

FY2026 First Quarter Financial Results IR Presentation

Hi-Lex Corporation

March 13, 2026

【Performance & Financial Highlights】

- Overview of FY2026 First Quarter Financial Results
- Forecast of FY2026 Financial Results
- Impact of Exchange Rates, Tariffs, and Semiconductor Supply

【Policy on Cross-shareholdings & Shareholder Returns】

Performance & Financial Highlights

Overview of FY2026 First Quarter Financial Results

Summary of FY2026 First Quarter Financial Results

- * Net sales increased, driven by an approximately ¥26.0 billion increase resulting from the consolidation of HI-LEX ACT (here in after "ACT"), as well as growth in existing businesses, mainly in the Americas and Europe.
- * Operating profit decreased due to the impact of delays in tariff recovery in the Americas, temporary issues in Mexico, and declining sales of key products in Korea, among other factors.

(million yen)

	FY2026 First Quarter Results	FY2025 First Quarter Results	Change	Change Rate
Net Sales	105,571	77,503	+28,068	+36.2%
Operating Profit	1,189	1,355	▲166	▲12.3%
Ordinary Profit	2,431	1,765	+666	+37.7%
Quarterly Net Income	33,355	751	+32,604	+4,335.8%

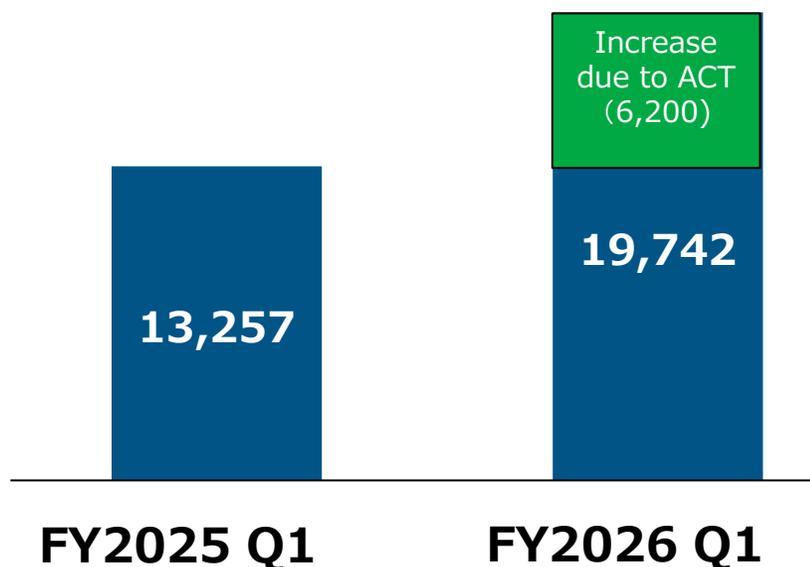
Mainly attributable to a ¥6,732 million gain on the sale of investment securities and a ¥26,837 million gain from gain on bargain purchase.

Segment: Japan

* Net sales increased by 48.9%, driven by the contribution from ACT and a 2.2% increase in existing businesses.

* Operating profit was significantly impacted by ACT (approx. ▲¥750 million); however, existing businesses improved profit by ¥169 million year on year.

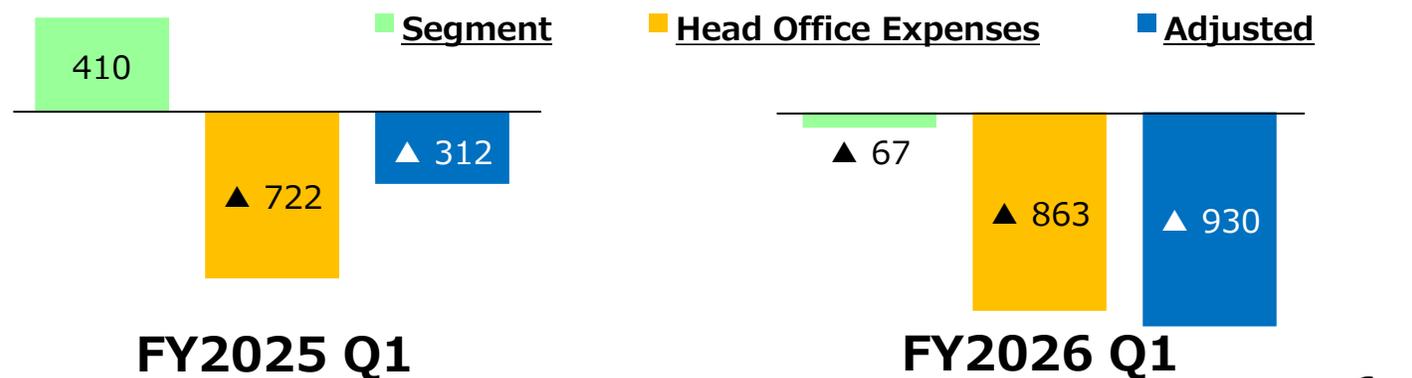
■ Net Sales (External Customers) (¥millions)



■ Change vs. FY2025: Amount and Rate



■ Operating Profit (¥millions)

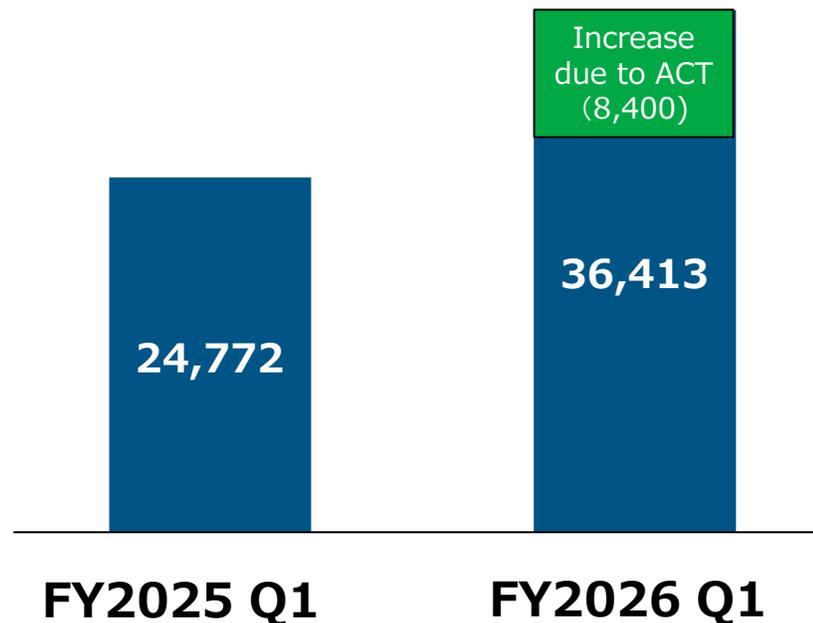


Segment: Americas (USA / Mexico / Brazil)

* Net sales increased by 47.0%, driven by the contribution from ACT and a 16.1% increase in existing businesses, despite the negative impact of lower sales due to Nexperia's semiconductor shortage.

* Operating profit declined further into a loss due to the impact of tariffs (approx. ▲¥200 million), temporary overstaffing in Mexico associated with a short-term sales decline (approx. ▲¥200 million), and delays in finalizing selling prices for new products (approx. ▲¥150 million). These issues have since been resolved, and performance has been recovering since January 2026.

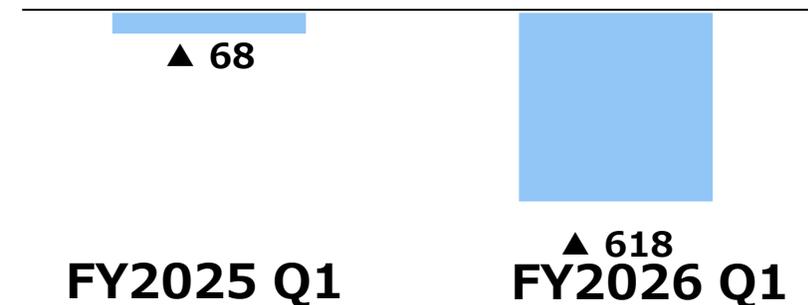
■ Net Sales (External Customers) (¥millions)



■ Change vs. FY2025: Amount and Rate

Net Sales	+¥11,641million (+47.0%)
Operating Profit	▲¥550million (loss increase)

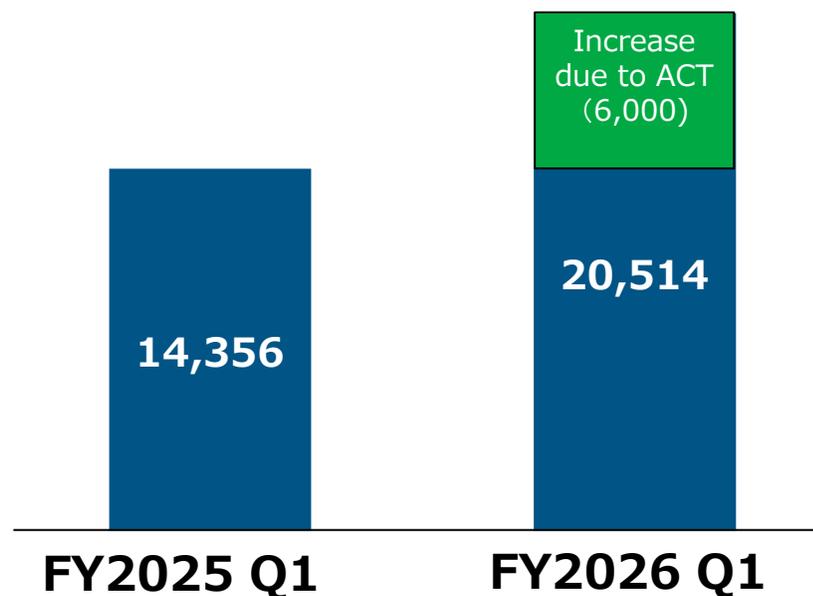
■ Operating Profit (¥millions)



Segment: China

- * Net sales increased by 42.9%, largely driven by the contribution from ACT.
- * Operating profit increased by 119.1%, driven by the profit contribution from ACT and a reduction in variable costs in existing businesses due to changes in product mix.

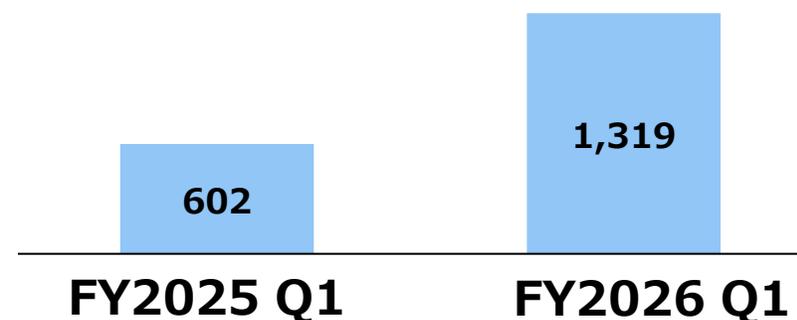
■ Net Sales (External Customers) (¥millions)



■ Change vs. FY2025: Amount and Rate

Net Sales	+¥6,158million (+42.9%)
Operating Profit	+¥717million (+119.1%)

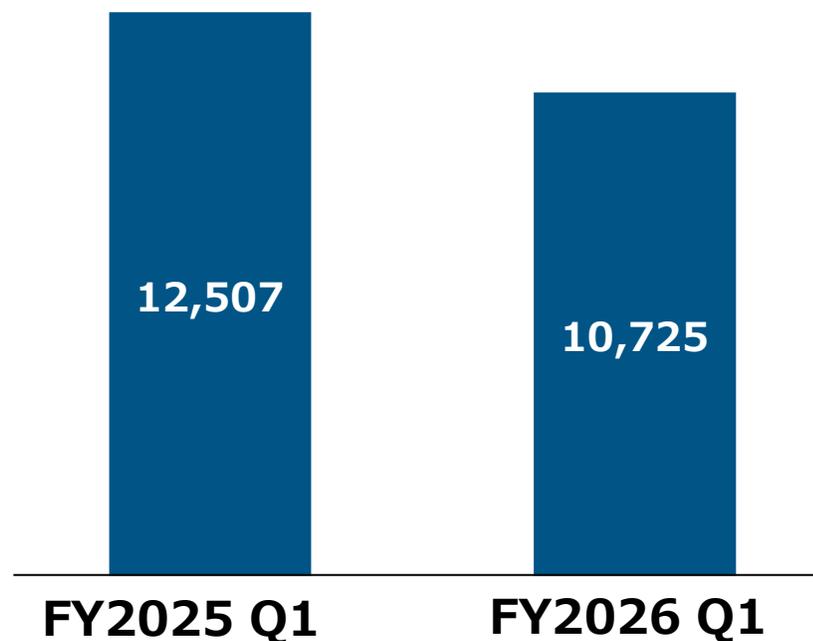
■ Operating Profit (¥millions)



Segment: Korea

- * Net sales decreased 14.2% year on year, impacted by a decline in power liftgate sales.
- * Operating profit declined 24.8%, as fixed costs could not be sufficiently reduced in line with lower sales.

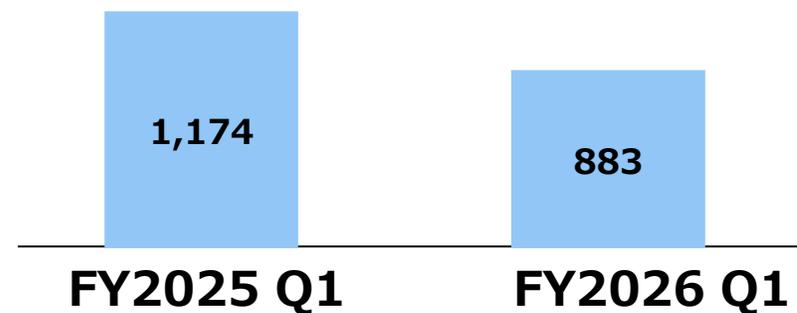
■ Net Sales (External Customers) (¥millions)



■ Change vs. FY2025: Amount and Rate

Net Sales	▲ ¥1,782million (▲ 14.2%)
Operating Profit	▲ ¥291million (▲ 24.8%)

■ Operating Profit (¥millions)

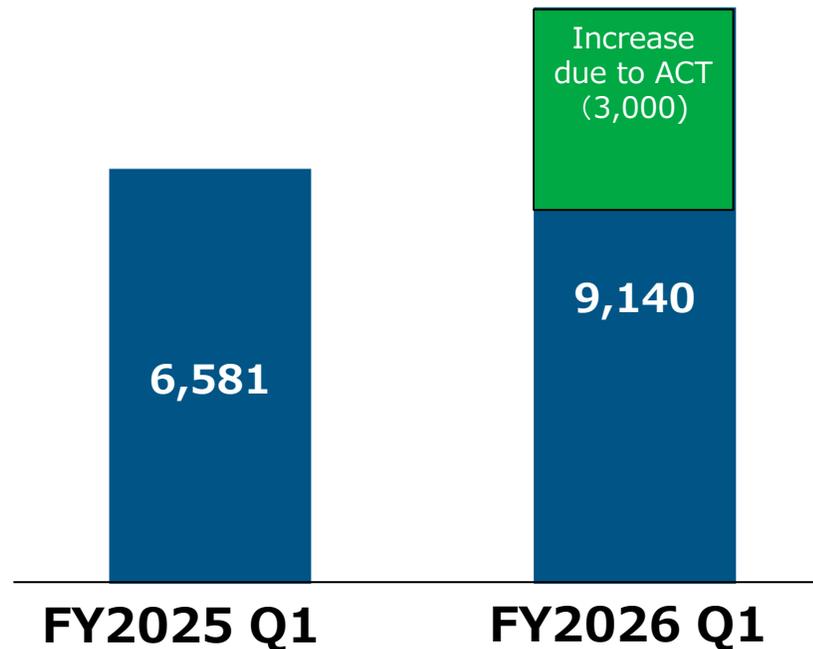


Segment: Other Asia (India / Indonesia / Vietnam / Thailand)

* Net sales increased by 38.9%, supported by ACT, despite a slight decline in existing businesses year on year.

* Operating profit saw a significant year-on-year increase, driven by a profit contribution of approximately ¥600 million from ACT.

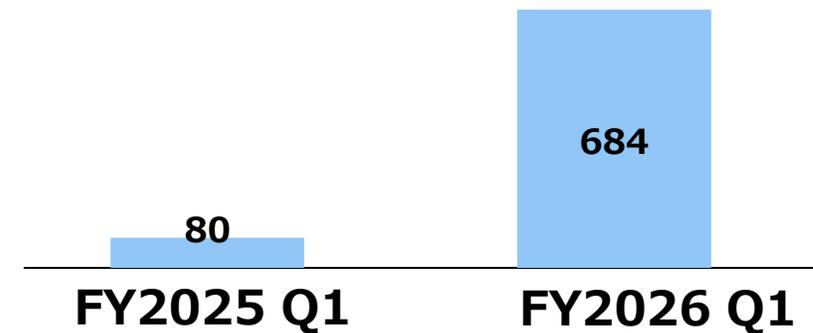
■ Net Sales (External Customers) (¥millions)



■ Change vs. FY2025: Amount and Rate

Net Sales	+¥2,559million (+38.9%)
Operating Profit	+¥604million (+755.0%)

■ Operating Profit (¥millions)

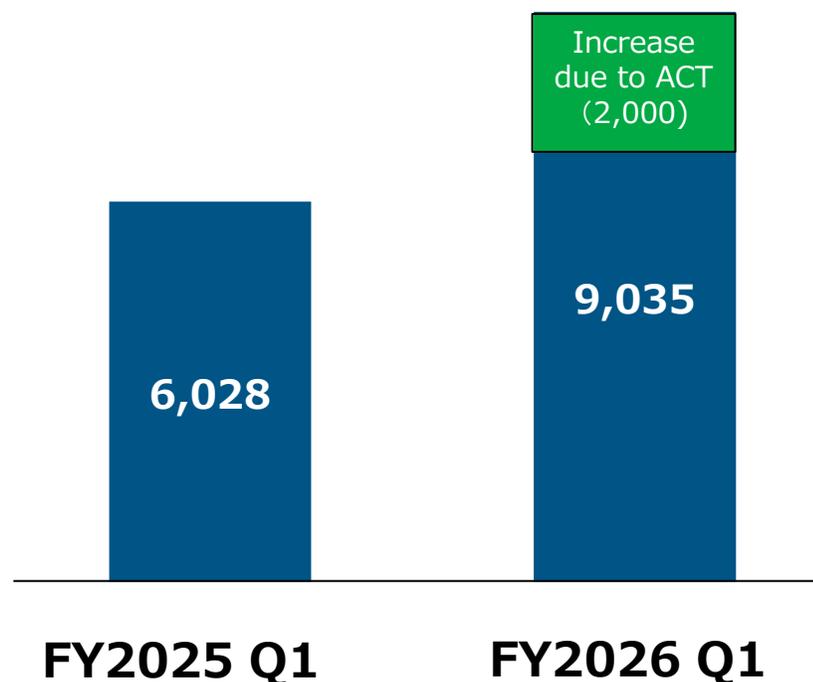


Segment: Europe & Africa

(Germany / Hungary / Italy / Spain / Czech / Serbia / Morocco / UK)

- * Net sales increased by 49.9%, driven by ACT and strong sales in the Czech Republic.
- * Operating profit improved, supported by ACT and higher factory utilization at well-performing existing business sites, reducing the operating loss.

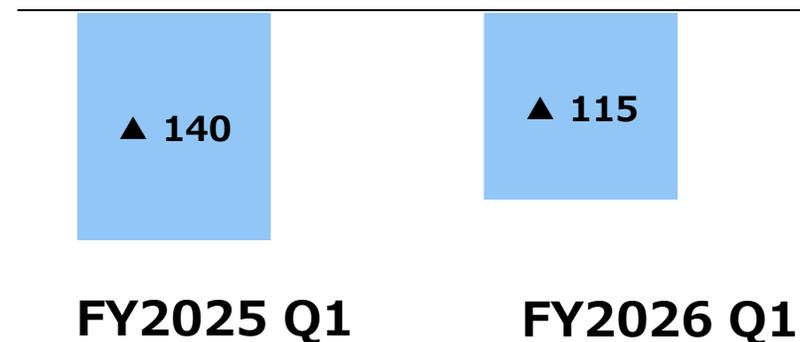
■ Net Sales (External Customers) (¥millions)



■ Change vs. FY2025: Amount and Rate

Net Sales	+3,007million (+49.9%)
Operating Profit	+25million (loss decrease)

■ Operating Profit (¥millions)



Forecast of FY2026 Financial Results

Forecast of FY2026 Financial Results

**Forecast includes the results of Hi-Lex ACT Group.
Net income reflects ¥26,837 million in gain on bargain purchase.**

* As disclosed on March 6, 2026, in the notice regarding the revision of consolidated earnings forecasts for the second quarter (interim period) and the full fiscal year ending October 2026.

(million yen)

	FY2026 Forecast (Revised)	FY2026 Forecast (Original)	Change	Change Rate
Net Sales	401,000	401,000	±0	±0%
Operating Profit	5,400	5,400	±0	±0%
Ordinary Profit	※7,400	6,500	+900	+13.9%
Net Income	36,850	28,500	+8,350	+29.3%

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

FY2026 Exchange Rate (Assumption) : ¥148.00/\$, ¥21.00/CNY, ¥165.00/€

Impact of Exchange Rates, Tariffs, and Semiconductor Supply

Impact of Exchange Rate Fluctuations on Our Business Performance

While HI-LEX operates its overseas subsidiaries under the principle of “local production for local consumption,” ACT follows a different management approach.

Until FY2025, exchange rate fluctuations had only a limited impact on our business performance. However, due to the acquisition of ACT, the group’s results in FY2026 have become more sensitive to exchange rate movements.

Regarding the exchange rate impact from trading activities, fluctuations in THB have the greatest effect because ACT’s main production plant is located in Thailand.

If THB moves by 0.1 yen toward yen depreciation, our annual operating profit is expected to decrease by 0.1 billion yen.

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

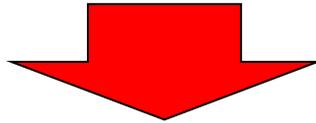
In FY2026 Q1, the tariff impact on North American operations is estimated at approx. USD 3.7 million, while the recovery from the customers amounts to USD 2.2 million USD (59% of impact). As the result, the net impact is USD 1.5 million (0.2 billion yen).

The forecasted tariff impact for FY2026 is USD 13.0 million, of which USD 10.7 million (82%) is expected to be recovered from the customers.

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

FY2026 Expected Impact

- Production disruptions at some North American customers began in late October. Several customers halted the production for about one month.
- The issue has been already almost solved and the production is increasing gradually.
The impact was previously expected to be approx. USD 4.2 million in Q1 2026, but the latest forecasted has been revised to USD 2.5 million.



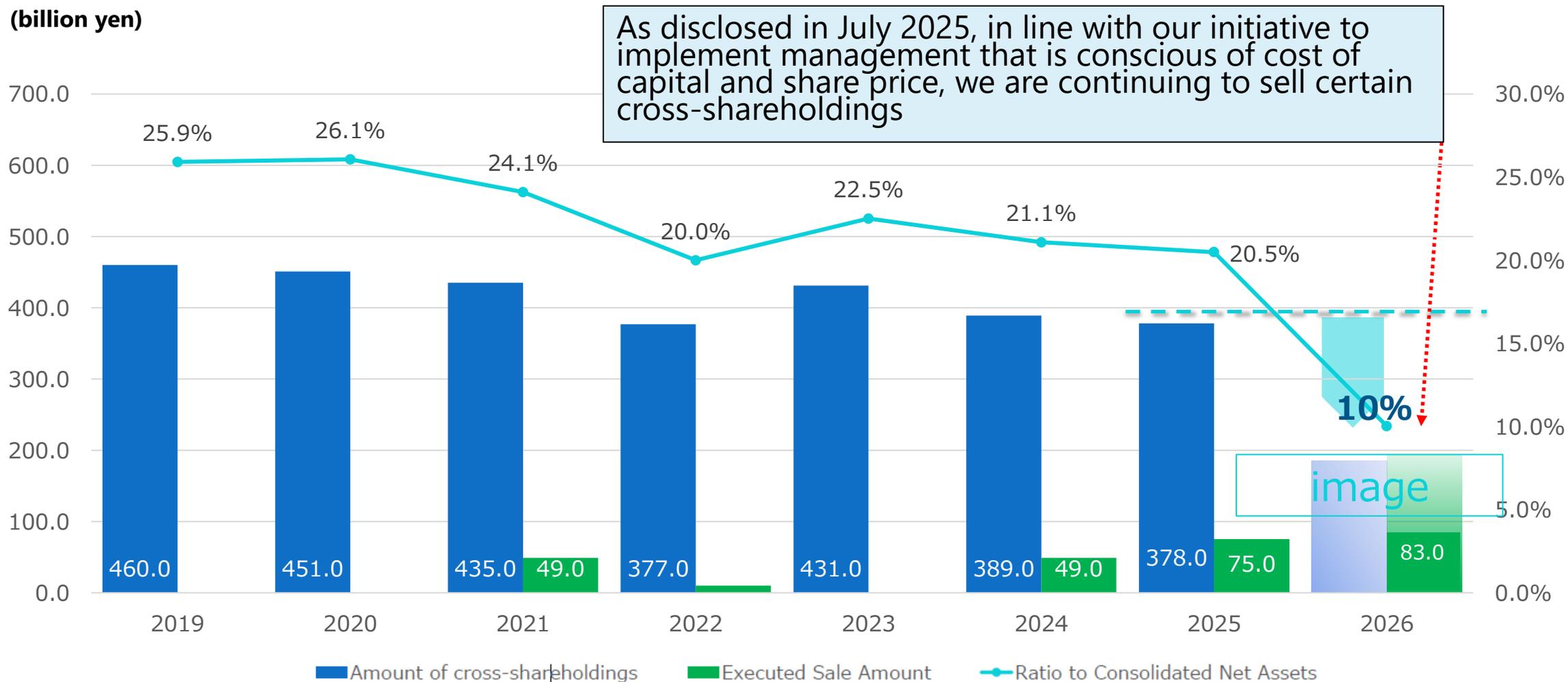
- Potential impact on other regions, including Japan, is expected to be very limited.

Policy on Cross-shareholdings & Shareholder Returns

Policy on cross-shareholdings

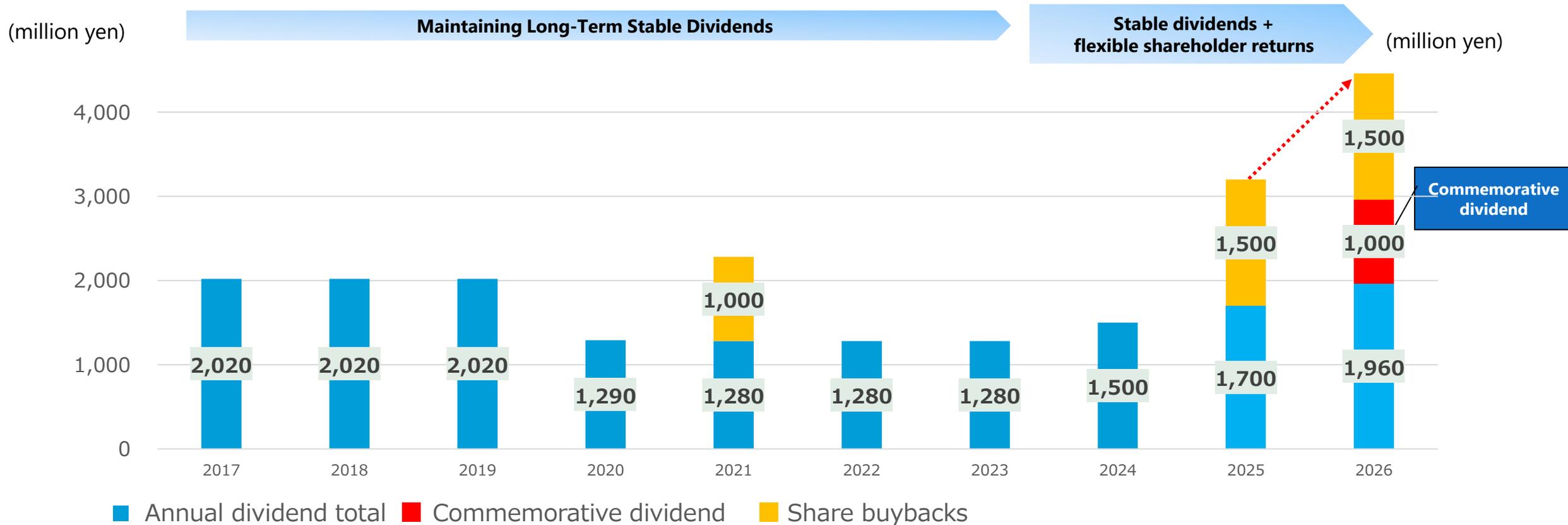
Targeting Cross-shareholdings Ratio of 10% of Net Assets

¥8.3 billion has already been sold in the current fiscal year, with additional sales to be pursued.



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

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

This document is for informational purposes only and is not intended to solicit investment.

The forward-looking statements contained in this document have been prepared by our company based on currently available information.

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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