

## 【Editorial Policy】

This CSR report is created to help stakeholders deepen their understanding of CSR activities conducted by the Piolax Group toward the sustainable society.

The Piolax Group hopes to expand the circle of communication with more stakeholders through this report.

### ■Reportable organization

PIOLAX, INC. and the Piolax Group (In case an article does not cover the whole Piolax Group, its applicable scope is referred to.)

### ■Period covered

April 1, 2020 to March 31, 2021

\* For activities outside the period covered, the year and month are listed.

\* Some photos are taken outside the period covered.

### ■Reference guideline

This CSR report is created in accordance with the core level of the GRI standards.

### ■Time of issuance

Japanese version: November 2021

\* Previous version in November 2020

### ■Contact regarding this report

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## 【Table of Contents】

<b>Cover</b>	・・・1
<b>Table of Contents, Editorial Policy</b>	・・・2
<b>Top Message from the President</b>	・・・3
<b>Company Credo and Philosophy</b>	・・・5
<b>Company Profile</b>	
History / Company Information / Piolax	・・・6
Group Network / Business Area	
<b>Piolax Strategy</b>	
Materiality / ESG Vision and Target	・・・12
Stakeholder Engagement	・・・14
Other Activities	・・・15
<b>Governance Report</b>	
Corporate Governance	・・・17
Risk Management	・・・20
Compliance	・・・21
<b>Performance Report</b>	
Environment Report	・・・22
Quality Report	・・・34
Value Chain Engagement	・・・36
Safety and Health	・・・41
<b>Society</b>	
Human rights	・・・43
Human Resources	・・・44
Procurement	・・・48
Contribution to Society	・・・49
<b>Supplementary Material</b>	・・・50
<b>GRI Standards Content Index</b>	・・・51

#### Disclaimer

This report includes forward-looking statements of the Piolax Group such as plans, forecasts, strategies, and performance which are based on currently available information. We would appreciate understanding of readers.

## Message from the President

### **Piolax broadly contributes to industry and society as a pioneer in creating elasticity.**

Originally founded as “Kato Hatsujo Seisakusyo” in 1933, Piolax is marking its 88<sup>th</sup> anniversary this year. Our business started with the production of precision metal springs for the automobile and telecommunication industries and has expanded to the development and manufacture of plastic fasteners. We outperform our competitors in that we can develop and manufacture springs made of both metal and plastic and have made the most of this strength to pioneer new business.

Setting forth the corporate philosophy, “Pioneer in creating elasticity”, we are actively pursuing the potential of “elasticity” mainly in the automobile industry, as well as in the medical device business, consumer products and other fields.

We are determined to continue to broadly contribute to society and industry through creation of innovative products by studying “elasticity” as a science.



Yukihiro Shimazu  
President

#### < Response to the Spread of COVID-19 >

The year 2020 saw the whole world endangered by an unprecedented crisis triggered by the COVID-19 pandemic. Piolax organized the “COVID-19 Control Committee” to take countermeasures against the pandemic. Putting the highest priority on the health and safety of our employees, we concentrated our energies on preventing the spread of infection by minimizing the number of business trips in Japan and abroad, introducing remote work, and organizing online meetings. Throughout the year with uncertainties, we experienced a very hard time in operating our business. In response to these environmental changes, however, we promoted work style reform such as the establishment of a remote work system and endeavored to reform the corporate structure by streamlining business operations and reducing fixed costs.

#### < Efforts toward ESG Management >

In today's world, many problems, such as climate change, environmental pollution, and human rights, have become more serious, and companies are required to actively address these social issues. We have been promoting ESG management to realize a sustainable society. In FY2020, we formed the groundwork for activities toward our ESG management promotion. As an example of our efforts, we have established the “Piolax Group Basic Policy on Human Rights and Labor”, which clearly states that we respect the human rights of all people involved in Piolax. Furthermore, through our efforts to promote diversity within the company, we were awarded the highest rank of “Eruboshi (L Star)”, which is the excellent company certification system under the Act on the Promotion of Female Participation and Career Advancement in the Workplace. In order to accelerate ESG management, we announced our ESG vision toward FY2030 “Piolax ESG Vision

2030" as well as our efforts for FY2021 to realize this vision and KPIs (see ESG Activity Targets on page 13). By declaring these targets internally and externally, we are determined to achieve them with our stakeholders including employees.

Through the ESG activities, we are striving to achieve SDGs (Sustainable Development Goals). The corporate credo "Sincerity, Cooperation, and Contribution" reflects our management spirit of sincerely dedicating ourselves to everything and sparing no effort in providing cooperation to customers and society. I feel this spirit is highly compatible with SDGs that aim for a sustainable society. We are determined to promote our activities to contribute to realizing a sustainable society.

#### < Medium-Term Management Plan >

This year, we announced the medium-term management plan for fiscal years 2021 to 2023. Based on our vision "Piolax broadly contributes to industry and society as a pioneer in creating elasticity", we have developed five basic policies and five management strategies. The automobile industry, which is our major business field, is facing a once-in-a-century transformation, and the shift to EVs for decarbonization is accelerating. We believe that there is a risk that orders for existing products will decrease or cease due to the shift to EVs. Thus, our medium-term management plan includes measures to keep up with the shift, such as the development and sales expansion of new products for EVs and pursuit of new businesses. The promotion of ESG management also includes efforts toward carbon neutrality and measures to promote diversity. I believe that our continuous growth as a company will also contribute to the development of a sustainable society.

#### Piolax medium-term management policy for FY2021 to 2023

##### Vision

**As a pioneer creating elasticity, widely contribute to industries and society.**

##### Basic Policies

1. Reform existing businesses.
2. Take on the challenge of new/next-generation businesses.
3. Strengthen the management foundation.
4. Actively invest for the future.
5. Promote ESG-based management.

##### Management Strategies

1. Product and customer strategy
2. Business strategy
3. Regional strategy
4. Growth investment strategy
5. Management capital strategy

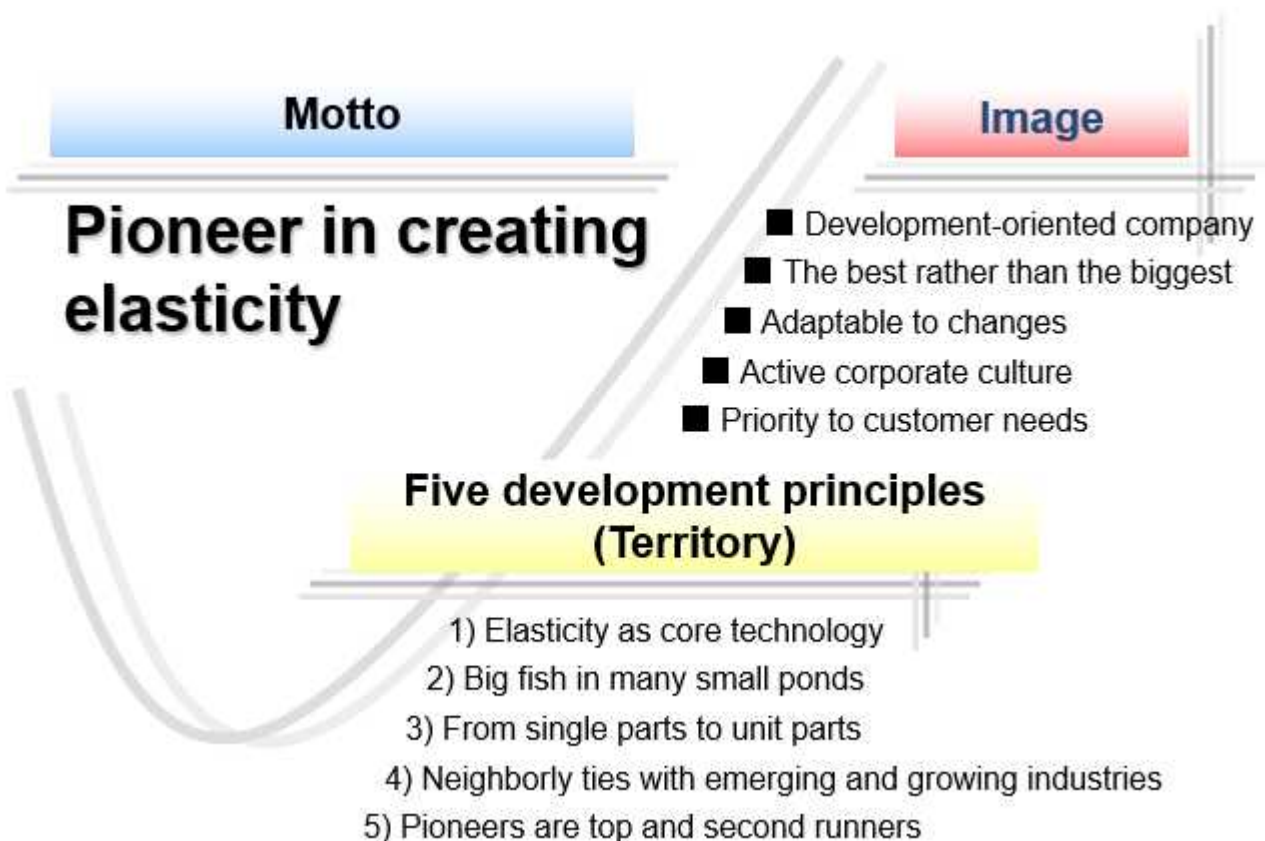
We sincerely consider how we can contribute to society as a company, and all employees will continue to take on new challenges. We earnestly hope your continued support.

# Company Credo

**“Sincerity, Cooperation,  
and Contribution”**

## Company Philosophy

Piolax will continue new challenges always looking ahead to the changes in the times as a development-oriented company using “elasticity” as core technology.



## 【History】

Combining **metal** and **plastic**, Piolax has expanded its possibilities and entered into **new businesses**.

- 1933 Start “Kato Hatsujo Seisakusyo” at Honjo Kikukawa, Tokyo.
- 1936 Move to Iwai-cho, Hodogaya-ku, Yokohama
- 1937 Start business with Ford Japan
- 1939 Established as “Kato Hatsujo K.K.”
- 1957 Build Yokohama Plant at Kariba-cho, Hodogaya-ku, Yokohama
- 1969 Start production of plastic fasteners
- 1970 Build Moka Plant (Tochigi Prefecture)
- 1988 Start local production in the U.S.
- 1995 Change the company name to “PIOLAX, INC.”
- 1995-1996 Establish bases in the U.K. and Korea
- 1998 Listed on the 2<sup>nd</sup> section of the Tokyo Stock Exchange (TSE)  
Build Fuji Plant (Shizuoka Prefecture)
- 1999 Spin off medical device business into a separate company
- 2000 Establish a base in Thailand
- 2003 Establish a base in China (Dongguan)
- 2004 Listed on the 1<sup>st</sup> section of the TSE
- 2009-2012 Establish bases in India, Mexico, Indonesia, and China (Wuhan)
- 2017 Sign a cooperation agreement with ARaymond (France)
- 2019 Establish a base in China (Shanghai)
- 2021 Make the Shanghai base into a controlling company in China (Dongguan and Wuhan as its subsidiaries)



Initial establishment  
(Hodogaya-ku, Yokohama)

1933 Start from manufacturing **metal springs**

1972 Make a full-scale entry into **plastic fastener business**

1990s Expand business of fuel system parts

1995 Enter into medical device business

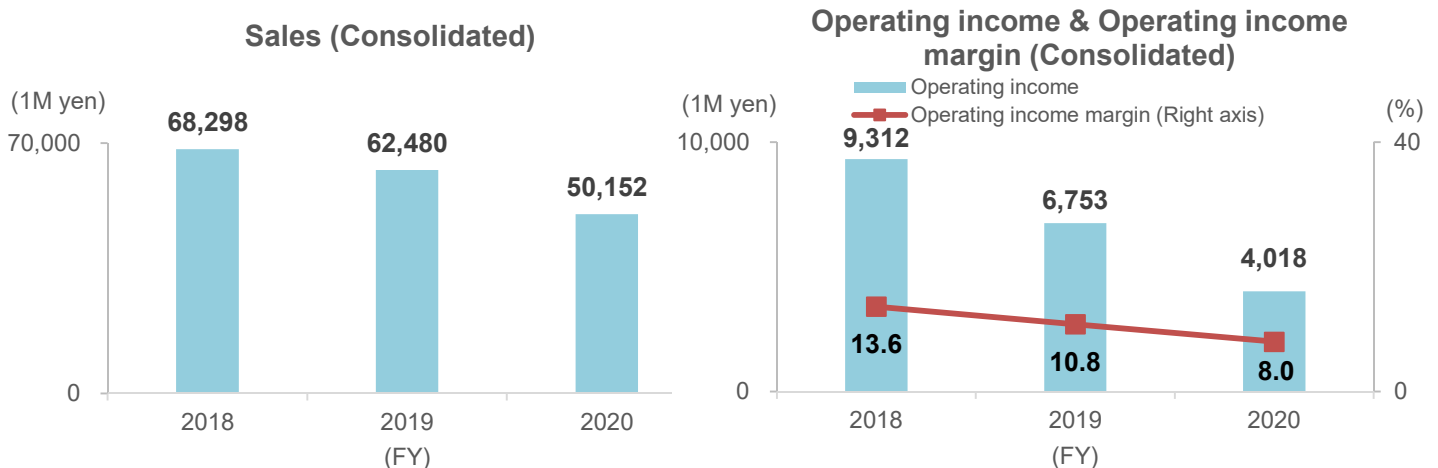
2000s Expand business of open & close mechanism parts

2010s Enter into EV business

**Piolax celebrated its 88<sup>th</sup> anniversary  
in October 2021**

## 【Company Information】 (As of March 31, 2021)

<b>Company name</b>	PIOLAX, INC.
<b>Establishment</b>	September 1939
<b>Description of business</b>	Manufacturing and sales of coil springs, flat springs, wire forms, metal and plastic fasteners, and unit mechanism parts
<b>Capital</b>	2,960.97 million yen
<b>Sales</b>	50,152 million yen (Consolidated) (FY2020 ended in March 2021)
<b>No. of employees</b>	2,952 people (Consolidated)
<b>Head office</b>	51 Iwai-cho, Hodogaya-ku, Yokohama, Kanagawa 240-0023, Japan
<b>Major customers</b>	Nissan Motor Co., Ltd., Honda Motor Co., Ltd., Mazda Motor Corporation, Toyota Motor Corporation, Subaru Corporation, Mitsubishi Motors Corporation, Suzuki Motor Corporation, Daihatsu Motor Co., Ltd., Isuzu Motors Limited, Jatco Ltd., Yazaki Parts Co., Ltd., Nissan Shatai Co., Ltd., Hitachi Astemo, Ltd., Aichi Machine Industry Co., Ltd., Mitsubishi Fuso Bus Manufacturing Co., Ltd., UD Trucks Corporation, TOTO Ltd., General Motors Company, Ford Motor Company, Hyundai Motor Company
<b>Member organization</b>	Japan Auto Parts Industries Association Japan Spring Manufacturers Association
<b>Listed exchange</b>	1 <sup>st</sup> section of the Tokyo Stock Exchange (Securities code: 5988)
<b>No. of shares outstanding</b>	39,254,100 shares
<b>No. of shareholders</b>	6,012 people





## 【Piolax Group Network】

Piolax Group has developed the network of products, technologies and manufacturing in Asia, North America and Europe targeting the global market. Its worldwide network supports overseas local production of Japanese car makers and responds to the needs of many overseas car makers.

### 1. Bases in overseas countries

- ① PIOLAX CORPORATION, Sales and Design Office (Michigan, U.S.)
- ② PIOLAX CORPORATION, Head Office and Plant (Georgia, U.S.)
- ③ PIOLAX MEXICANA S.A. de C.V. (Nuevo Leon, Mexico)
- ④ PIOLAX CO., LTD. (Incheon Metropolitan City, Korea)
- ⑤ DONGGUAN PIOLAX CO., LTD. (Dongguan, China)
- ⑥ WUHAN PIOLAX CO., LTD. (Wuhan, China)
- ⑦ PIOLAX (CHINA) CO., LTD., Head Office and Shanghai Branch (Shanghai, China)
- ⑧ PIOLAX (CHINA) CO., LTD., Tianjin Sales Office (Tianjin, China)
- ⑨ PIOLAX (CHINA) CO., LTD., Guangzhou Branch (Guangzhou, China)
- ⑩ PIOLAX (THAILAND) LTD. (Rayong, Thailand)
- ⑪ PT. PIOLAX INDONESIA (West Java, Indonesia)
- ⑫ PIOLAX LTD. (Lancashire, U.K.)
- ⑬ PIOLAX INDIA PRIVATE LTD. (Andhra Pradesh, India)
- ⑭ PIOLAX INDIA PRIVATE LTD. (Haryana, India)

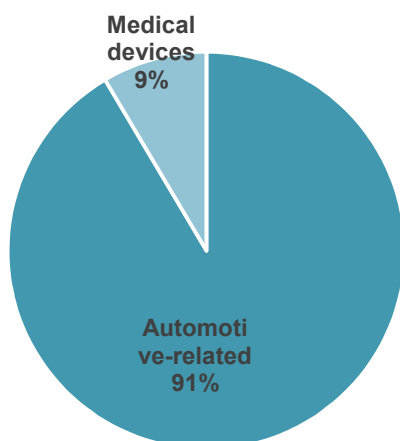
### 2. Bases in Japan

- Head Office (Yokohama, Kanagawa)
- Yokohama Technical Center / Yokohama Branch (Same as above)
- Moka Plant and Moka Branch (Tochigi)
- Fuji Plant and Fuji Branch (Shizuoka)
- Nagoya Branch (Aichi)
- Nishi-Nihon Branch (Hiroshima)
- Shonan Center (Kanagawa)
- Nishi-Nihon Center (Fukuoka)

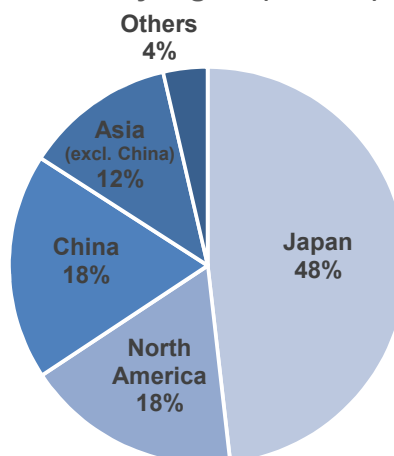
### 3. Subsidiaries in Japan

- PIOLAX H.F.S. INC. (Gunma)
- P.M.T. INC. (Tochigi)
- P.N.S. INC. (Tochigi)
- PIOLAX KYUSHU CO., LTD. (Fukuoka)
- PIOLAX MEDICAL DEVICES, INC. (Yokohama, Kanagawa)
- KHK SALES CO., LTD. (Same as above)
- PIOLAX BUSINESS SERVICE CO., LTD. (Same as above)

Sales by business area (FY2020)



Sales by region (FY2020)



## 【Business Area】

### 1. Automotive-related business

Automotive-related business is a Piolax's core field earning about 90% of its sales.

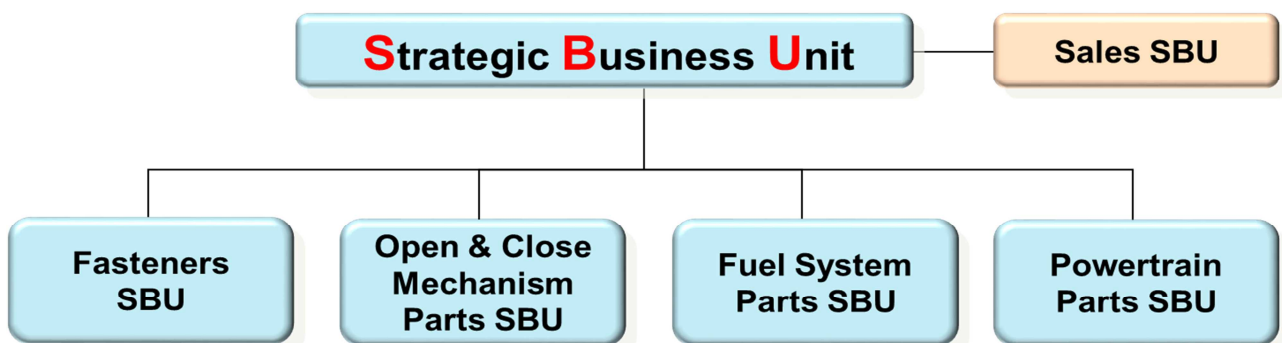
Piolax's strength is to be able to develop and manufacture both “metal” and “plastic” products focusing on elasticity of materials. With the strength, Piolax has been providing products satisfying various customer needs, and that has led to its development to date.

#### 1) SBU system

Automotive-related parts which Piolax produces are fasteners, open and close mechanism parts, fuel system parts and powertrain parts, and the SBU (Strategic Business Unit) system is being introduced by product category.

Taking advantage of the SBU system, Piolax quickly responds to changes in the product markets and promotes integrated operation from development and manufacturing to sales and quality assurance by each Product SBU.

#### Piolax SBU system



Each Product SBU consists of divisions of marketing, development, production and quality assurance and formulates and executes its own strategies to flexibly respond to needs of the markets and customers.



## 2) Lineup of automotive parts

### Powertrain parts



Retainer assemblies, snap rings, etc. used in the transmission and other powertrain mechanism.

### Open & close mechanism parts



Air dampers, latches, etc. used in the opening and closing mechanism of the glove box

### EV-related parts

Battery-related

Cover terminal



Parts for battery and motor

### Clamps



Hose clamps to fasten a pipe and a rubber hose to prevent their separation or leakage.

### Harness parts



Band clips, taping clips, etc. to bundle wires and harnesses running in a vehicle like blood vessels and fix them to a vehicle panel.

### Fasteners

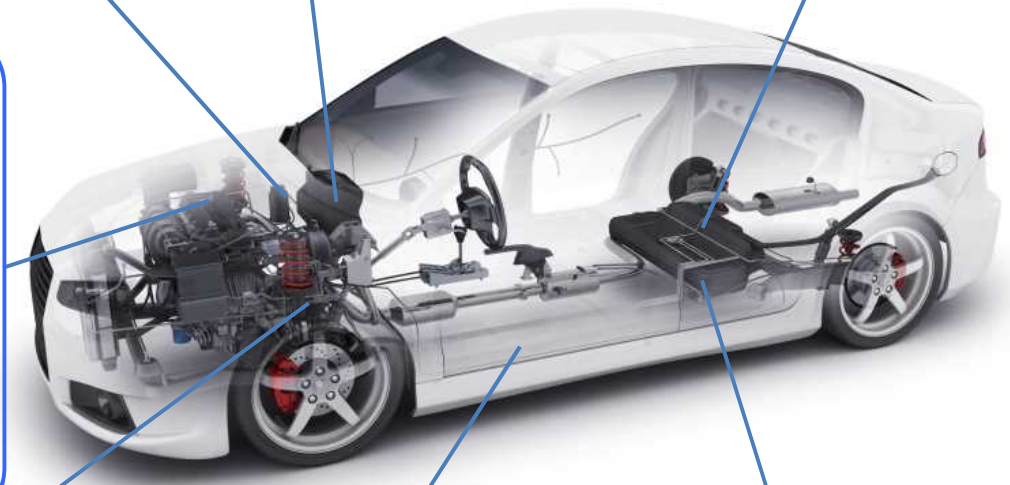


Metal and plastic fasteners like trim clips to fix interior and exterior parts and pipes to a vehicle.

### Fuel system parts



Valves, connectors, and filters which are used to safely store and supply fuel.



## 2. Medical device business

Piolax Medical Devices, which is one of our subsidiaries, is developing medical device business by combining its original technologies with our elasticity technologies accumulated through the development and manufacture of automotive parts as basic technologies.

In the past, surgical operations using scalpels were mainly performed, but they entailed various problems such as physical burdens on patients, bleeding, and long-term hospitalization. "Interventional treatment" pursued by Piolax Medical Devices refers to treatment that is conducted by inserting necessary devices and instruments into blood vessels or body of the patient through holes or small incisions in the skin or by means of an endoscope without greatly damaging the body of the patient. It is a "human-friendly medical practice" that provides minimally invasive treatment with reduced physical burdens compared to surgical treatment and enables patients to return to society early.

### Applications that Piolax Medical Devices aims for

\* QOL : Quality of Life

#### Social needs

Improve patients' QOL\*

Respond to aging society

Shorten length of hospital stay

Reduce medical cost

#### Key words

Intervention (Minimally invasive treatment)

#### Technologies

Application of elasticity

Precision processing

Hydrophilic treatment

