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Notice Concerning Revisions to Financial Results Forecasts

PIOLAX, INC. (the “Company”) hereby announces that, in light of the most recent operating trends, it has revised the consolidated financial results forecasts for the fiscal year ending March 31, 2026, which was announced on May 12, 2025, as described below.

Revisions to the consolidated financial results forecasts for the current fiscal year
 (April 1, 2025 through March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecasts (A)	62,000	2,100	2,000	1,200	45.79
Revised forecasts (B)	61,200	1,600	1,500	700	27.44
Change (B-A)	-800	-500	-500	-500	
Change (%)	-1.3	-23.8	-25.0	-41.7	
(Reference) Actual results for the previous fiscal year ended March 31, 2025	63,351	2,382	3,402	1,792	52.67

1. Reason for the revisions

We prepared the full-year earnings forecast based on the results for the current interim consolidated period and on the assumption that the decline in revenue—due to sluggish sales trends in the automobile industry, our major customer segment, particularly in the domestic, North American, and Chinese markets—and the resulting decrease in marginal profit would persist. Taking into consideration the currently available sales and production trends, we have revised the full-year forecast. For reference, we assume an exchange rate of ¥150 per US\$1.

2. Future outlook

The business environment surrounding the Company remains uncertain, as macroeconomic factors such as persistently elevated global inflation, foreign exchange rate fluctuations, and geopolitical risks continue to pose challenges. In the automobile industry as well, we expect the business environment to remain challenging due to production cuts and production reallocations resulting from the sluggish performance of major OEMs, the global decline in market share of Japanese OEMs, developments in U.S. tariff policies, and the sharp rise in raw material costs, energy prices, and other related expenses.

In this environment, the Group will implement various initiatives aimed at expanding the top line and reforming the cost structure, with our product and regional strategies positioned as core pillars. Under our product strategy, we will leverage our strengths in metal and resin processing technologies to focus on developing high value-added products, including CASE-related parts, electrification-related parts, and composite unit parts. We will also take on new product sizes that we have not previously handled, thereby increasing the value of our products installed per vehicle. In the current fiscal year, we have begun to see tangible results, including instances where the value of our products installed per vehicle has increased by up to two times for target models of major OEMs, as well as orders received from local OEMs in China and India for ADAS-related parts.

Under our regional strategy, we will focus on North America, China, and India as priority markets and concentrate on expanding sales to local OEMs. At the same time, we will promote the localization of design and development to establish a structure that enables us to capture local needs quickly and accurately, thereby enhancing our speed and cost competitiveness. In the current fiscal year, we reviewed our profit structure for future periods by establishing an optimal production framework based on OEM trends in each region and implementing a reduction of approximately 150 employees across the Group.

Furthermore, in this fiscal year, we restructured our organization from a divisional system to a function-based structure to establish a framework capable of responding promptly to customer issues. We also undertook the consolidation and integration of Group companies to enhance the efficiency of Group operations. Looking ahead to the next fiscal year, we intend to further improve efficiency by reviewing our production and personnel structures in Japan.

We are currently reviewing the existing medium-term management plan in light of changes in the business environment and structural challenges, and intend to announce the revised plan around May 2026.

(Note) This forecast is based on information currently available to the Company and on certain assumptions that the Company considers reasonable, and actual results may differ due to various factors.