

FY2025 Financial Results IR Presentation

Hi-Lex Corporation

December 22, 2025

【Performance & Financial Highlights】

- Overview of FY2025 Financial Results
- Capital Expenditures in FY2025 and Outlook for FY2026
- Forecast of FY2026 Financial Results
- Impact of Exchange Rates, Tariffs, and Semiconductor Supply

【Policy on Cross-shareholdings & Shareholder Returns】

【Business Restructuring and Growth Strategy】

- Restructuring of Existing Businesses
- Transformation into a Door System Supplier
- Synergy Creation with Hi-Lex ACT
- ESG Initiatives

Performance & Financial Highlights

Overview of FY2025 Financial Results

Summary of FY2025 Financial Results

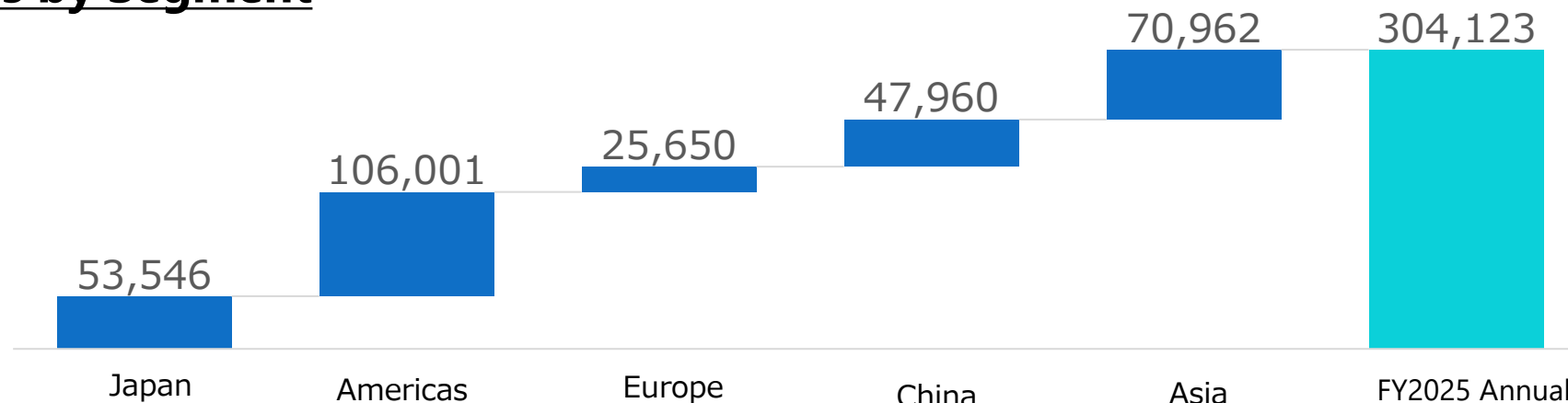
- *Net sales in the North America and Europe declined due to weaker demand of our major customers.**
- *Operating profit increased significantly in North America, largely due to the absence of temporary expenses incurred in FY2024.**

(million yen)

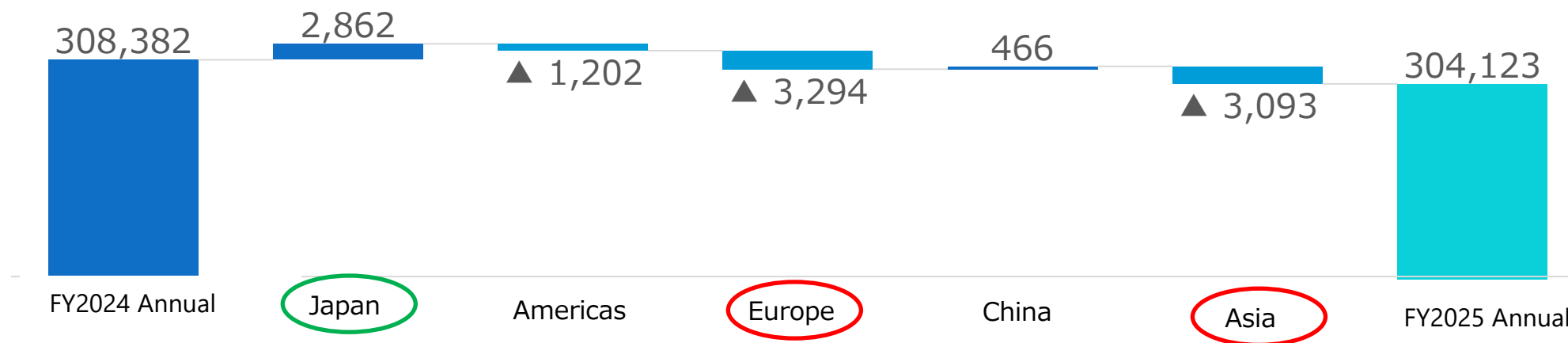
	FY2025 Results	FY2024 Results	Change	Change Rate
Net Sales	304,123	308,382	▲4,259	▲1.4%
Operating Profit	3,391	365	+3,026	+828.9%
Ordinary Profit	7,272	2,727	+4,544	+166.6%
Net Income	8,419	1,973	+6,446	+326.7%

Net Sales by Segment

■ FY2025 Net Sales by Segment



■ Change in Net Sales from FY2024 to FY2025 by Segment



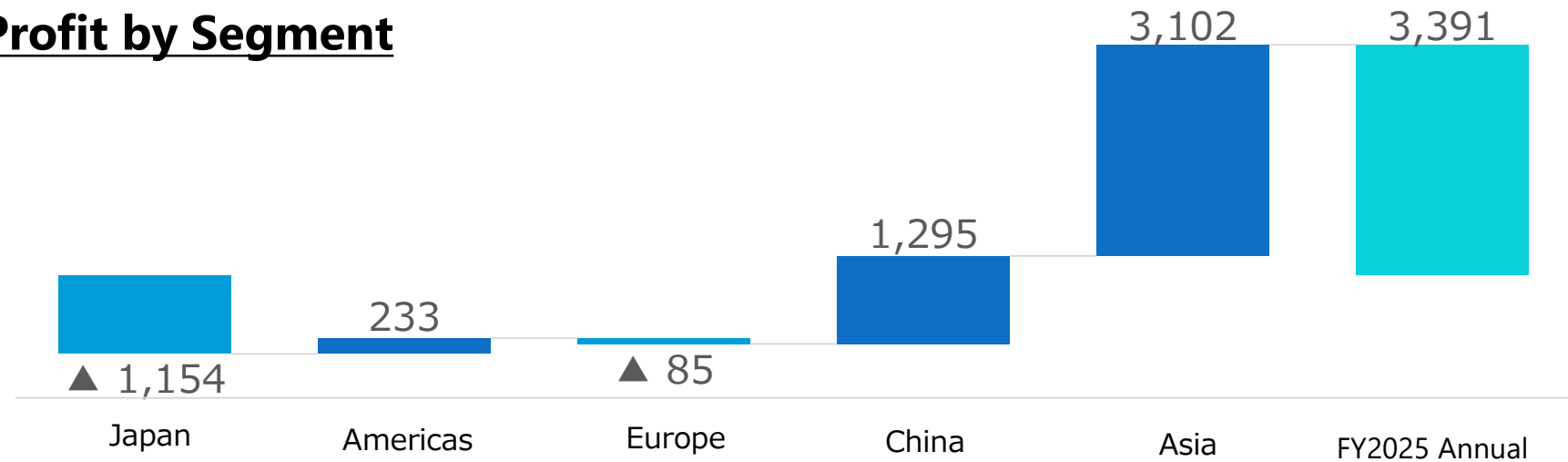
TOPICS

Increase in Japan: Sales grew, driven mainly by strong demand for Power Liftgate (PLG) systems.
Decrease in Asia/Europe: Sales dropped due to weaker demand from key customers.

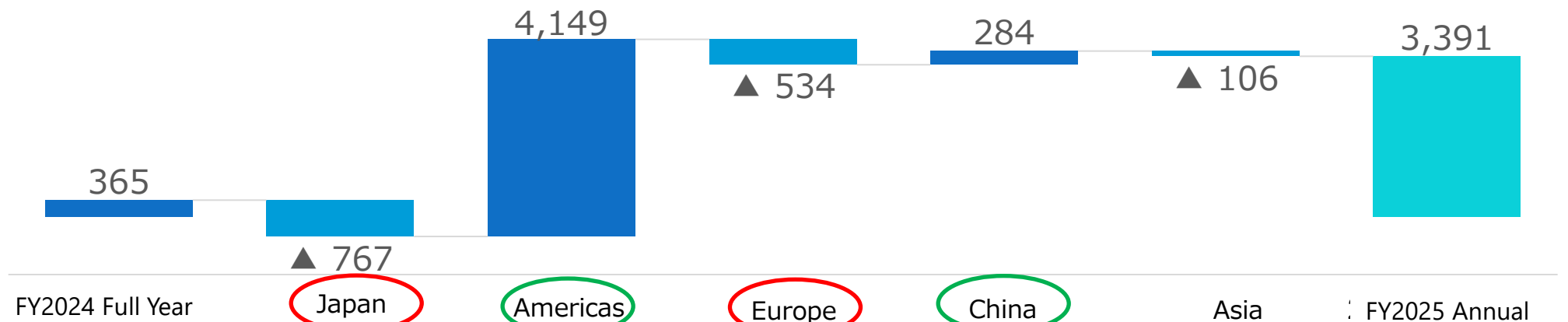
Operating Profit by Segment

(Adjustments for headquarters-related costs are included in the Japan segment.)

■ FY2025 Operating Profit by Segment



■ Change in Operating Profit from FY2024 to FY2025 by Segment

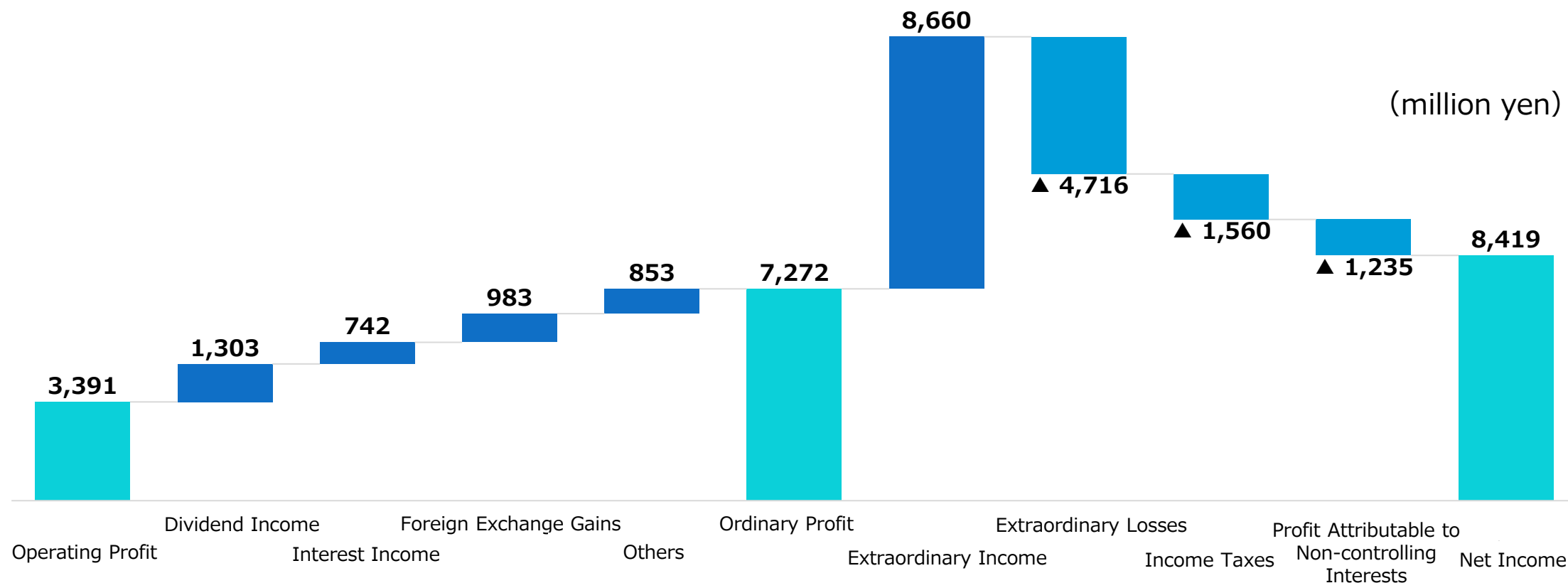


TOPICS

- Americas: Profit increased due to the elimination of temporary costs incurred in FY2024.
- China: Profit increased due to favorable operational efficiencies and site restructuring.
- Japan: Profit declined due to lower sales of high-margin products and M&A advisory fees.
- Europe: Production volume reduction impacted profitability.

From Operating Profit to Net Income

- Non-operating income includes dividend income of ¥1.3 billion and foreign exchange gains of ¥0.98 billion.
- Extraordinary income includes ¥7.41 billion from gain on sales of investment securities and ¥1.13 billion from reversal of provision for product warranties.
- Extraordinary losses include ¥1.45 billion from extra retirement payments related to site closures.



Capital Expenditures in FY2025 and Outlook for FY2026

CapEx Overview

FY2025: Executed ¥9.8 billion in line with plan (not including ACT).

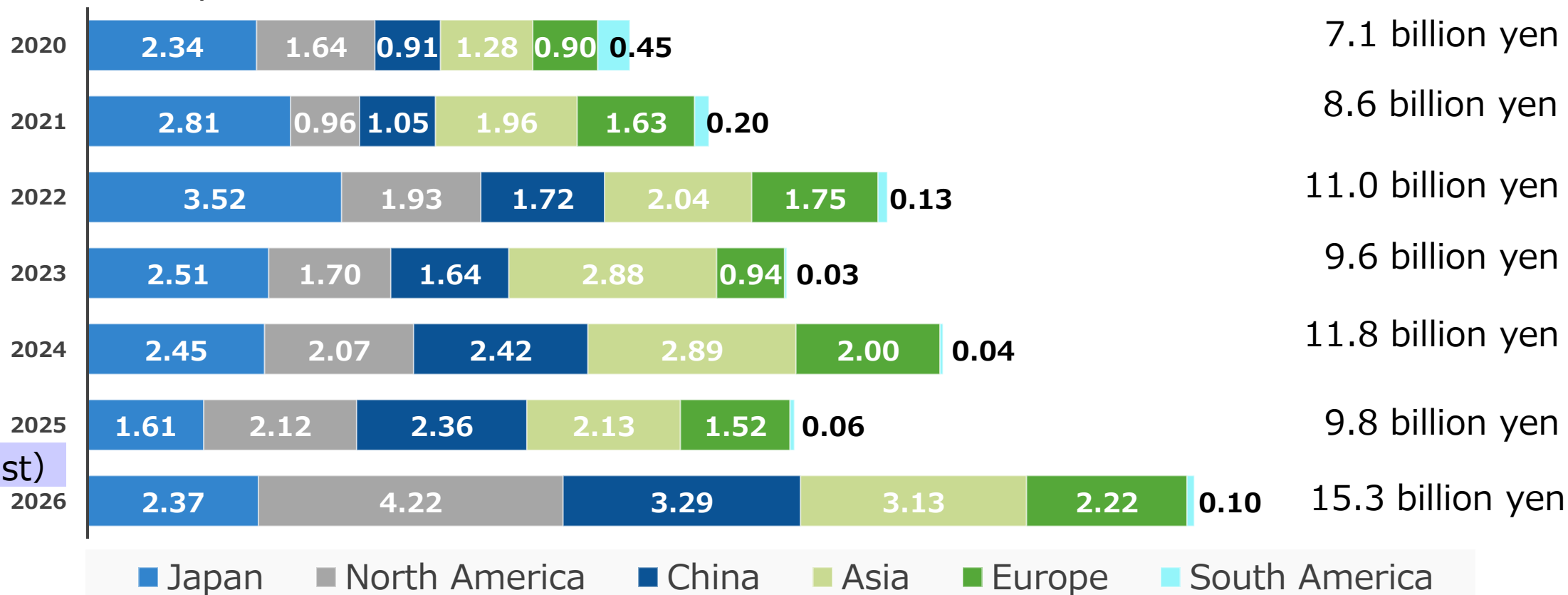
FY2026: Planned ¥15.3 billion, including ¥3.6 billion for ACT.

***Japan/North America: Investments related to production base optimization.**

***China/Asia: Investments in new production equipment.**

(billion yen)

【Total】



(Forecast)

Forecast of FY2026 Financial Results

Forecast of FY2026 Financial Results

Forecast includes the results of Hi-Lex ACT Group.
Net income reflects ¥25 billion in negative goodwill, to be finalized in FY2026 Q1.

(million yen)

	FY2026 Forecast	FY2025 Results (not including ACT)	Change	Change Rate
Net Sales	401,000	304,123	+96,877	+31.9%
Operating Profit	5,400	3,391	+2,009	+59.2%
Ordinary Profit	※6,500	7,272	▲772	▲10.6%
Net Income	28,500	8,419	+20,081	+238.5%

※Foreign Exchange Gains/Losses are not included in FY2026 Forecast.

FY2026 Exchange Rate (Assumption) : ¥148.00/\$, ¥21.00/CNY, ¥165.00/€
FY2025 Exchange Rate (Actual) : ¥149.19/\$, ¥20.67/CNY, ¥164.89/€

Impact of Exchange Rates, Tariffs, and Semiconductor Supply

Impact of Exchange Rate Fluctuations on Our Business Performance

Our Group's model of "local production for local consumption" keeps exchange-rate risk low from a business-operation standpoint.

In consolidated accounting, the effect is limited to currency conversion of overseas subsidiaries' results. Yen-Dollar Exchange rate fall from 148 to 147 is expected to reduce annual net sales by approx. ¥1.0 billion and operating profit by approx. ¥15 million.

Tariff Impact on North American Operations (Applicable to imported components from Japan, China, Korea, and Asia)

In FY2025, the tariff impact on North American operations is estimated at approx. USD 5.8 million (roughly a half-year impact beginning in April).

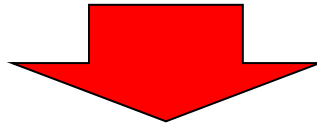
In FY2026, the tariff impact is projected to increase to approx.USD 13.0 million, about 2.2 times the FY2025 level.

Some customers allow 100% cost-recovery, while others approve only around 50%,leaving a portion unabsorbed. Some customers have also requested the submission of tariff-mitigation plans.

→ **We will continue negotiations with customers to improve cost-recovery rates.**

FY2026 Expected Impact

- Production disruptions at some North American customers began in late October.
- Impact expected to diminish within the year.
(As a temporary impact, sales in North America declined by Approx. USD 4.2M in Q1 2026.)



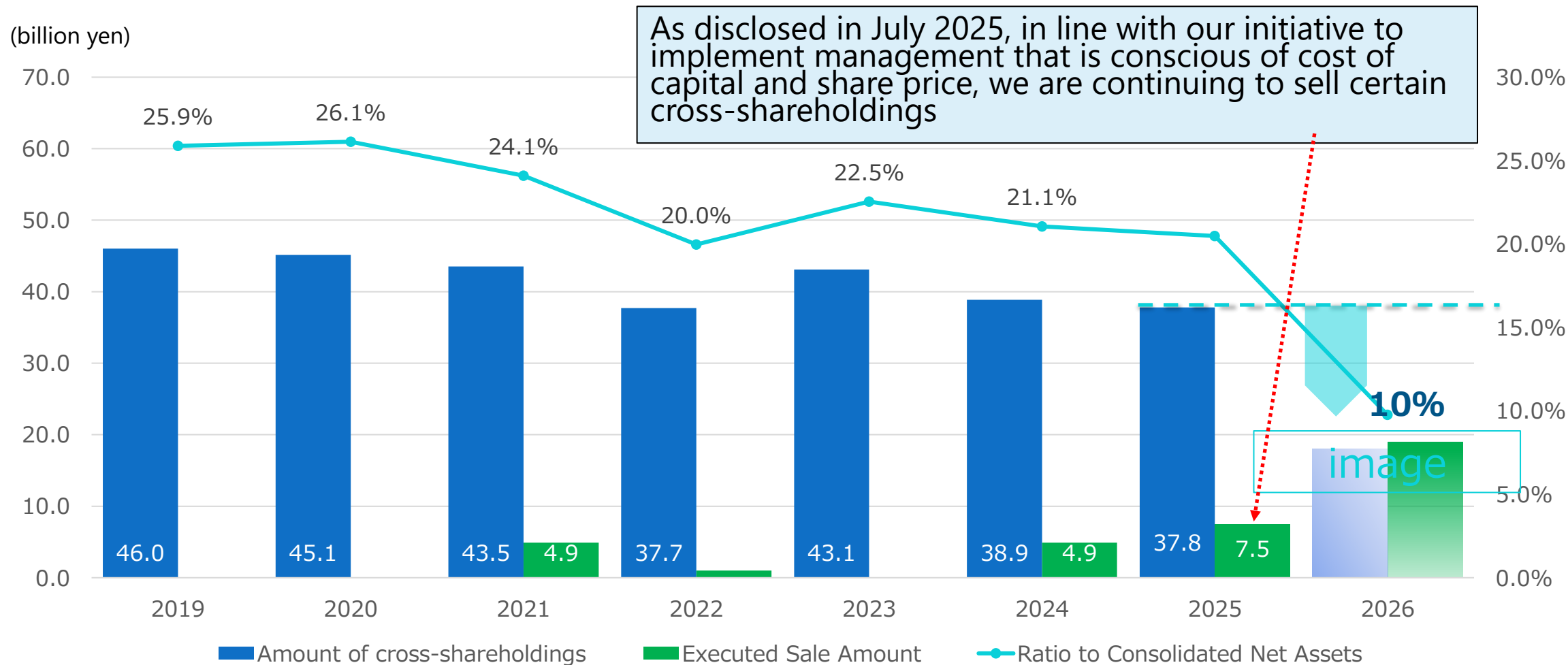
- Workforce adjustments and reduced operating days are planned until early January.
- Potential impact on other regions is being monitored closely and will continue to be assessed going forward.

Policy on Cross-shareholdings & Shareholder Returns

Policy on cross-shareholdings

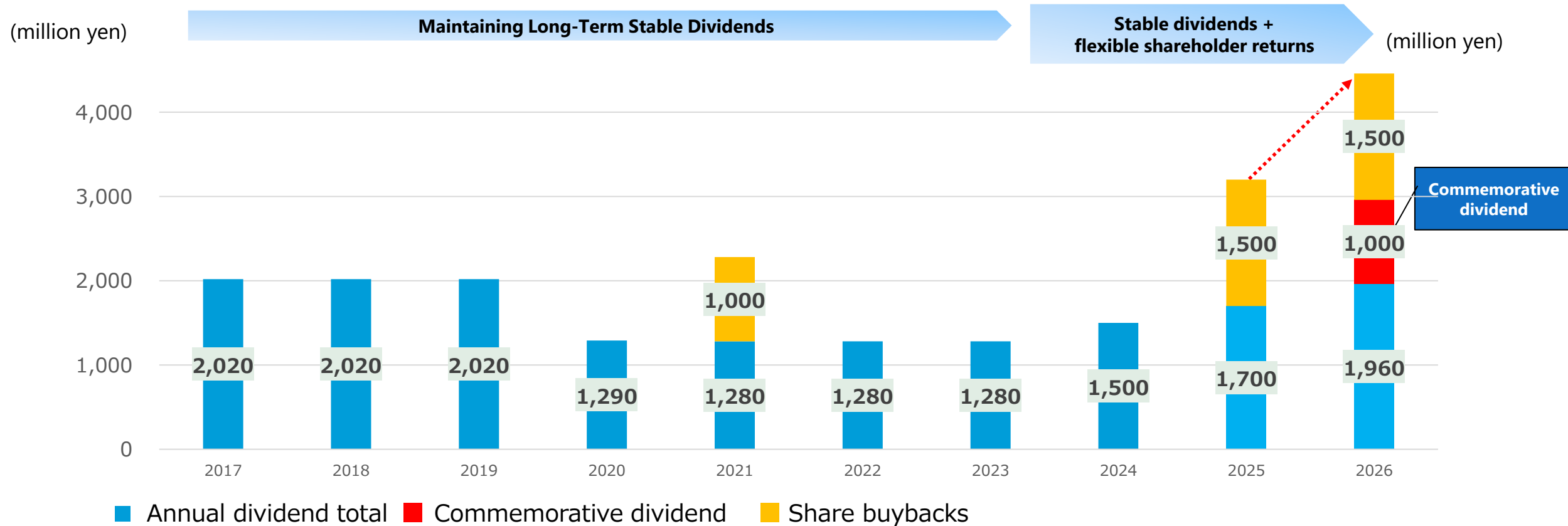
Targeting Cross-shareholdings Ratio of 10% of Net Assets

We plan to sell cross-shareholdings to achieve the 10% target in FY2026.



Shareholder Returns

- Continue providing stable, long-term dividends.
- Execute share buybacks flexibly.
- In FY2026, marking our 80th anniversary, we will also distribute a commemorative dividend.



Basic Policy: Maintain Long-Term Stable dividends

Growth Investment

Investment in human capital
New product development
M&A

Shareholder Returns

Stable dividends
Share buybacks

Structural Reforms

Production capacity optimization
Factory DX



Make decisions based on overall balance

Business Restructuring and Growth Strategy

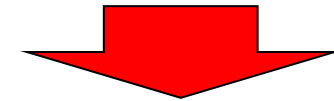
Restructuring of Existing Businesses

Business Structure Reform: Optimization of Production Capacity (Japan)

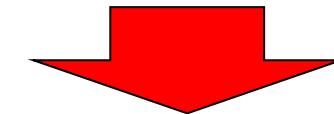


Issues across 9 domestic plants

- Declining labor population
- low operating rate
- lower in-house production ratio
- Slow shift to automation
- insufficient response to multi-variety small-lot production

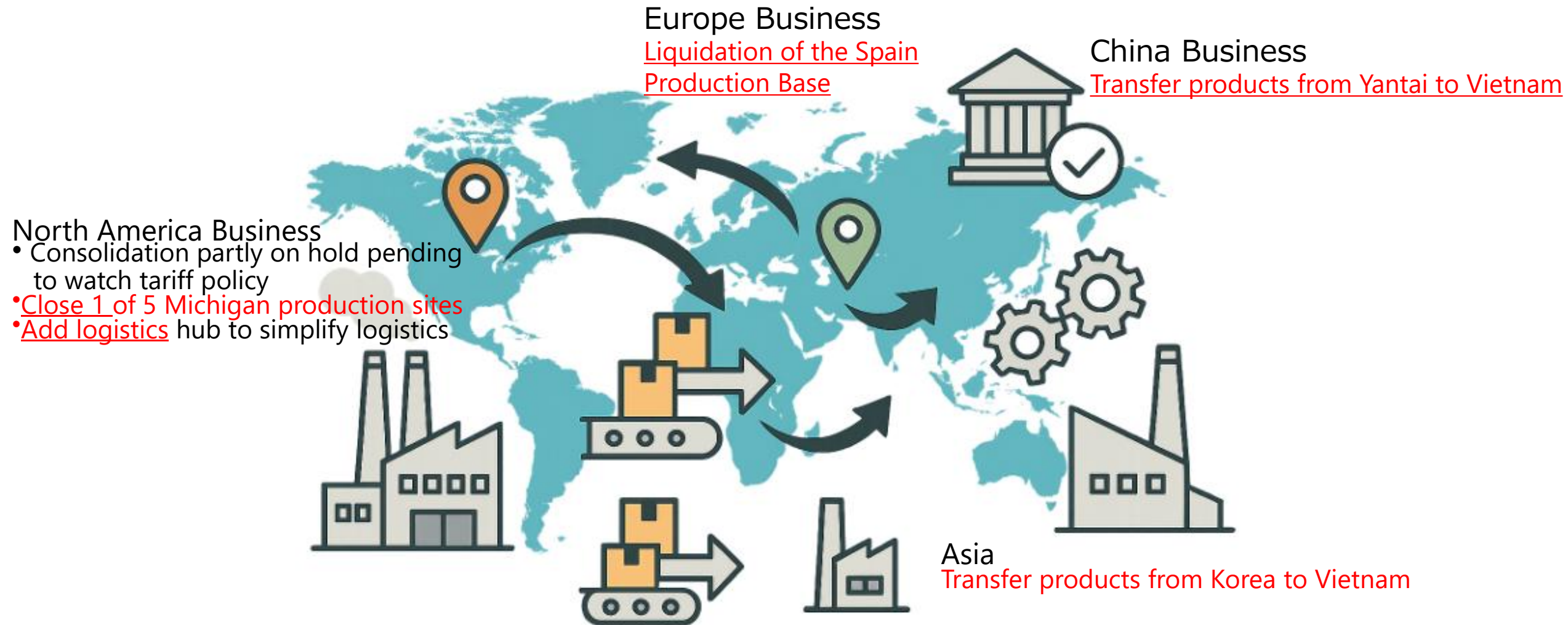


**Necessity of optimal
reconfiguration of domestic bases**



**Determine direction in FY2025
Concretize from FY2026 onward**

Business Structure Reform: Optimization of Production Capacity (Overseas)



Continue further optimization through FY2026 (including ACT)

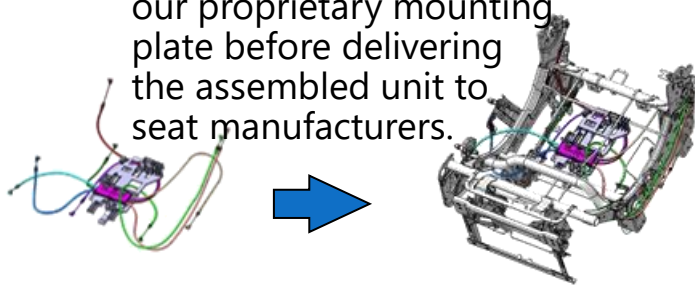
Development of New Products and New Customers (Implemented in FY2025)

Japan:

- Develop new seat module
- Promote door module deployment in Japan (already proven overseas)

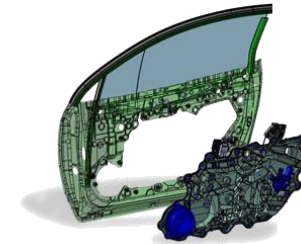
Seat Module

We integrate the necessary cables onto our proprietary mounting plate before delivering the assembled unit to seat manufacturers.



By modularizing the previously individual cable components, seat manufacturers can now assemble more efficiently and easily.

Door Module



Window regulators, speakers, ECUs, harnesses, and other components are pre-assembled onto a plastic module plate. Customer plant assembles the module part onto the door.

Global:

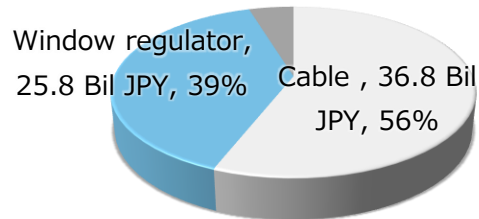
**Secured 3 new customers
(heavy trucks, pickup trucks, BEV)**

Transformation into a Door System Supplier

Product Portfolio Shift

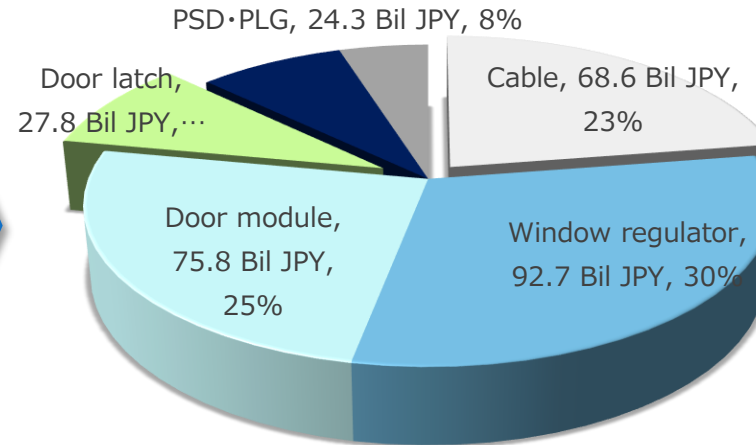
Fiscal Year 2000
Consolidated net sales
65.7 billion yen
Door-related sales
0 billion yen

Cable-related: 56%
Door-related: 39%
Others: 5%



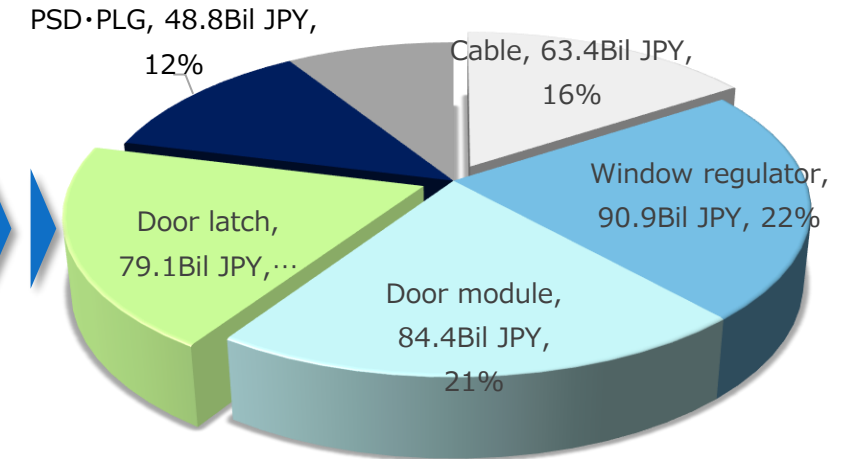
Fiscal Year 2025
Consolidated net sales
304.1 billion yen
Door-related sales
27.8 billion yen

Cable-related: 23%
Door-related: 72%
Others: 5%



Fiscal Year 2026
Consolidated net sales
401.0 billion yen
Door-related sales
79.1 billion yen

Cable-related: 16%
Door-related: 75%
Others: 9%



- In 2000, cables accounted for more than half of the Group's consolidated net sales.
- In 2024, door-related products (W/R, door modules, door latches, and * PSD/PLG) accounted for 70% of total sales.
- In the 2026 forecast, with ACT joining the Group, the share of door-related products is expected to increase to 75%.

※ PSD: Power Slide Door PLG: Power Liftgate (Customers may use different names such as PBD: Power Back Door or PTG: Power Tailgate, but HI-LEX uses PLG as the standard terminology.)

Roadmap to Door System Supplier

Evolve into a door/closure system supplier

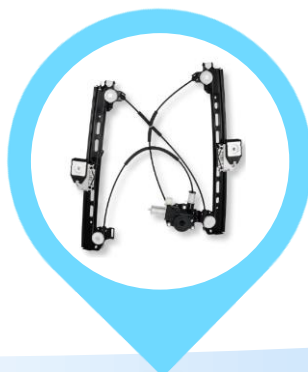
Cable

Transmission
Parking Brake
Actuator
For Sunroof



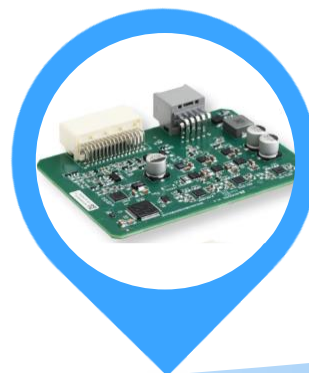
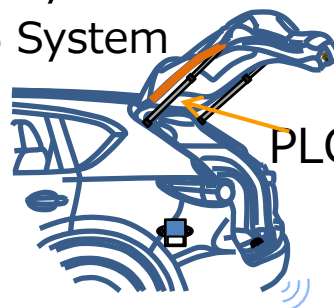
Actuator

Window Regulator
Power Lift Gate(PLG)
Electric Parking Brake(EPB)
Fuel/Charge Lid



Control Unit

PLG System
EPB System
etc.



Module

Door Module
Seat Cable Module



Door System

Transformation into a
Closure System Supplier

- Power Lift Gate
- Power Hinge Door



Acquisition of HI-LEX Act shares

FY2025

Integrate control
technology into our module
products

Evolve into a Door System
Supplier

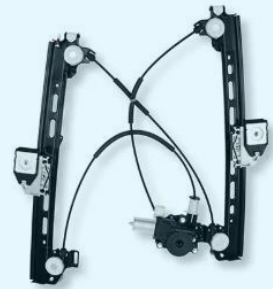
New Door System Concept

Hi-Lex's products/technologies

Integration into a Door System

ACT's Products/Technologies

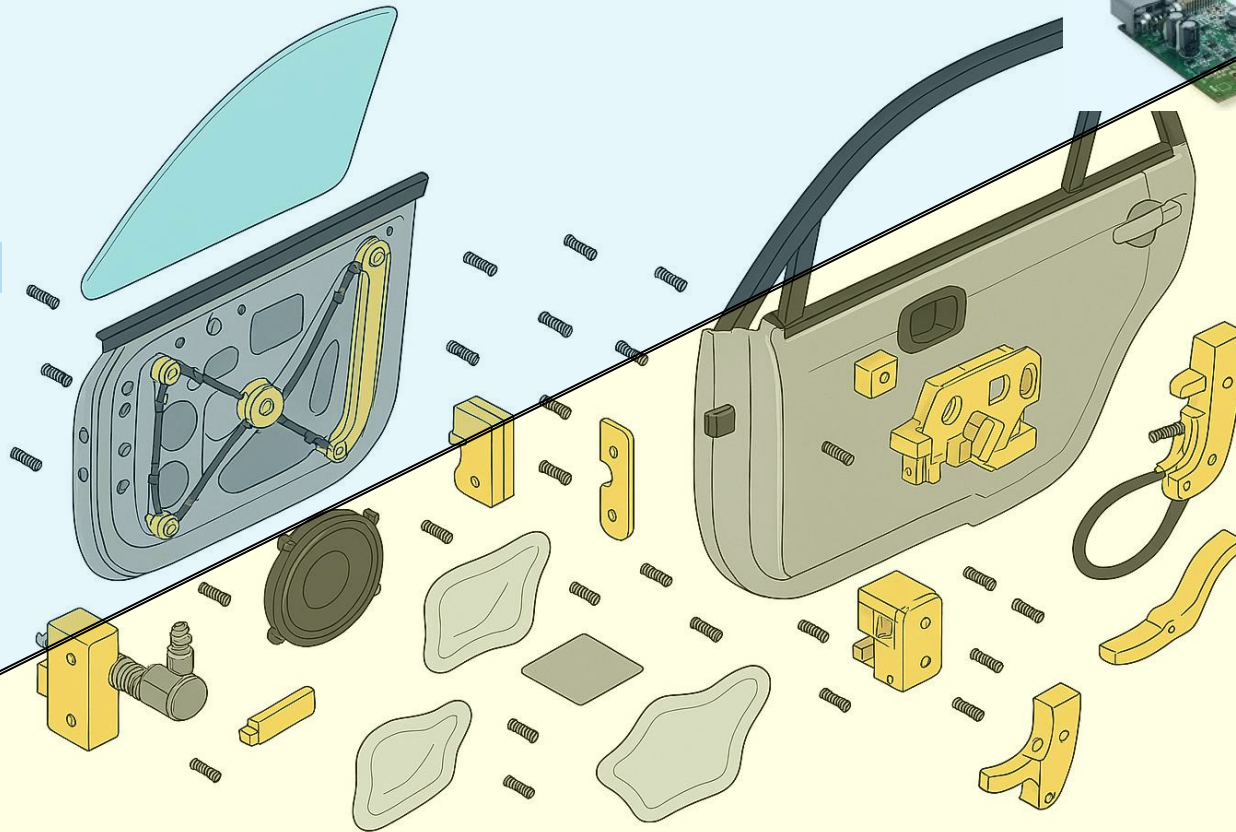
HI-LEX CORPORATION



Window regulator



Door module



ECU



Side door hinge



Check Link



Full-cover
type



Integrated
actuator type



for compact
cars

Latch



Accelerate the Transformation into a Door System Supplier through collaboration with ACT

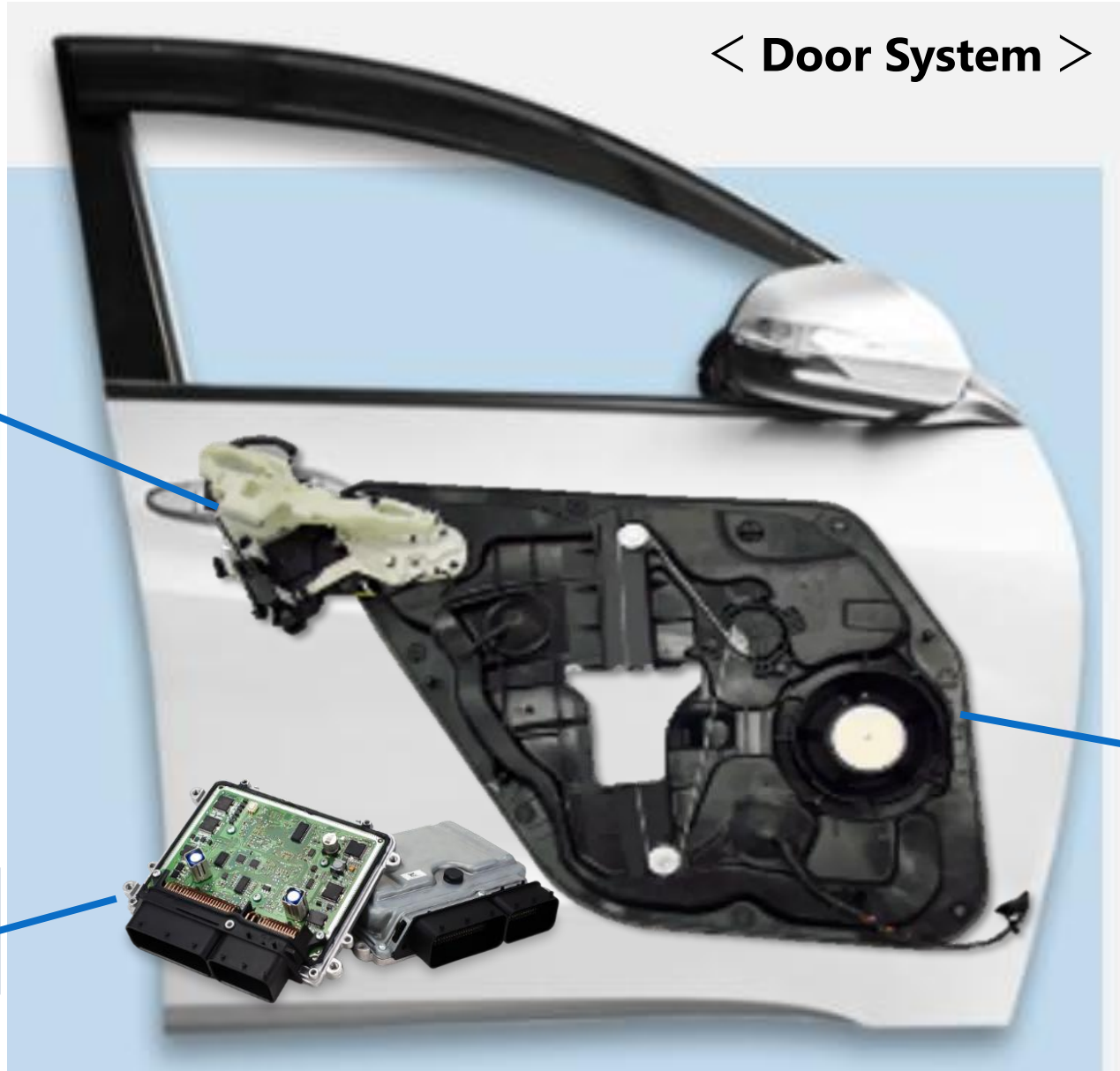
< Door System >

Door Latch

The most
important synergy
with ACT

Window Regulator
Door Module

Door ECU



Synergy Creation with Hi-Lex ACT

Synergy Themes (Examples)

**A Cross-Functional Team (CFT) launched Nov 4;
100-day action plan to be finalized.**



Synergy Themes (Examples)

**Leverage combined engineering and development capabilities.
Increase in-house production ratio.
Reduce material costs via joint procurement.
Improve operating rates and logistics through optimization.**

ESG Initiatives

【Environment】 Coral propagation research with Kansai University (Expo 2025 Osaka).



- Contributing to global environmental improvement through technologies that achieve both coral regeneration and carbon dioxide fixation.
- Presented at the Osaka Expo 2025



A tiny coral creature called "polyp" (approx. 1 mm)

【Environment】 HI-LEX Miyagi



Achieving Net-zero CO₂ Emission in December 2025 by implementing solar panel system and purchasing green energy.

Solar panel installation in March 2025

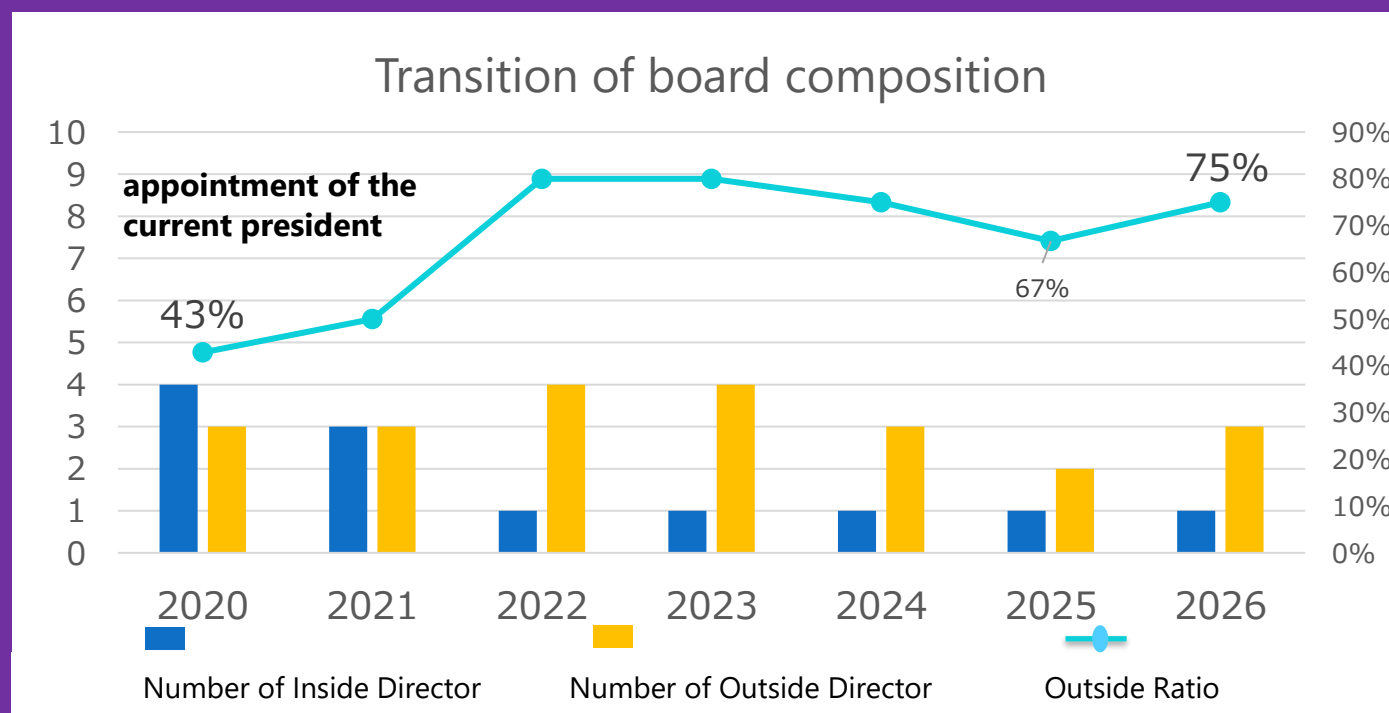
【Society】 HI-LEX Miyagi

- Children's plant tours to foster community engagement



[Governance] Board Composition – Ratio of Outside Directors

Outside director ratio to increase to 75% in January 2026 (vs. market norm $\approx 40\%$).
Governance reforms since 2020 to enhance transparency and diversity.



HI-LEX *CORPORATION*

As we continue to refine our attractive technologies and human resources,
we strive to be a company that customers will first reach out to whenever they face difficulties.

**“To be the First-Call Company
for Customer’s better choice!!”**

We have defined this as our mission statement,
and Hi-Lex Corporation will continue to grow while valuing each and every one of these connections.

Notes and Disclaimers

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These statements do not guarantee future business performance, and actual business performance may differ from the forecast due to unpredictable risks and uncertainties both at home and abroad.

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