market needs for lighter weight, quietness, and environmental friendliness with the spread of electric and hybrid vehicles.

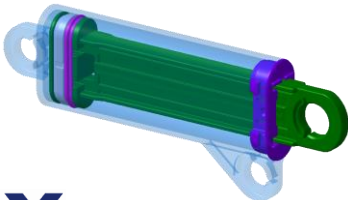
Latches

Our simple, light, and compact latches enables wider interior space.



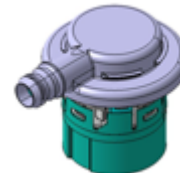
Dampers

Our dampers generate high damping force in a smaller space than conventional products, contributing to passenger comfort.



Valves

High pressure valve for HEV and PHEV

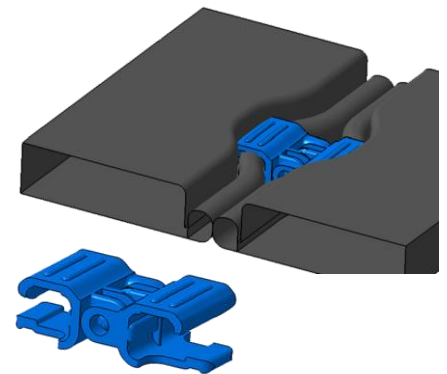


Clips

Our metal and plastic parts are used throughout the vehicle body to secure interior and exterior parts and piping.

Floor mat fixing clip

This clip excels in disassembling than the conventional double-sided tape sewing, contributing to sustainability.



Product Strategy

■ CASE compatible products

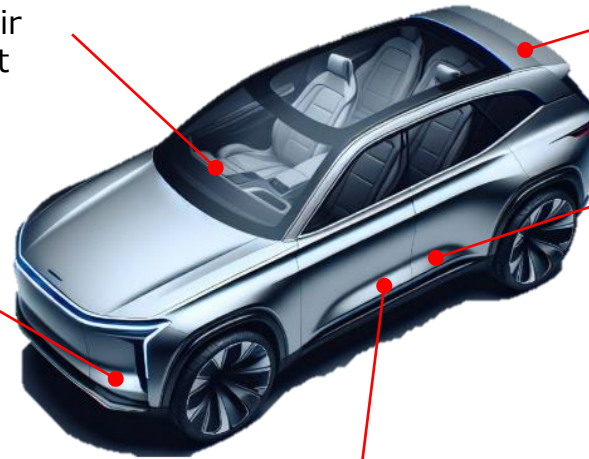
We take the changing product needs with the spread of CASE as business opportunities. Our sales of CASE products are increasing steadily. We will concentrate our resources on major items to achieve sales of 10 billion yen in FY30.

Electric Latches

They are used in glove boxes, etc. Their electric operation contributes to a quiet interior space.

ADAS-related parts

They fix various devices for the advanced driver assistance system (ADAS), such as cameras, sensors, and sonars, to car glasses and bodies. We aim for sales of 2 billion yen or more and a 5% market share in FY30.



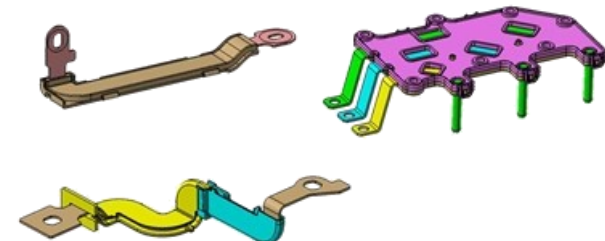
Damping stoppers

They are overwhelmingly lighter, quieter, and less expensive compared to current dynamic dampers.

Bus bars

They conduct electricity from power sources made of copper/aluminum to multiple outputs. They allow flexible layout and save space compared to conventional products.

We aim for sales of 2.5 billion yen or more and a 2% market share in FY30.



Joints for battery cooling pipe

They absorb misalignment and/or variation of cells.

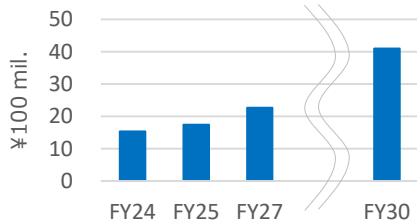
Regional Strategy

China

Increase sales to Chinese OEMs
FY30: Sales of ¥11 bil. of more
(¥4 bil. to Chinese OEMs)

- 1) Build a system so that all processes from design and development to production will be completed in China in a speedy manner, satisfying local needs.
- 2) Focus on profitable products and use local materials to reduce costs.

Sales plan to Chinese OEMs



North America

Increase sales to Big 3
FY30: Sales of ¥18 bil. or more

- 1) Review business structure (sales, development).
- 2) Consider sales scheme for vehicles made in South America.
- 3) Promote selling products to other models and enter new fields (pursuing value-added products).

■ Response to additional tariffs

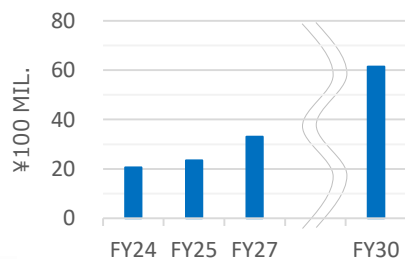
- Simulate revenue impact and measures.
- Consider production relocation in North America and Mexico.

Growth
focusing on
O/C parts

India

Active investment in the growing market
Strengthen the organization
toward sales of ¥10 bil.

Sales plan in India

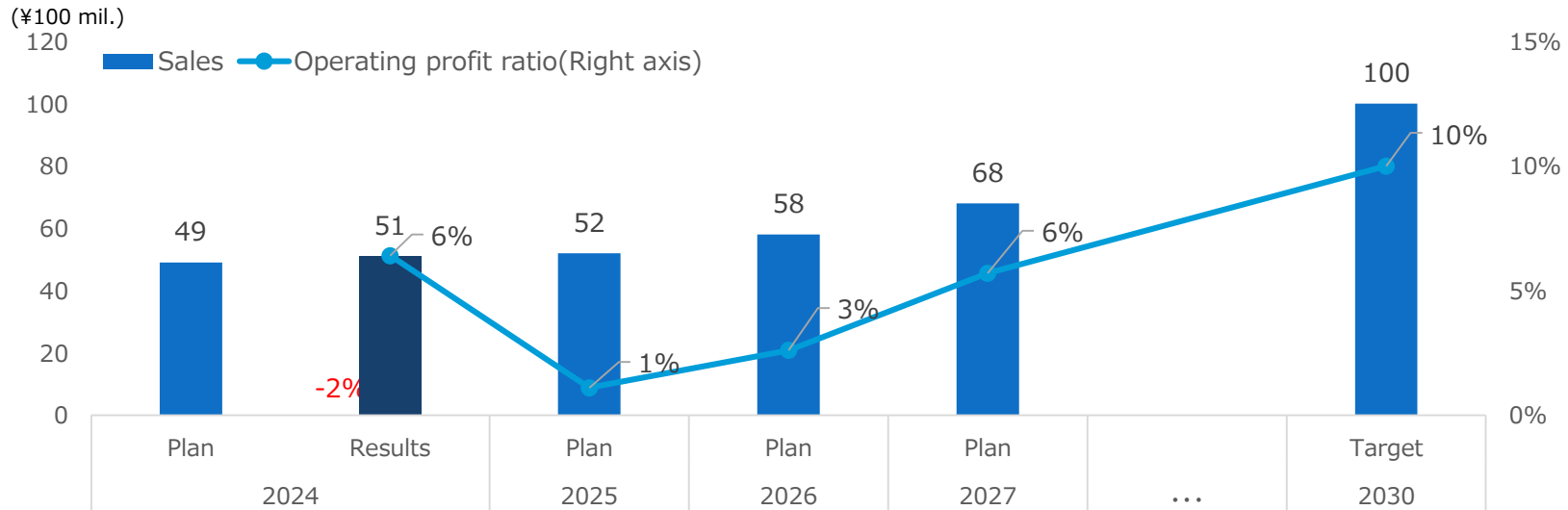


- Enhance sales to Maruti Suzuki and local OEMs.
- Increase production capacity by building a second plant.
→ To be operated in FY26
- Expand the product size we handle for larger sales.
- Further promote motorcycle products.
- Strengthen R&D system (existing products, advanced development).

MEDICAL DEVICE BUSINESS

Business Strategy -1

■ Sales and operating profit ratio of medical device business (PIOLAX MEDICAL DEVICES, INC.)



■ Medium- to long-term focus products

1. Stents

Implantable medical devices utilizing our metal processing technology. They will be able to reduce complications when implanted and the risk of post-implantation failures.

2. Guidewires

Our PTFE technology* is highly regarded in the market, with opportunities of OEM business.

*PTFE technology is a technology that shrinks fluororesin with heat to provide high slipperiness.

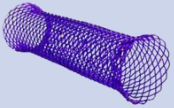


3. Coils

Implantable medical devices utilizing our metal processing technology. They will enable highly accurate treatment for cancer, a market that is expected to expand in the future.

Business Strategy -2

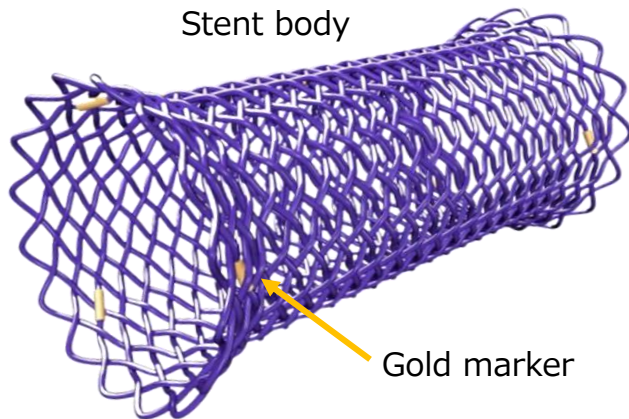
**Define product lines to focus on:
medical devices for minimally invasive treatment**

Market launch plan

Product lines and sales targets in 2030	2025	2026	2027	2028-2030
Stents New) ¥1.2 bil. 	2 products (Biodegradable stent) (Cancer treatment)		2 Products (Cancer treatment)	
Guidewires New) ¥0.6 bil. 	1 product (Japan)	2 products (Overseas)	1 product (Overseas)	1 product (Overseas)
Coils New) ¥1.2 bil. 		2 Products (Cancer treatment) (Endovascular treatment)	1 product (Endovascular treatment)	3 Products (Cancer treatment) (Japan, overseas)
Others Existing/New) ¥2 bil.	1) Enter into new medical departments for endovascular treatment. 2) Launch new endovascular treatment products and related products and export them. 3) Expand OEM business. 4) Expand sales of existing products.			

Product to Focus on (New Product)

■ Japan's first biodegradable gastrointestinal stent (esophagus) receiving regulatory approval



Target group

Patients with benign esophageal stricture who frequently undergo balloon dilatation

Effect

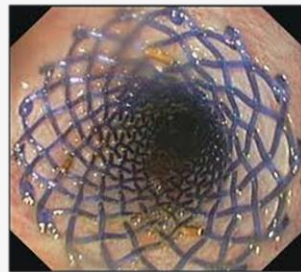
Reduce the risk of stenosis recurrence and the number of hospital visits, decreasing the burden on patients

Treatment method

A stent continuously expanding a narrowed area is inserted. It is absorbed and decomposed after 2 to 3 months: no need of its removal operation. The period during which food and drink is be easily passed will be extended.



Esophageal stricture



Immediately after stent placement



3 months later



6 months later

CAPITAL POLICY

Capital Policy Update

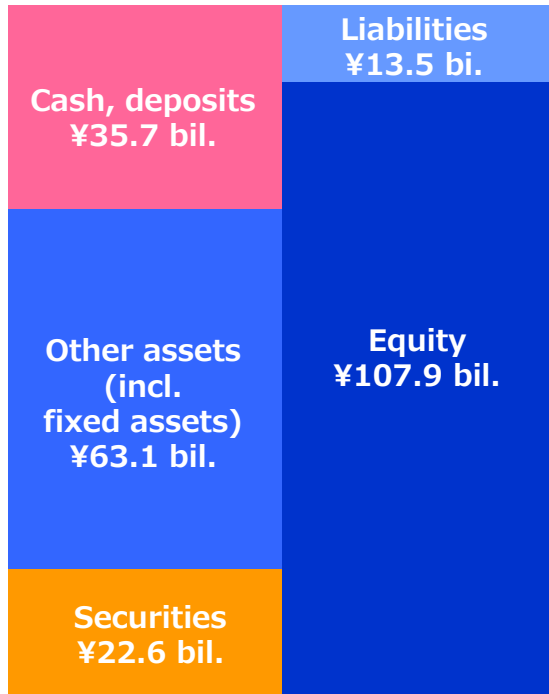
Based on the disclosure on November 7, 2024 and tender offer for own shares (TBO) implemented from February 13, 2025, our capital policy is as follows.

No.	Item	Details
1	Total share buybacks over three years: ¥30 bil.	From November 8, 2024, we acquired treasury shares worth ¥24.3 billion in total (¥2.6 billion via market purchases and ¥21.7 billion via a tender offer). Of the remaining ¥5.7 billion, ¥2 billion will be acquired via market purchases from May 13, 2025.
2	Dividend policy	Maintain annual dividends of ¥92 or more per share and 100% dividend payout ratio until the fiscal year ending March 2027.
3	Amendment to basic business alliance with Saga Tekkohsho Co., Ltd.	We partially sold the company's shares on February 12, 2025; Saga Tekkohsho has been exempted from the equity method.
4	Resumption of shareholder benefits program	Shareholder benefits program will be resumed for shareholders listed on the shareholder register as of the end of March 2026.

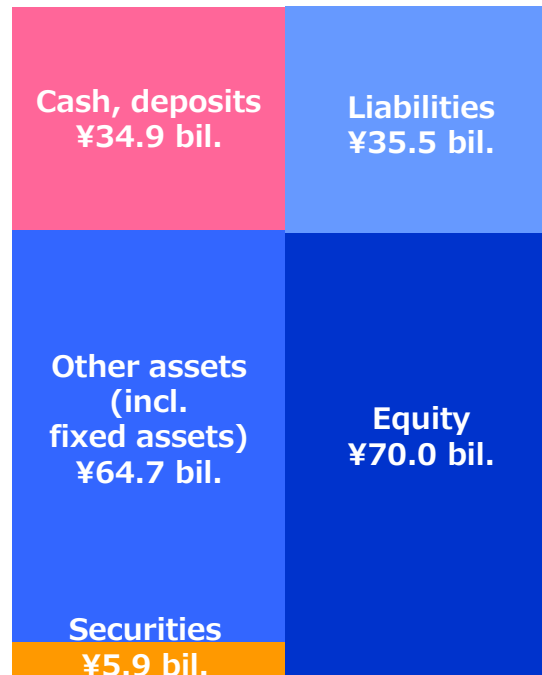
Introduction of stock-based compensation for employees is being considered.

For Appropriate Capital Adequacy Ratio

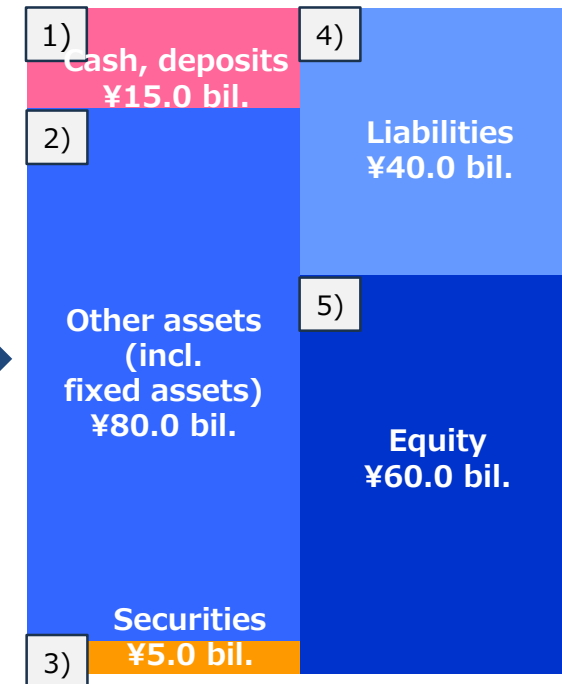
March 2024



May 2025



Target



- 1) Cash, deposits: Decrease for shareholder returns
- 2) Other assets: Increase in capital assets by growth investment and others
- 3) Securities: Decrease due to partial sale of shares of Saga Tekkohsho

- 4) Liabilities: Increase in interest-bearing liabilities through financial leverage
- 5) Equity: Decrease due to acquiring our own shares of ¥30 bil., paying dividends, and selling part of shares of Saga Tekkohsho

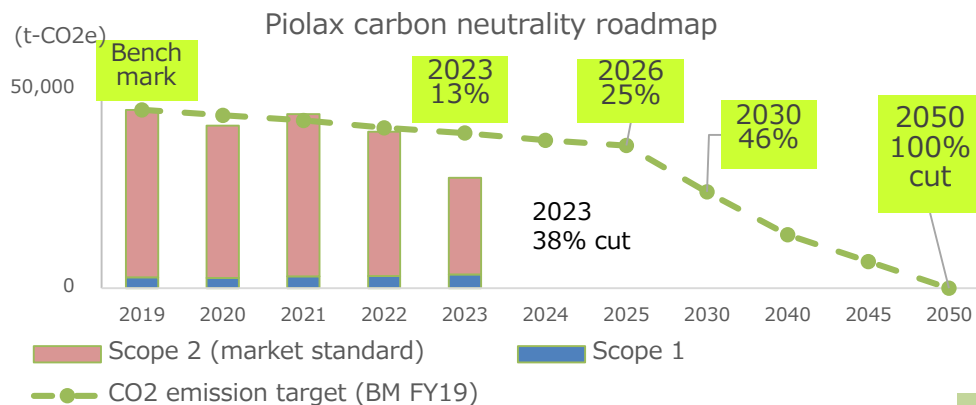
SUSTAINABILITY INITIATIVES

Sustainability Initiatives

Carbon neutrality (CN): -46% in FY30 (from FY19)

FY23: Introduced 100% renewable energy at the Moka and Fuji Plants and Piolax Medical Devices.

FY24: Included overseas subsidiaries in our roadmap.



Diversity

	FY24	FY30 Target
Ratio of female managers	6.3%	20% or more
Gender wage differential (regular workers)	79.9%	Eliminate the differential
Ratio of male employees taking childcare leave	50.0%	Further improvement

*Gender wage differential: The ratio for managers is 98.8%.

S

External Recognition

Constituent stock

FTSE Blossom Japan Sector Relative Index has selected Piolax for the third consecutive year.

Kurumin certification

Certified as a childcare support company



Eruboshi Certification

Certified as an "Eruboshi" company (the highest grade) for promoting women's participation in the workforce



Health and Productivity Management Award

Certified as a company with excellent health management in the large corporation category for four consecutive years



CDP Evaluation

Climate-related: B

Water Security: B-

Strengthening governance

Structure of the Board

(after the Shareholders' Meeting in June 2024)

1) Female Directors: 22% (2 people out of 9)

2) Outside Directors: 44% (4 people out of 9)

Target

30% or more
Majority

Effectiveness evaluation of the Board

External advice is taken once every three years to increase objectivity.

Effectiveness of the Audit and Supervisory Committee is also evaluated annually.

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Precaution for Handling This Document

The forward-looking statements regarding our company in this document are based on information currently available to us.

Please note that they are only projections at this time containing risks and uncertainties, and actual results may differ significantly from the projections.