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December 13, 2024

## Consolidated Financial Results for the Fiscal Year Ended October 31, 2024 (Under Japanese GAAP)

Company name: HI-LEX CORPORATION  
 Listing: Tokyo Stock Exchange  
 Securities code: 7279  
 URL: <https://www.hi-lex.co.jp/>  
 Representative: Taro Teraura, President and Representative Director  
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 Scheduled date of annual general meeting of shareholders: January 25, 2025  
 Scheduled date to commence dividend payments: January 27, 2025  
 Scheduled date to file annual securities report: January 27, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
October 31, 2024	308,382	3.3	365	(87.8)	2,727	(48.8)	1,973	-
October 31, 2023	298,623	16.8	2,980	-	5,327	-	(2,991)	-

Note: Comprehensive income For the fiscal year ended October 31, 2024: ¥(1,746 million) [- %]  
 For the fiscal year ended October 31, 2023: ¥5,846 million [(43.9%)]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
October 31, 2024	52.60	52.58	1.1	1.0	0.1
October 31, 2023	(79.75)	-	-	1.9	1.0

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended October 31, 2024: ¥110 million  
 For the fiscal year ended October 31, 2023: ¥600 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
October 31, 2024	270,260	184,587	62.5	4,503.79
October 31, 2023	280,994	191,179	62.4	4,675.33

Reference: Equity  
 As of October 31, 2024: ¥168,961 million  
 As of October 31, 2023: ¥175,393 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
October 31, 2024	11,813	445	(4,522)	48,476
October 31, 2023	16,913	(11,353)	(4,258)	41,554

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended October 31, 2024	-	17.00	-	17.00	34.00	1,276	-	0.7
Fiscal year ended October 31, 2024	-	20.00	-	20.00	40.00	1,501	76.0	0.9
Fiscal year ending October 31, 2025 (Forecast)	-	23.00	-	23.00	46.00		75.0	

### 3. Forecast of consolidated financial results for the year ending October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Percentages indicate year-on-year changes for the full year and year-on-same-quarter changes for the quarter.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	147,900	(4.2)	1,100	574.5	2,100	5.6	900	367.3	23.99
Full year	298,800	(3.1)	2,400	557.3	4,500	65.0	2,000	1.3	53.31

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - companies -

Excluded: 2 companies HI-LEX CABLE SYSTEM CO.,LTD. HI-LEX RUS LLC

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of October 31, 2024	38,216,759 shares
As of October 31, 2023	38,216,759 shares

(ii) Number of treasury shares at the end of the period

As of October 31, 2024	701,448 shares
As of October 31, 2023	702,138 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended October 31, 2024	37,515,164 shares
Fiscal year ended October 31, 2023	37,514,783 shares

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

The forecasts included in this document are based on the information that we have obtained at the time of disclosure. Actual results may differ from the forecasts due to various factors in the future.

\* How to obtain supplementary financial results material on financial results

We plan to post supplementary financial results on our website on December 20, 2024.

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1. Consolidated Financial Statements  
(1) Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2023	As of October 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	46,310	50,175
Notes receivable - trade	3,998	3,053
Accounts receivable - trade	46,174	43,066
Electronically recorded monetary claims - operating	1,302	1,584
Securities	10,000	7,345
Merchandise and finished goods	12,669	11,954
Work in process	3,713	4,210
Raw materials and supplies	19,981	18,585
Other	8,467	7,608
Allowance for doubtful accounts	(946)	(923)
<b>Total current assets</b>	<b>151,671</b>	<b>146,659</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	48,518	47,870
Accumulated depreciation	(28,139)	(28,653)
Buildings and structures, net	20,378	19,216
Machinery, equipment and vehicles	92,220	93,524
Accumulated depreciation	(67,367)	(69,519)
Machinery, equipment and vehicles, net	24,853	24,005
Tools, furniture and fixtures	24,269	25,139
Accumulated depreciation	(21,823)	(22,451)
Tools, furniture and fixtures, net	2,446	2,688
Land	9,272	9,338
Construction in progress	5,838	4,602
Other, net	3,263	3,400
<b>Total property, plant and equipment</b>	<b>66,052</b>	<b>63,250</b>
Intangible assets		
Goodwill	1,244	1,047
Other	2,782	2,919
<b>Total intangible assets</b>	<b>4,027</b>	<b>3,966</b>
Investments and other assets		
Investment securities	49,996	45,612
Long-term loans receivable	11	887
Retirement benefit asset	991	1,052
Deferred tax assets	4,442	5,744
Other	4,943	4,729
Allowance for doubtful accounts	(1,147)	(1,646)
<b>Total investments and other assets</b>	<b>59,237</b>	<b>56,379</b>
<b>Total non-current assets</b>	<b>129,317</b>	<b>123,597</b>
Deferred assets	5	3
<b>Total assets</b>	<b>280,994</b>	<b>270,260</b>

(Millions of yen)

	As of October 31, 2023	As of October 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	39,535	36,225
Short-term borrowings	9,921	9,404
Current portion of long-term borrowings	480	306
Income taxes payable	1,745	2,325
Contract liabilities	989	1,670
Provision for bonuses	2,328	2,047
Provision for bonuses for directors (and other officers)	8	6
Provision for product warranties	4,143	3,908
Other	14,876	13,794
Total current liabilities	74,029	69,689
Non-current liabilities		
Long-term borrowings	1,370	1,423
Deferred tax liabilities	9,863	9,983
Retirement benefit liability	2,165	2,128
Other	2,384	2,448
Total non-current liabilities	15,785	15,983
Total liabilities	89,814	85,673
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,657	5,657
Capital surplus	8,277	7,864
Retained earnings	118,337	117,467
Treasury shares	(1,217)	(1,215)
Total shareholders' equity	131,054	129,773
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,035	23,128
Foreign currency translation adjustment	18,325	16,211
Remeasurements of defined benefit plans	(22)	(152)
Total accumulated other comprehensive income	44,339	39,188
Share acquisition rights	33	33
Non-controlling interests	15,752	15,592
Total net assets	191,179	184,587
<b>Total liabilities and net assets</b>	<b>280,994</b>	<b>270,260</b>

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Net sales	298,623	308,382
Cost of sales	267,120	277,410
Gross profit	31,502	30,971
Selling, general and administrative expenses	28,522	30,606
Operating profit	2,980	365
Non-operating income		
Interest income	741	917
Dividend income	711	1,040
Share of profit of entities accounted for using equity method	600	110
Foreign exchange gains	228	—
Technical support fee income	118	133
Subsidy income	189	515
Revenue from electric power sales	88	84
Compensation income	1	437
Other	700	600
Total non-operating income	3,381	3,839
Non-operating expenses		
Interest expenses	463	452
Foreign exchange losses	—	361
Expense of electric power sales	34	44
Loss on valuation of derivatives	107	—
Compensation expenses	72	181
Other	357	436
Total non-operating expenses	1,034	1,477
Ordinary profit	5,327	2,727
Extraordinary income		
Gain on sale of non-current assets	50	850
Gain on sale of investment securities	—	4,891
Reversal of allowance for doubtful accounts	13	27
Gain on liquidation of subsidiaries and associates	—	16
Total extraordinary income	64	5,786
Extraordinary losses		
Loss on sale of non-current assets	11	5
Impairment losses	4,582	1,945
Loss on retirement of non-current assets	90	148
Loss on valuation of investment securities	97	—
Loss on valuation of shares of subsidiaries and associates	743	—
Loss on liquidation of subsidiaries and associates	0	—
Bad debts expenses	176	—
Provision for product warranties	664	—
Loss on sale of subsidiaries and associates	—	0
Provision of allowance for doubtful accounts	—	461
Provision for loss on litigation	—	33
Extra retirement payments	230	138
Total extraordinary losses	6,597	2,734
Profit (loss) before income taxes	(1,206)	5,779
Income taxes - current	2,184	2,938
Income taxes - deferred	(1,135)	(697)
Total income taxes	1,049	2,241
Profit (loss)	(2,255)	3,538
Profit attributable to non-controlling interests	736	1,564
Profit (loss) attributable to owners of parent	(2,991)	1,973

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Profit (loss)	(2,255)	3,538
Other comprehensive income		
Valuation difference on available-for-sale securities	3,692	(2,904)
Foreign currency translation adjustment	4,167	(2,309)
Remeasurements of defined benefit plans, net of tax	(143)	(155)
Share of other comprehensive income of entities accounted for using equity method	385	85
Total other comprehensive income	8,102	(5,284)
Comprehensive income	5,846	(1,746)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,765	(3,177)
Comprehensive income attributable to non-controlling interests	1,081	1,430



(3) Consolidated Statements of Changes in Equity  
For the fiscal year ended October 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,657	8,694	122,605	(1,217)	135,738
Changes during period					
Dividends of surplus			(1,276)		(1,276)
Profit attributable to owners of parent			(2,991)		(2,991)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				0	0
Change in scope of consolidation					
Change in ownership interest of parent due to transactions with non-controlling interests		(416)			(416)
Net changes in items other than shareholders' equity					
Total changes during period	—	(416)	(4,268)	(0)	(4,684)
Balance at end of period	5,657	8,277	118,337	1,217	131,054

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	22,347	14,143	90	36,581	33	16,424	188,778
Changes during period							
Dividends of surplus							(1,276)
Profit attributable to owners of parent							(2,991)
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Change in scope of consolidation							
Change in ownership interest of parent due to transactions with non-controlling interests							(416)
Net changes in items other than shareholders' equity	3,687	4,182	(112)	7,757	—	(671)	7,086
Total changes during period	3,687	4,182	(112)	7,757	—	(671)	2,401
Balance at end of period	26,035	18,325	(22)	44,339	33	15,752	191,179

For the fiscal year ended October 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,657	8,277	118,337	(1,217)	131,054
Changes during period					
Dividends of surplus			(1,389)		(1,389)
Profit attributable to owners of parent			1,973		1,973
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				3	3
Change in scope of consolidation		(0)	(1,454)		(1,455)
Change in ownership interest of parent due to transactions with non-controlling interests		(412)			(412)
Net changes in items other than shareholders' equity					
Total changes during period	-	(413)	(869)	2	(1,281)
Balance at end of period	5,657	7,864	117,467	(1,215)	129,773

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	26,035	18,325	(22)	44,339	33	15,752	191,179
Changes during period							
Dividends of surplus							(1,389)
Profit attributable to owners of parent							1,973
Purchase of treasury shares							(0)
Disposal of treasury shares							3
Change in scope of consolidation							(1,455)
Change in ownership interest of parent due to transactions with non-controlling interests							(412)
Net changes in items other than shareholders' equity	(2,907)	(2,113)	(129)	(5,150)	-	(160)	(5,311)
Total changes during period	(2,907)	(2,113)	(129)	(5,150)	-	(160)	(6,592)
Balance at end of period	23,128	16,211	(152)	39,188	33	15,592	184,587

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(1,206)	5,779
Depreciation	9,632	10,252
Impairment losses	4,582	1,945
Amortization of goodwill	304	211
Increase (decrease) in allowance for doubtful accounts	580	428
Increase (decrease) in provision for bonuses	255	(267)
Increase (decrease) in provision for bonuses for directors (and other officers)	(4)	(1)
Increase (decrease) in provision for product warranties	137	(202)
Increase (decrease) in retirement benefit liability	(47)	(32)
Interest and dividend income	(1,453)	(1,958)
Interest expenses	463	452
Foreign exchange losses (gains)	(431)	(194)
Share of loss (profit) of entities accounted for using equity method	(600)	(110)
Loss (gain) on sale of investment securities	—	(4,891)
Loss on valuation of shares of subsidiaries and associates	840	—
Loss (gain) on liquidation of subsidiaries and associates	0	—
Loss on retirement of non-current assets	90	148
Loss (gain) on sale of non-current assets	(38)	(844)
Subsidy income	—	(7)
Decrease (increase) in trade receivables	(2,138)	3,826
Decrease (increase) in inventories	2,679	769
Decrease (increase) in other current assets	(33)	30
Increase (decrease) in trade payables	2,535	(2,581)
Increase (decrease) in accrued consumption taxes	627	(185)
Increase (decrease) in other current liabilities	952	69
Increase (decrease) in other non-current liabilities	(1,093)	660
Other, net	673	(1,024)
<b>Subtotal</b>	<b>17,306</b>	<b>12,272</b>
Interest and dividends received	1,737	2,322
Interest paid	(422)	(441)
Income taxes paid	(1,708)	(2,341)
<b>Net cash provided by (used in) operating activities</b>	<b>16,913</b>	<b>11,813</b>

(Millions of yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
<b>Cash flows from investing activities</b>		
Payments into time deposits	(17,095)	(21,389)
Proceeds from withdrawal of time deposits	14,339	25,549
Purchase of securities	(227)	(583)
Proceeds from sale of securities	—	583
Purchase of property, plant and equipment	(8,564)	(10,136)
Proceeds from sale of property, plant and equipment	516	1,371
Purchase of intangible assets	(979)	(841)
Proceeds from sale of intangible assets	0	—
Purchase of investment securities	(135)	(29)
Proceeds from sale of investment securities	—	4,982
Proceeds from redemption of investment securities	642	1,508
Loan advances	(345)	(856)
Proceeds from collection of loans receivable	349	33
Purchase of insurance funds	(56)	(1)
Proceeds from maturity of insurance funds	154	131
Subsidies received	—	7
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(95)
Proceeds from liquidation of subsidiaries	—	147
Other, net	47	64
<b>Net cash provided by (used in) investing activities</b>	<b>(11,353)</b>	<b>445</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	727	(412)
Proceeds from long-term borrowings	—	285
Repayments of long-term borrowings	(1,214)	(405)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	0	0
Dividends paid	(1,276)	(1,389)
Dividends paid to non-controlling interests	(398)	(436)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(16)
Repayments of finance lease liabilities	(336)	(576)
Purchase of treasury shares of subsidiaries	(1,758)	(1,572)
<b>Net cash provided by (used in) financing activities</b>	<b>(4,258)</b>	<b>(4,522)</b>
Effect of exchange rate change on cash and cash equivalents	1,196	(813)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,498</b>	<b>6,921</b>
Cash and cash equivalents at beginning of period	39,056	41,554
<b>Cash and cash equivalents at end of period</b>	<b>41,554</b>	<b>48,476</b>