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Editorial Policy

This report is published to provide stakeholders with an understanding of the Piolax Group's sustainability efforts to achieve a sustainable society. Through this report, the Group hopes to expand the circle of communication with more stakeholders.

Reporting organizations

PIOLAX, INC.
Piolax Group
(If certain information does not refer to the entire Piolax Group, its scope is indicated separately.)

Period covered

April 1, 2024 to March 31, 2025
* For activities outside the period covered, the year and month are listed.
* Some photos are taken outside the period covered.

Referenced guidelines

GRI Sustainability Reporting Standards

Date of publication

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Disclaimer

This report contains forward-looking statements regarding the Piolax Group's plans, forecasts, strategies and performance. These statements are based on judgments made referring to information available at the time of publication. We thank you for your understanding.

Company Profile

Business name	PIOLAX, INC.	Listed exchange	Tokyo Stock Exchange, Prime Market
Representative	Satoshi Yamada, President	Sales amount	27 billion yen (non-consolidated)/ 63.3 billion yen (consolidated) (as of March 31, 2025)
Head office	51 Iwai-cho, Hodogaya-ku, Yokohama, Kanagawa, Japan *As of December 2025	Business activities	Production and sales of coil springs, flat springs, wire forms, metal/plastic fasteners, and unit assembly parts
Date of establishment	September 1939		
Capital	2,960.97 million yen (as of March 31, 2025)		

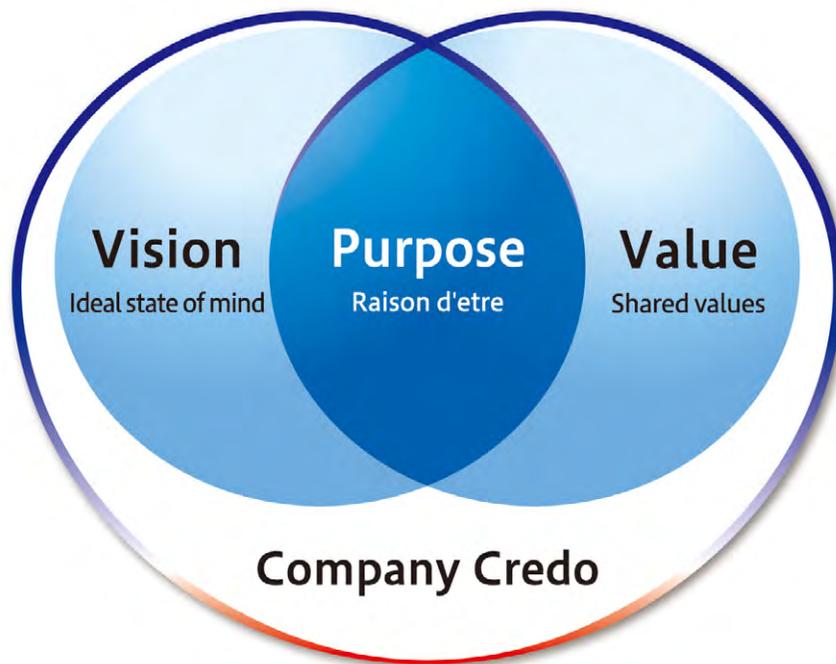




Piolax Corporate Philosophy

PIOLAX WAY

Our new corporate philosophy, the PIOLAX WAY, serves as a guiding principle for contributing to societal development and realizing a more prosperous, secure, and comfortable future. We aim to achieve this by connecting people from all walks of life through the technology and spirit we have cultivated over the years as a pioneer in elastic technology. By adhering to the PIOLAX WAY, we will pursue management strategies that meet the expectations of all stakeholders, including customers, shareholders, and employees, while continuously enhancing our corporate value.



Purpose

Connect people and society with technology for an exciting future

Vision

Create new value

-As pioneers of elasticity, we will create a next future-

Value

- 1) Pioneer new ideas and open to change
- 2) Strive for excellence with passion and trust
- 3) Respect creativity and free thinking

Company Credo

“Sincerity, Cooperation, and Contribution”



Message from the President

Toward an Exciting Future for Company and Society: Forwarding Both Business Activities and Contributions to Society with Sustainable Management as Our Growth Engine

Against the backdrop of profound transformation in the automotive industry, demand for automobile parts is undergoing significant changes. For Piolax, which counts flexibility and responsiveness among its core strengths, this current situation is not purely negative, but surely also presents an opportunity. We will strive to achieve development for both our company and wider society, with sustainable management—an investment in the future—as our growth engine.

A New Management Policy Beyond Automobile Production Growth

Since our founding in 1933, our business has developed with a focus on the manufacture of precision metal springs for automobiles and electrical and telecommunications devices. We have also pursued material elasticity as one of our core technologies.

As automakers, our primary customers, have gone from strength to strength, so too has Piolax supported by the tailwind of increasing car production. However, our customers' production output is expected to slow over the long term, which will have a significant impact on our company. In the face of today's uncertainty, we have decided to transition to a management approach that does not solely rely on increasing automobile production to maintain a strong growth curve.

As a supplier of automotive parts, our business is inevitably

affected by fluctuations in automobile production volumes. However, we will be unable to achieve growth if we are excessively dependent on this factor. For us, management that avoids sole reliance on increasing automobile production means developing products that anticipate trends and increasing the number of our products utilized per vehicle. Further, it will require improving profitability in our existing businesses, reaching untapped customers, and entering new business fields to forge our own future.

Contributing to Carbon Neutrality Throughout the Group

The engine driving this growth is sustainable management. The automotive industry is continuing to shift from gasoline-powered

vehicles to electric vehicles (EVs). While this shift is losing momentum in Europe and the US and there is a return to hybrid vehicles as an economical option, the trend toward carbon neutrality is unlikely to change. With environmental regulations becoming stricter, particularly in Europe, we will actively respond to these regulations meeting customer needs, such as supporting EVs and using recycled materials.

We are promoting environmental initiatives across the group by setting clear targets and KPIs. Many of our products are made by heating and molding resins, and improving the thermal efficiency of injection molding machines is key to reducing our CO₂ emissions. Employees working at our manufacturing sites are implementing creative measures, such as insulating these our injection molding machines. At our US plant, they have further developed these efforts on their own, achieving even greater efficiency and fostering cross-border exchange of know-how. Our overseas group companies have



President Satoshi Yamada



Message from the President

a high level of environmental awareness and their efforts are ahead of ours at PIOLAX, INC. in some aspects. We will continue to share and implement these advanced initiatives group-wide.

We will also continue to make environmental investments, such as installing solar power systems. We have already delivered real results by purchasing green power, despite the additional costs.

As many of our products use hard-to-recycle engineering plastics, we are working with materials manufacturers to develop materials that are easier to recycle. We are also engaged in environmental initiatives involving our supply chain.

With our shift in management policy, we aim to secure new orders from and expand business with customers in Europe and the US. To do so, compliance with environmental standards and respect for human rights are essential. Respect for human rights is critical for sustaining and growing our business and expanding in global markets. We are committed to advancing human rights initiatives with a global perspective.

We view our sustainability initiatives not as mere items in the expenditure column, but as vital investments for the future and a source of new business opportunities.



Steady Progress on Diversity Through Organizational Reform

In the early 2000s, we shifted to a strategic business unit (SBU) structure to enhance profitability, consolidating product lines and allocating capital to high-margin products. This enabled us to achieve strong profitability, and was the right choice under the favorable conditions of increasing automobile production volume. However, issues with this system came to light as the business environment evolved.

We are recognized by our customers as their go-to partner in times of need. While our SBU-based approach of concentrating on our core competencies strengthened our strategic priorities, it also limited our ability to fully address our customers' diverse needs. With societal issues becoming more diverse and complex, it is becoming difficult to achieve growth by remaining focused on a limited number of areas.

To overcome this difficulty, we implemented organizational reforms in two phases—with the first beginning in April 2025 and the second in July 2025—from a siloed divisional structure to a function-based framework. This removed the barriers between divisions, allowing sales, development, and design personnel to work as a unified team and engage with the challenges facing our customers on the basis of a full and accurate picture of those issues.

These reforms are positively influencing our employees' motivation. Design and development personnel now find it easier to take on new challenges beyond traditional product boundaries. In addition, recognizing that career paths have tended to be fixed within each SBU, we will introduce active job rotation to support employees in developing diverse career paths. This is indispensable for strengthening the company's growth potential over the medium to long term. Increasing interdepartmental transfers creates opportunities for the exchange of diverse values, which in turn promotes diversity.

Our diversity initiatives, which we have set out as a focus area, are making steady progress. We are stepping up our international

personnel exchange efforts, including inviting employees recruited overseas to Japan for training. Our work to empower women in the workplace is also returning positive results. While there is still room for improvement in the proportion of women in management positions, we are seeing steady growth in the promotion, advancement, and recruitment of female employees. Further, the growing number of female Executive Officers and the first female President at a group company demonstrate that we are fostering an environment enabling everyone to thrive regardless of gender, nationality, or cultural background. A dynamic organization that embraces diverse talent can be an important factor in expanding business opportunities globally.

Taking Major Industry Changes as Business Opportunities

Every employee's work is linked to sustainability. For example, busbars are a single component within an EV, yet they are critical to vehicle safety, delivering value to both our customers and wider society. Efforts in our daily operations, such as improving the thermal efficiency of molding machines and promoting the use of recycled materials, make a direct contribution to reducing environmental impact.

If every Piolax employee is aware that their work contributes to solving societal issues, we will surely be able to grasp society's diverse needs more fully. This will accelerate product improvements and new product development, creating new business opportunities. I believe that, by promoting both contribution to society and business activities as an integrated effort, we can contribute to the growth of both our company and wider society.

The automotive industry is in the midst of significant changes, but I see this rather as a great opportunity for us, given that adaptability is embedded in our company DNA. While accelerating our sustainability initiatives, we remain committed to our Corporate Philosophy: "connect people and society with technology for an exciting future."



Our Journey with Motorization

Since its founding in 1933, Piolax has consistently expanded its business, with the elasticity of springs as its core technology, primarily contributing to the development of the automotive industry. Leveraging its expertise in developing and manufacturing products with metals and synthetic resins, Piolax has supported motorization in Japan and overseas from the early days of Japanese car production. This section traces a 90-year journey of its global expansion.



Founding of major automaker predecessors

The predecessors of Japan's current major automakers were established one after another. They laid the foundation for the later era of mass production of passenger cars, while American cars dominated the market and Japanese car production primarily focused on military vehicles.



First company building in Hodogaya-ku, Yokohama City

1933

Founded Kato Hatsujo Seisakusho in Honjo Kikukawa, Tokyo City

1936

Moved headquarters to Iwai-cho, Hodogaya-ku, Yokohama City

1937

Began business with Japan Ford

1939

Incorporated as Kato Hatsujo Co., Ltd.

1957

Built Yokohama Plant in Kariba-cho, Hodogaya-ku, Yokohama City

Blossoming of the Japanese automobile industry

Major Japanese automakers began designing and developing unique models without relying on Western models and created numerous iconic cars. Mass production was further accelerated by rapid economic growth and opening of expressways.

1969

Started manufacturing plastic fasteners

Topic



Air pollution from exhaust emissions

Air pollution from automobile exhaust became a serious social issue, particularly in urban areas, leading to stricter emission regulations. This spurred the development of low-pollution engines and other eco-friendly parts and technologies.



Moka plant at the time of its establishment

1970

Established Moka Plant in Tochigi Prefecture

The future of mobility created through small parts

The prosperity brought by automobiles has also introduced challenges such as environmental issues and traffic accidents. We have strived to improve both environmental and safety standards without compromising on any detail of our small parts. This is because we follow the principle, "God is in the details," even though they are only a fraction of the tens of thousands of automobile components. In the CASE era, we continue to tackle the challenge of creating new value through small parts to realize a sustainable society.

Dramatic advancements in performance

The performance of Japanese cars significantly advanced, with electronic engine control becoming common. Exterior designs also became more stylish. Metal bumpers were replaced with resin ones. Such improvements represented a remarkable leap in both performance and design.

1988

Started production in the US

Significant improvements in safety

Features that are now standard, such as airbags, ABS, and collision safety bodies, began to become widespread, greatly enhancing automobile safety. Driving support systems, such as car navigation, also became commonly installed in vehicles.



Spin-off of the medical device division

1995

Changed company name to PIOLAX, INC.

1995-1996

Established bases in the UK and South Korea

1998

Listed on the Second Section of the Tokyo Stock Exchange
Established Fuji Plant in Shizuoka Prefecture

1999

Spun off the medical device business

Boom of eco-friendly cars

Growing environmental awareness accelerated the research and development of hybrid cars, electric vehicles (EVs), and fuel cell vehicles. The popularity of eco-cars increased remarkably.



Aerial view of the Thai plant

2000

Established a base in Thailand

2003

Established a base in Dongguan, China

2004

Listed on the First Section of the Tokyo Stock Exchange

2009-2012

Established bases in India, Mexico, Indonesia, and Wuhan, China

Towards further technological innovations

Automakers are focusing on developing not only ecofriendly technologies but also autonomous driving, electrification, and connected technologies that support these advancements. We are entering an era where CASE (Connected, Autonomous, Shared, and Electric) is the central theme.



Transition to the Prime Market

2019

Established a base in Shanghai, China

2021

Converted the Shanghai base into the China headquarters

2022

Transitioned from the First Section of the Tokyo Stock Exchange to the Prime Market

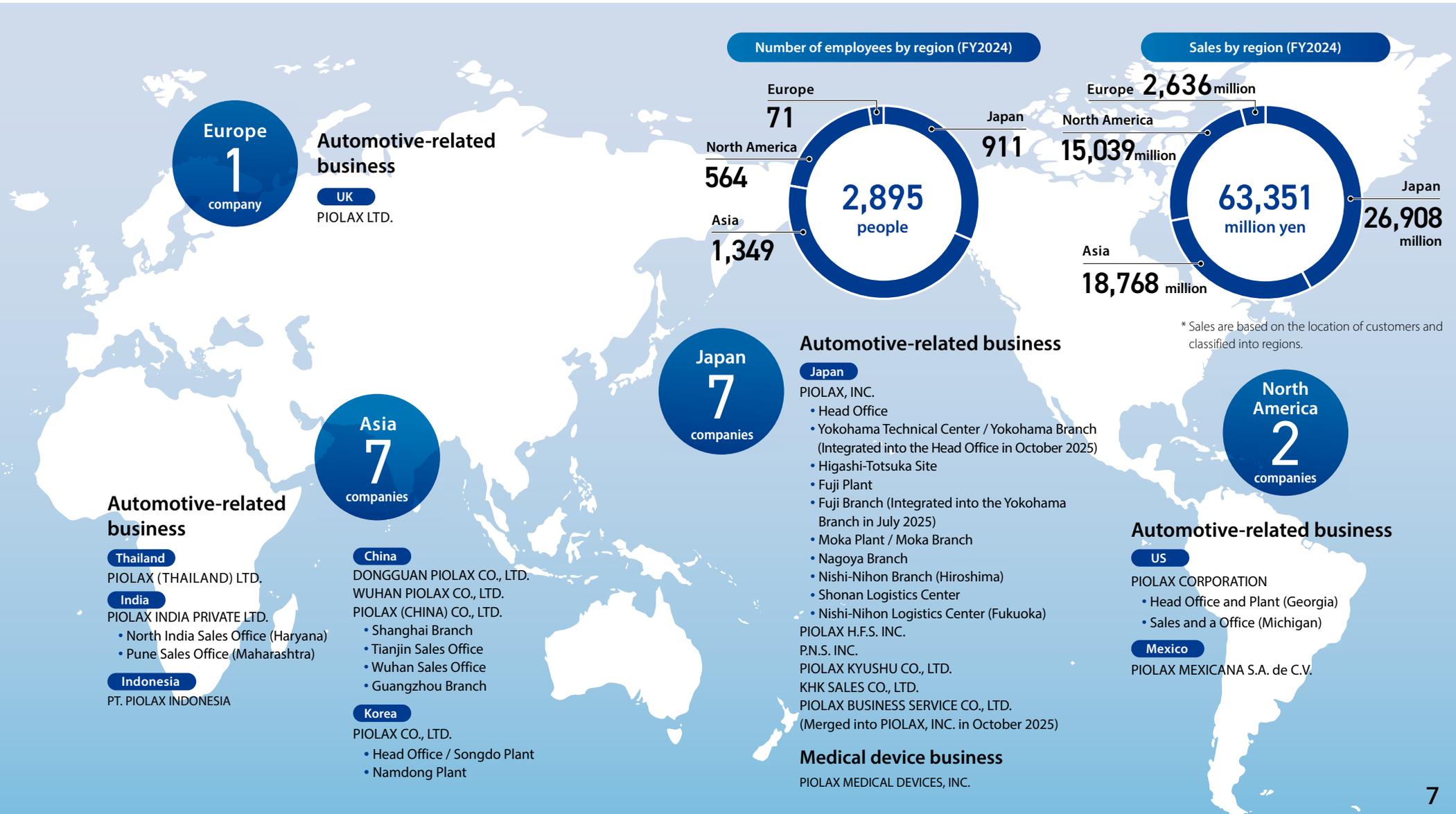
2025

- Restructured the organization from a divisional system to a functional structure
- Built the new Head Office at Hodogaya-ku, Yokohama



Business Overview (At a Glance)

As of the end of March 2025, the Piolax Group has been in possession of seven group companies in Japan and ten overseas, engaging in extensive transactions primarily with Japanese and international automobile manufacturers.





Business Overview (At a Glance)

Automotive parts

EV-related parts

Battery and motor related parts such as busbars and gas vent valves.



Open & close mechanism parts

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



Fluid control parts

Valves, connectors, filters, etc. to refuel, store and supply fuel safely and reliably.



Clamps

Hose clamps to fasten pipes and rubber hoses to prevent their separation or leaks.



Powertrain parts

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



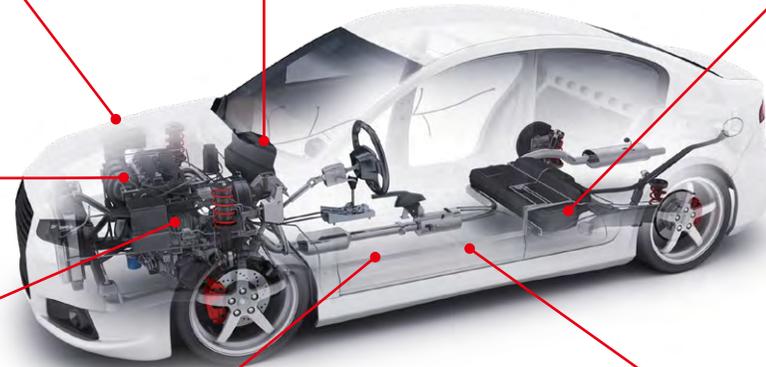
Fasteners

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



Harness parts

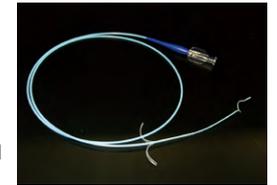
Band clips, taping clips, etc. to bundle wires and harnesses running in a vehicle like blood vessels and fix them to the vehicle body.



Medical devices

Endovascular products

Guidewires, catheters and implantable medical devices to treat cancer and vascular lesions. These products reduce the burden on patients' bodies by providing treatment through blood vessels.



Gastrointestinal endoscopy products

Guidewires, stents, and treatment devices for endoscopic procedures and diagnosis, mainly in the biliary and pancreatic regions. These products contribute to more accurate diagnosis and effective treatment.



Neurosurgery products

Plates for fixing skulls removed during surgery, as well as custom-made artificial bones made of titanium. These products contribute to improving patients' recovery and quality of life (QOL).



Abbreviations used in the report have the following meanings.

ICE: Internal Combustion Engine / BEV: Battery Electric Vehicle / HEV: Hybrid Electric Vehicle / PHEV: Plug-in Hybrid Electric Vehicle / FCEV: Fuel Cell Electric Vehicle.



Automotive-related Business

Connect People and Society with Technology for an Exciting Future

Under its purpose statement, "Connect people and society with technology for an exciting future," Piolax pursues solutions to social issues through its automotive-related businesses.



TECHNOLOGY

Piolax Group – Automotive Product Portfolio

Core Product Functions	Key Products
<ul style="list-style-type: none"> Elasticity control Fastening Securing Connecting Bundling Open/close control Leakage control Vibration damping 	Fasteners
	Harness parts
	Clamps
	Open & close mechanism parts
	Fluid control parts
	Powertrain parts
	CASE products & New products

Value Areas Where the Piolax Group Contributes

Development, Manufacturing, and Sales Driven by Advanced Elasticity Technology

High Functionality and High Performance

- Advanced composite molding technologies for metal and resin
- High-precision elasticity-control capabilities

Global Network

- Overseas production and sales operations spanning 8 countries through 10 companies

High Quality

- Quality-assurance systems designed to meet stringent standards

Expertise in Proposing Solutions

- Product development aligned with customer needs
- Latent needs-oriented research and development

PEOPLE & SOCIETY

The Value the Piolax Group Delivers to Its Customers

- Vehicle weight reduction
- Vehicle electrification
- Reduced product failures and malfunctions
- Enhanced interior design quality
- Improved driving range and fuel efficiency
- More comfortable cabin environments
- Advancements in autonomous-driving technologies
- Lower workload in assembly processes
- Cost reductions
- Applications beyond the automotive sector



EXCITING FUTURE

Social Challenges that the Piolax Group Helps Address

- Environmental Contributions**
- Achieving carbon neutrality
 - Preventing environmental pollution
 - Promoting a circular economy
- Contributions to a Safe and Secure Society**
- Reducing traffic accidents
 - Supporting mobility for older adults and people with disabilities
- Contributions to a More Comfortable Daily Life**
- Alleviating traffic congestion
 - Improving logistics efficiency and resolving driver shortages



Automotive-related Business (CASE)

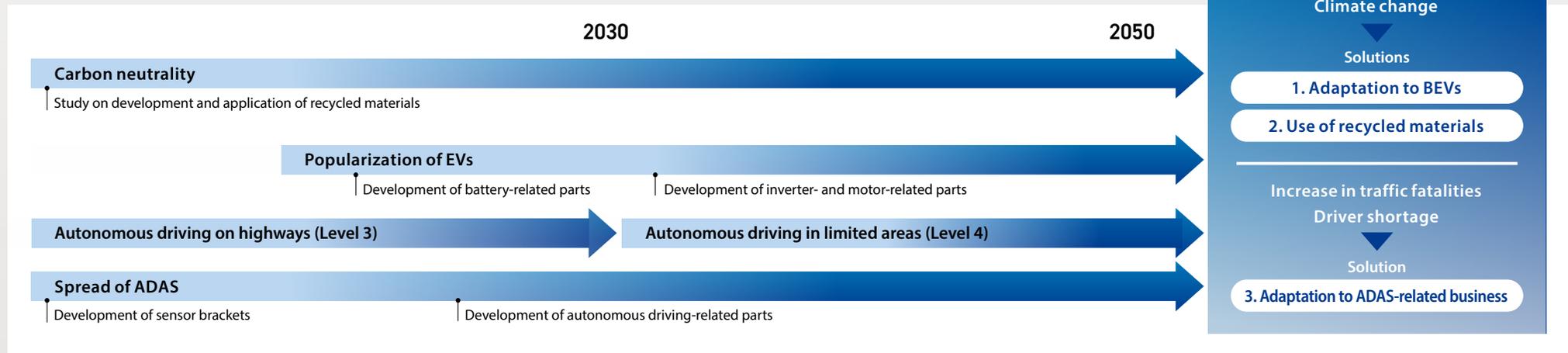
Exploring New Business Areas: Our Challenge toward CASE

Our Contribution to Solving Social Infrastructure Issues, such as Climate Change, Traffic Fatalities, and Driver Shortage

The automotive industry is being redefined by the rapid adoption of the emerging CASE technologies. In particular, the transition to electric vehicles (EVs) is expected to reduce demand for some of our products or even eliminate them from the market in the future.

We view this industry shift as a business opportunity and are actively developing

new products. Our initiatives include sensors and camera-related components used in Advanced Driver Assistance Systems (ADAS), which support autonomous-driving technologies. We also develop busbars, cooling pipes, and other products used in conjunction with EV batteries. Through these products, we aim to help address key social issues.



Solution 1 Adaptation to BEVs

In response to the popularization of BEVs, we are focusing on the development of battery-related parts. One such part is the busbars, designed to handle higher current of batteries, and we are strengthening our capital investments in this area. Compared to conventional products, our busbars offer higher wiring flexibility, save more space, improve efficiency, and contribute to vehicle weight reduction.

Additionally, we are working on developing parts for battery cooling systems and cooling pipes for motors and inverters. We will continue to support the proliferation of BEVs and contribute to achieving carbon neutrality.

Solution 2 Use of Recycled Materials

To reduce environmental impact, we actively promote the use of recycled materials. As a member of the Advanced Material Recycle and Innovation Alliance, we are exploring the recycling of difficult-to-recycle materials, the use of packaging materials in automotive parts, and the potential application of biomass materials in automotive parts.

Through these efforts, we are promoting the efficient use of resources and the waste reduction to help achieve a circular society.

➤ Collaboration with external organizations, including the Advanced Material Recycle and Innovation Alliance (P.22)

Solution 3 Adaptation to ADAS-related Business

As autonomous driving technology advances, we are accelerating the development of ADAS-related parts, with a primary focus on brackets for peripheral devices such as cameras, sensors, and sonars.

The advancement of autonomous driving technology not only enhances vehicle safety and reduces traffic accidents but also addresses the driver shortage in the logistics industry. We will continue to support the realization of a safe and efficient mobility society by providing more precise and reliable ADAS parts.



Automotive-related Business (Production Base / Moka Plant)

Worker-Friendly Plant through Automation and Manpower Saving



Interior of the new plant

Features

- Next-generation equipment and molding lines
- Automated lines with AI/IoT technology
- Efficient production through DX
- Detailed energy management through FEMS



Exterior of the new plant

New Moka Plant's Mission

Following the completion of Phase I of construction at a site adjacent to the Moka Plant, the new facility officially began operations in January 2024. Phase II started in August 2024 and completed in September 2025. As a global mother plant, this plant aims to play a central role in the Piolax's medium- to long-term strategy. Its mission is to be a state-of-the-art facility by integrating the following four functions.

Beyond our dream

- 1) Function to support the sustainable growth of the company
- 2) Function to adapt to environmental changes
- 3) Function to tackle new business and technological development
- 4) Function to develop human resources, the core of manufacturing

Investing in Energy-Efficient Equipment

The new Moka Plant is a smart factory with superior energy efficiency, achieving an A rank in the Comprehensive Assessment System for Built Environment Efficiency (CASBEE). It features state-of-the-art equipment that contributes to carbon neutrality, including solar panels, energy-saving air conditioning systems, and water circulation systems. The plant also utilizes the Factory Energy Management System (FEMS) for integrated data management and efficient operation within the building.

Automation and Manpower Saving to Reduce Worker Burden

At the new Moka Plant, we are driving automation and reducing manpower in tasks such as weighing, bagging, and transporting materials. Reducing human errors is expected to improve production efficiency. Our goal is to achieve 200% productivity by 2030. Rising temperatures due to recent abnormal weather patterns causes some workplaces to become dangerously hot in the summer, putting workers at risk of heat stroke. To avoid such risk, we are creating a worker-friendly work environment by revising air conditioning systems but also transforming tasks into automated and manpower-saving ones that do not require human intervention.

World-Class Monozukuri Education Center

The new Moka Plant is expected to be a hub for nurturing skills and fostering a sense of accomplishment through the development of new technologies and the transfer of existing ones. We plan to create a "Monozukuri Dojo" (tentative name) within the plant and equip it with appropriate facilities and systems to facilitate technology transfer on a global basis. Additionally, we are considering providing a venue where employees can learn about safety manufacturing through hands-on experiences.



Medical Device Business

For a Healthy and Enriched Life in the Era of 100-Year Lifespans

Our subsidiary, PIOLAX MEDICAL DEVICES, INC. (PMD), has cultivated the technologies necessary for medical devices by leveraging our expertise in elasticity technology accumulated through developing automotive parts. It develops, manufactures, and sells medical devices designed for minimally invasive treatments that minimize patient burden.

One of its flagship products, the RevoWave series, consists of guidewires for gastrointestinal endoscopy. This series has evolved to meet contemporary needs and is widely used in many medical institutions. By providing medical devices that minimize physical burden, shorten surgery time, enhance treatment accuracy, and thereby make patients smile, PMD contributes to medical advancements and improving the quality of life (QOL) for patients.

Business Areas Targeted by PMD

Keyword

Minimally invasive treatment

This treatment method, which places less burden on patients' bodies, enables the treatment of elderly patients and others who cannot tolerate conventional surgery. It also contributes to shorter hospital stays and reduced medical costs.

Societal needs: Improved QOL for patients, Addressing an aging society, Shorter hospitalization periods, Lower medical costs

Bring smiles to patients around the world



Intra-arterial catheter



Embolization coil



Emulsion connector



Endoscopic guidewire



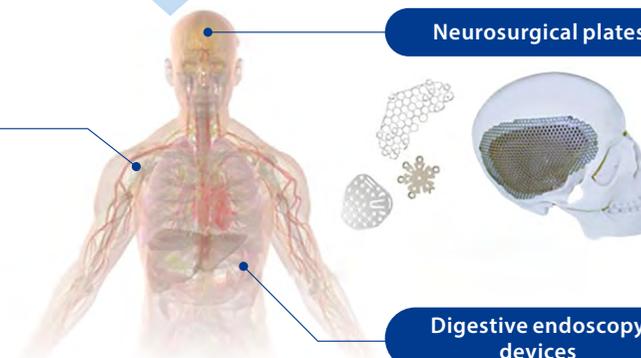
Cannula



Biopsy device



Basket catheter



Neurosurgical plates

Digestive endoscopy devices

Technologies

Elasticity application

Material processing

Precision microfabrication

Hydrophilic treatment

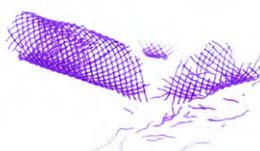
Topic

Japan's First Biodegradable Esophageal Stent

Absorbable Esophageal Stent "ELLA-BD Stent PX"



*ELLA-BD Stent PX before degradation



*After hydrolytic degradation

Japan's first absorbable esophageal stent, the "ELLA-BD Stent PX," has received regulatory approval (Approval No. 30700BZX00048000). This device offers a new treatment option for refractory benign esophageal strictures—conditions in which the esophagus narrows, making eating difficult. These strictures may occur after surgery for esophageal cancer and can recur even after standard treatments. The stent is designed to reduce the number of procedures required, ease the financial burden on patients, and improve overall quality of life.

Conventional treatments have typically involved endoscopic balloon dilation or bougie dilation. These procedures often require frequent hospital visits and

repeated interventions. Because strictures can recur in short intervals, patients may struggle to eat, leading to inadequate nutrition, low body weight, or malnutrition.

The ELLA-BD Stent PX is absorbed and broken down in the body in approximately three months, with no need to be removed. This is expected to reduce the physical, economic, and emotional burden on patients. Fewer retreatments may also help reduce the workload on healthcare professionals. The stent is anticipated to gain broader adoption as a device that improves both quality and efficiency in clinical practice.