

FY2026 Interim Financial Results IR Presentation

Hi-Lex Corporation

June ,2026

Table of Contents

【Performance & Financial Highlights】

- FY2026 Interim Financial Results Overview (Consolidated)
- FY2026 Full-Year Consolidated Earnings Forecast
- Impact of Tariffs, The Middle East Situation, and Changes in the EV Market

【Policy on Sale of Strategic Shareholdings & Shareholder Returns】

【Strengthening the Business Foundation and Accelerating Growth through Transformation】

- Structural Reform of Existing Businesses
- Current Status of Existing Businesses and Direction for Strengthening
- Evolution into a Door System Supplier (Key Synergy Driver)
- Examples of Synergy Creation with Hilex Act

【ESG Initiatives】

Performance & Financial Highlights

FY2026 Interim Financial Results Overview (Consolidated)

Financial Summary (Consolidated)

- *Revenue increased, driven by an approximately JPY52.2 billion contribution from the initial consolidation of HI-LEX ACT (“ACT”), as well as growth in pre-integration businesses in the Americas and Europe, in addition to a positive impact of approximately 6 billion from yen depreciation.
- *Operating profit declined due to delayed recovery of tariffs in the Americas, rising labor costs driven by the appreciation of the Mexican peso against the U.S. dollar, and inability to absorb fixed costs following lost orders in Korea due to changes in customer distribution channels

(¥millions)

	First Half Results for FY2026	First Half Results for FY2025	Change	Change Rate
Net Sales	209,107	152,347	+56,760	+37.3%
Operating Profit	2,226	2,343	-117	-5.0%
Ordinary Profit	4,882	3,240	+1,642	+50.7%
Net Income for the First Half	34,857	1,779	+33,078	+1,859.4%

The results were mainly impacted by a gain on sales of investment securities of 8,315 million and a gain on negative goodwill of 28,305 million

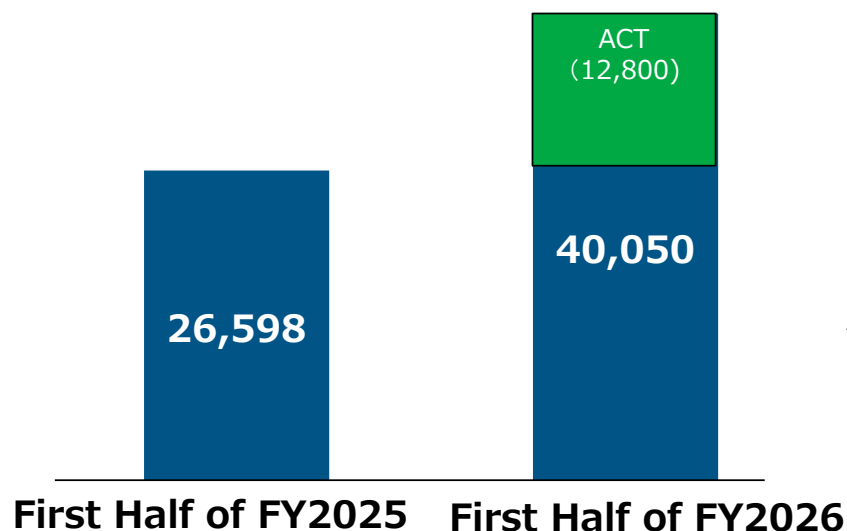
Segment: Japan

*Net Sales +50.5% YoY, driven by ACT consolidation and +2.2% growth in pre-integration businesses.

*Operating profit impacted by approx. -JPY 1.4 billion from ACT; pre-integration businesses improved by JPY 0.2 billion YoY.

■ Net Sales

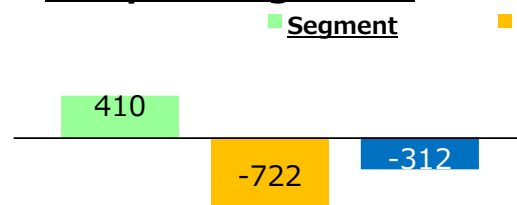
(¥millions)



■ Change vs. FY2025: Amount and Rate

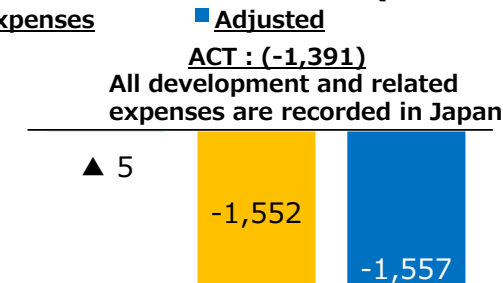
Net Sales	+13,452 million (+50.5%)
Operating Profit	-1,245 million (loss)

■ Operating Profit



First Half of FY2025

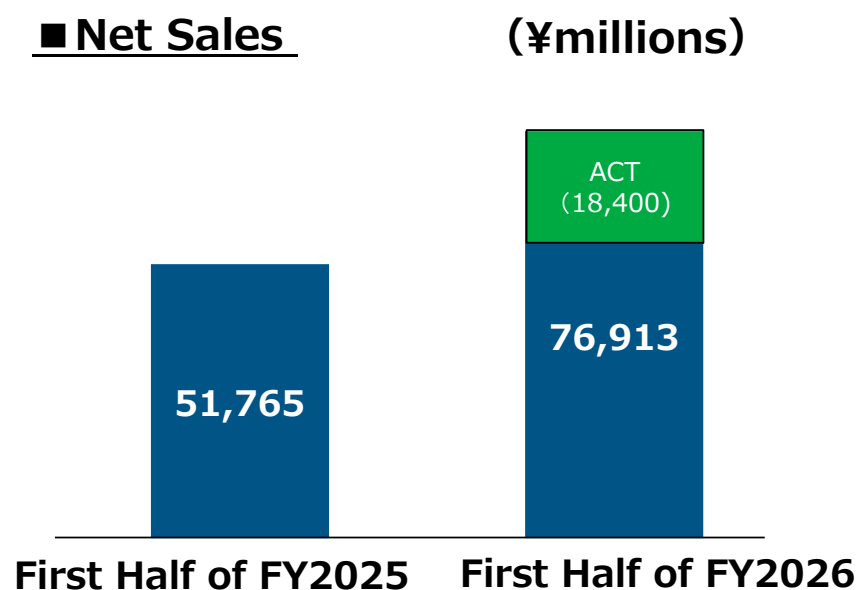
(¥millions)



First Half of FY2026

Segment: Americas (USA / Mexico / Brazil)

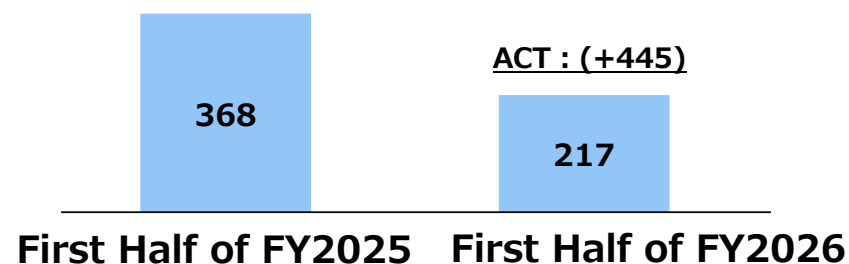
- *Net Sales +48.5% YoY, driven by ACT consolidation and +13.0% growth in existing businesses, mainly due to recovery in US customer sales.
- *Operating profit declined by -41.0% YoY, mainly due to a cost increase of approx. -JPY 0.5 billion, driven by excess personnel resulting from a sharp production decline in Mexico and higher labor cost ratios caused by the appreciation of the Mexican peso against the U.S. dollar.



■ Change vs. FY2025: Amount and Rate

Net Sales	+25,148 million (+48.5%)
Operating Profit	-151 million (-41.0%)

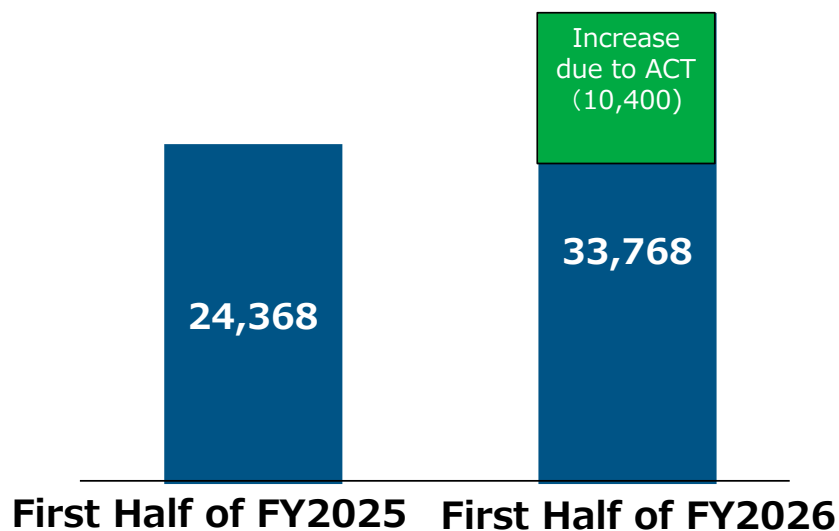
■ Operating Profit (¥millions)



Segment: China

- *Net Sales +38.5% YoY, primarily driven by ACT consolidation; however, pre-integration businesses declined by -JPY 1 billion YoY due to a slowdown in the Chinese market.
- *Operating profit +193.0% YoY, supported by a contribution of JPY 1 billion from ACT; however, pre-integration businesses declined by -JPY 0.2 billion YoY, as fixed costs could not be absorbed amid reduced production by major customers.

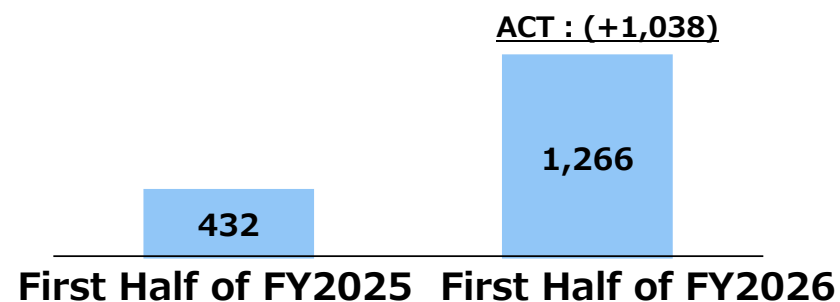
■ Net Sales (¥millions)



■ Change vs. FY2025: Amount and Rate

Net Sales	+9,400 million (+38.5%)
Operating Profit	+834 million (+193.0%)

■ Operating Profit (¥millions)



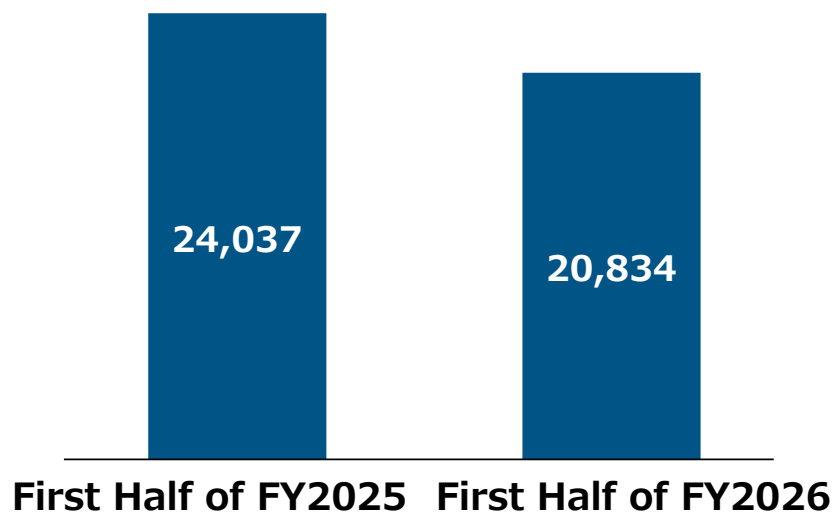
Segment: Korea

*Net Sales declined by -13.3% YoY due to lost business resulting from changes in customer distribution channels for power lift gates.

*Operating profit declined by -39.9% YoY, as cost reductions did not keep pace with the decrease in revenue.

■ Net Sales

(¥millions)

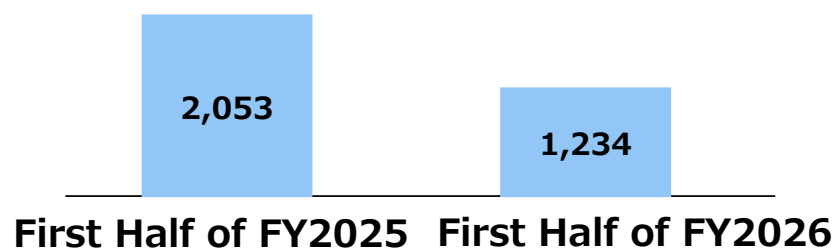


■ Change vs. FY2025: Amount and Rate

Net Sales	-3,203 million (-13.3%)
Operating Profit	-819 million (-39.9%)

■ Operating Profit

(¥millions)



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

*Net Sales +42.2% YoY, supported by ACT consolidation, despite a slight decline in pre-integration businesses.

*Operating profit increased by JPY 0.6 billion YoY, driven by ACT; Pre-integration businesses were flat YoY, reflecting weak performance in the India (approx. -JPY 0.1 billion) .

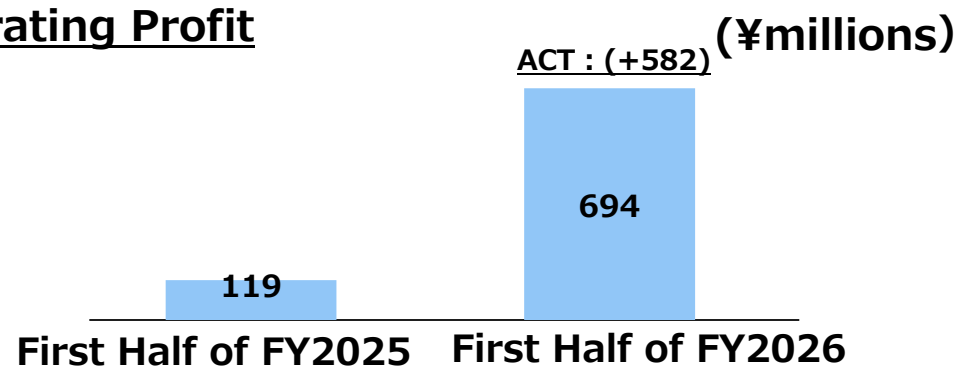
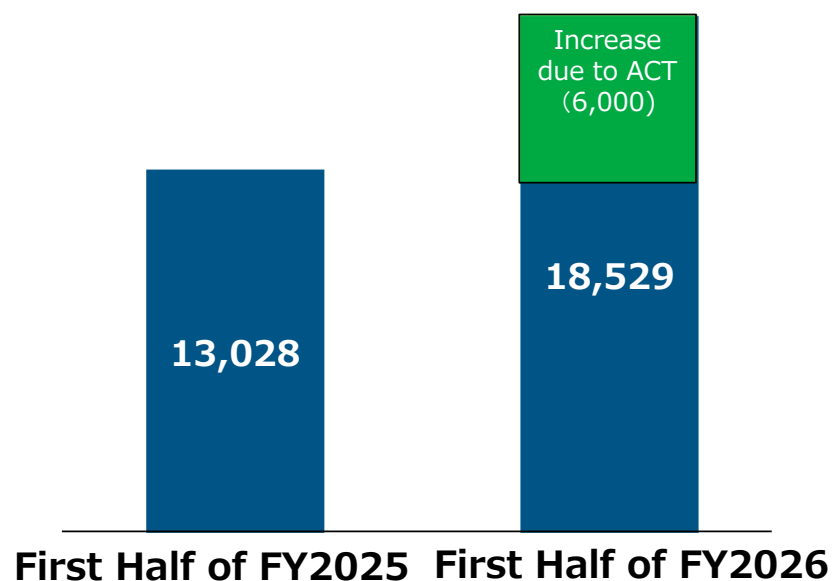
■ Net Sales

(¥millions)

■ Change vs. FY2025: Amount and Rate

Net Sales	+5,501 million (+42.2%)
Operating Profit	+575 million (+483.2%)

■ Operating Profit



Segment: Europe & Africa

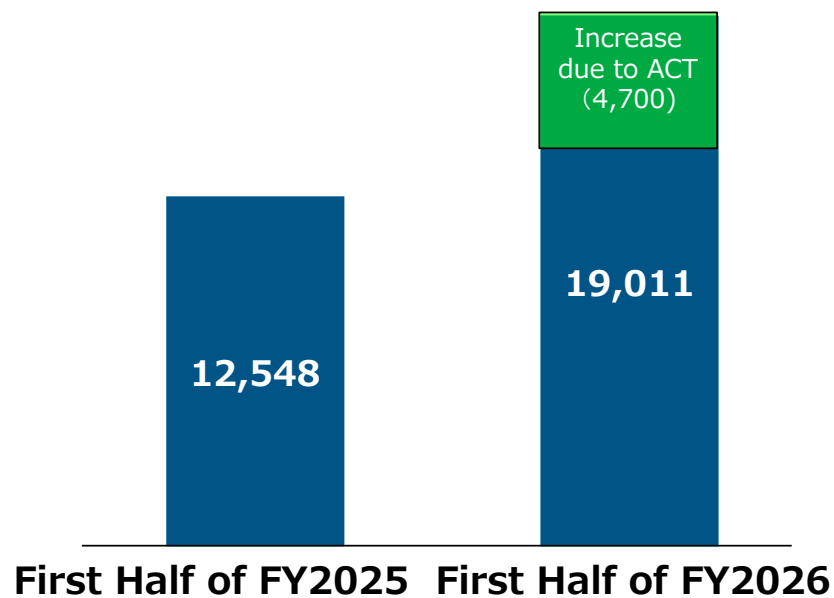
(Hungary / Italy / Spain / Czech / Serbia / Morocco / UK)

*Net Sales +51.5% YoY, driven by ACT consolidation, as well as strong sales in the Czech Republic and Hungary in pre-integration businesses.

*Operating profit turned positive, supported by ACT and improved plant utilization at sites with strong sales in pre-integration businesses.

■ Net Sales

(¥millions)

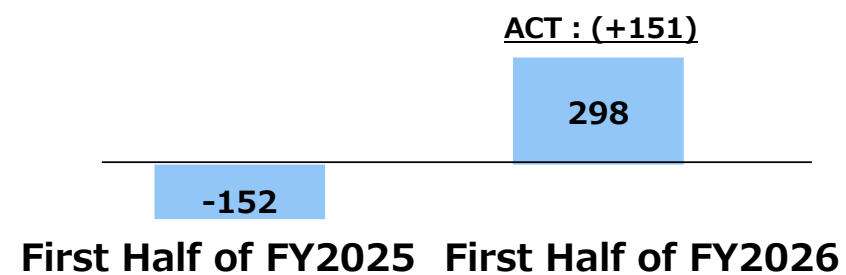


■ Change vs. FY2025: Amount and Rate

Net Sales	+6,463 million (+51.5%)
Operating Profit	+450 million (Turned positive)

■ Operating Profit

(¥millions)



FY2026 Full-Year Consolidated Earnings Forecast

FY2026 Full-Year Consolidated Earnings Forecast

The FY2026 full-year consolidated earnings forecast includes the Hi-Lex Act Group. Performance is progressing largely in line with the consolidated earnings forecast announced on March 6, 2026.

(¥millions)

	Actual Results for the First Half A	Forecast for the Second Half (Announced in December 2025) B	A+B	Full-Year Consolidated Earnings Forecast (Announced in March 2026) C	Change (A+B)-C
Net Sales	209,107	200,000	409,107	401,000	+8,107
Operating Profit	2,226	3,050	5,276	5,400	-124
Ordinary Profit	4,882	3,550	8,432	※7,400	+1,032
Net Income	34,857	1,950	36,807	36,850	-43

※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 Tariffs, The Middle East Situation, and Changes in the EV Market

Impact of Tariffs and the Middle East Situation

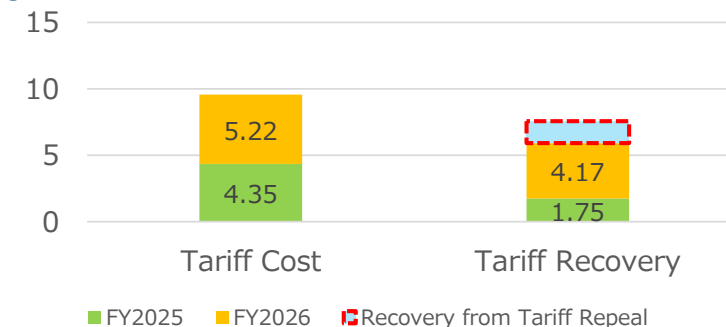
Impact of Tariffs on the Americas Business

(including imported components from Japan, China, Korea, and other Asian regions)

- Since the onset of tariff impacts in FY2025, the Americas business has been affected by approximately USD 9.6 million. Of this amount, approximately USD 5.9 million (around 62%) has been recovered to date.

⇒ **Going forward, we will continue to recover the portion related to the repeal of IEEPA tariffs, and currently expect to recover approximately 85% in total.**

Tariff Recovery Status



Impact of the Middle East Situation

- While the direct impact remains uncertain, suppliers have **requested** price increases of approximately JPY 150 million per month, mainly for resin materials. If these increases are finalized, we will pursue appropriate pass-through pricing through negotiations with customers.

Impact of Changes in the EV Market

Review of OEM EV Strategies

Due to the slowdown in EV demand growth across many regions, OEMs are increasingly taking the following actions:

- **Delaying EV development**
- **Canceling dedicated EV models**
- **Freezing investments in EV production facilities**
- **Reducing battery-related investments**
- **Shifting back to HEV/PHEV**



The estimated revenue impact, primarily in the Americas where orders had been secured, is expected to be **JPY 2.6 billion** across **five vehicle models**.

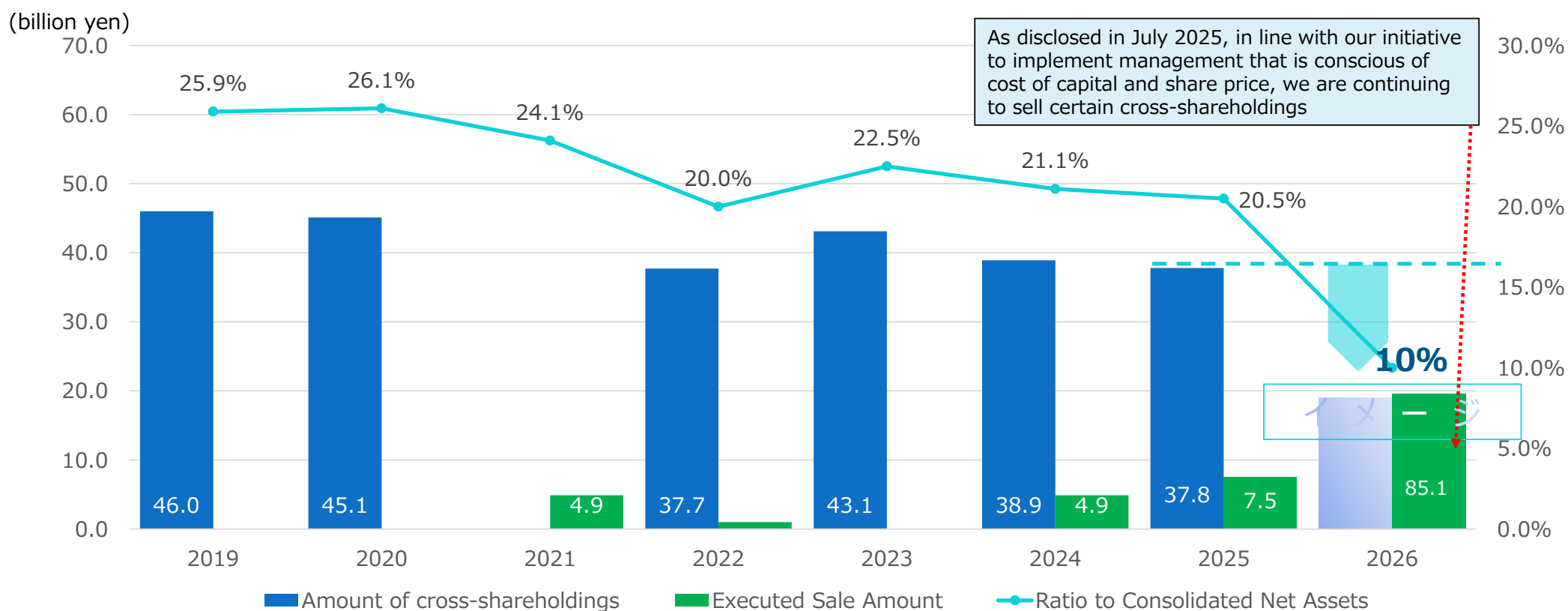
⇒ **As our core door-related components are required regardless of vehicle type—whether EV, HEV/PHEV, or internal combustion engine vehicles—we believe the impact from the slowdown in EV adoption will be limited.**

Policy on Sale of Strategic Shareholdings & Shareholder Returns

Policy on Strategic Shareholdings

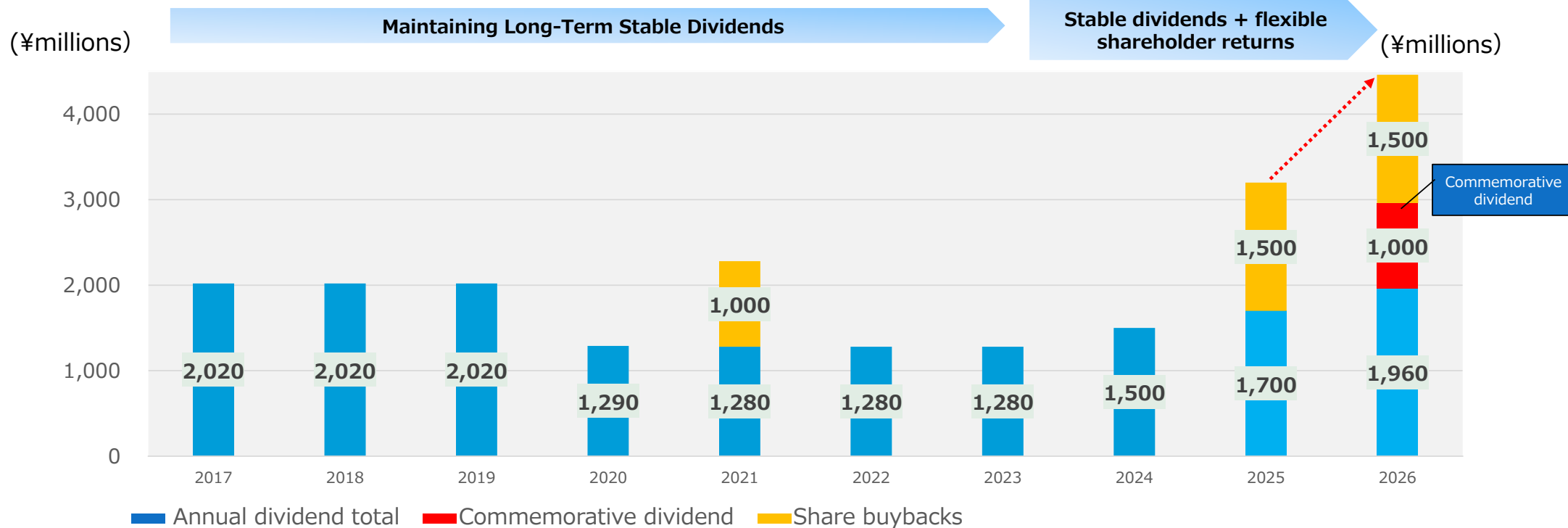
Taking into account share price fluctuations, we will continue to sell these holdings until either of the following conditions is met during FY ending October 2026:

- (i) The ratio to consolidated net assets falls to 10% or below; or
- (ii) Target Amount of Share Sales Calculated to Meet Condition (1) as of July 2025



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
Optimization of logistics routes



Make decisions based on overall balance

We are currently reviewing our future capital allocation, taking into account the progress of the structural reforms and growth strategies outlined below.

Strengthening the Business Foundation and Accelerating Growth through Transformation

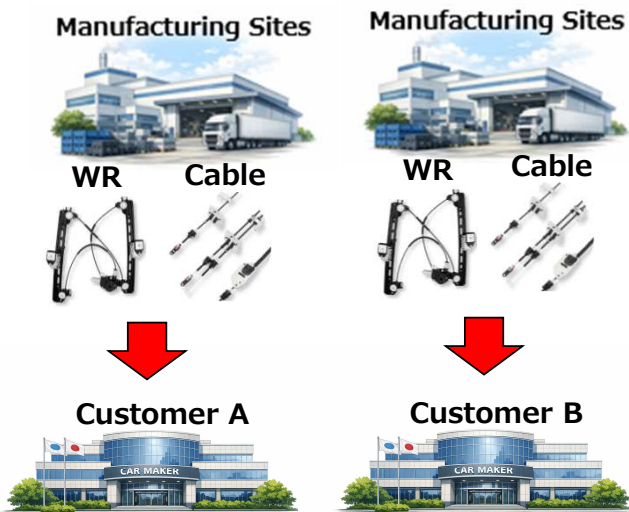
Structural Reform of Existing Businesses

Addressing Challenges in the Automotive Business

Business Structure Reform: Optimization of Production Structure (Japan)

Current: Customer-Based Layout

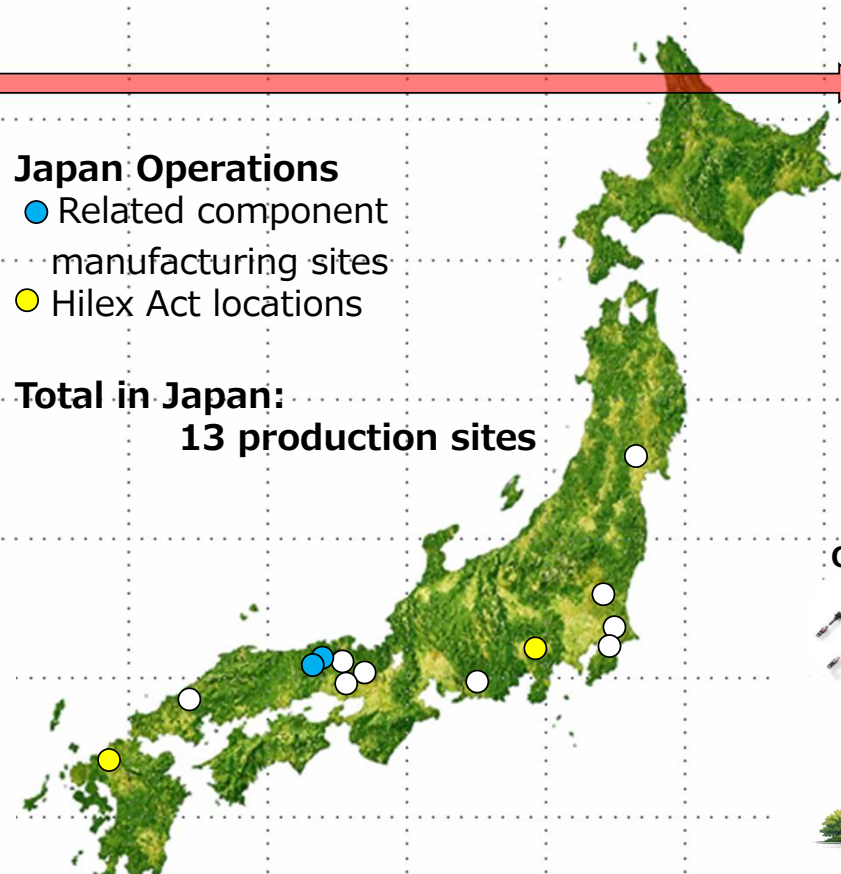
• Production sites located near customer factories, producing a wide range of products at each site → **Dispersion** of resources



Japan Operations

- Related component manufacturing sites
- Hilex Act locations

Total in Japan:
13 production sites

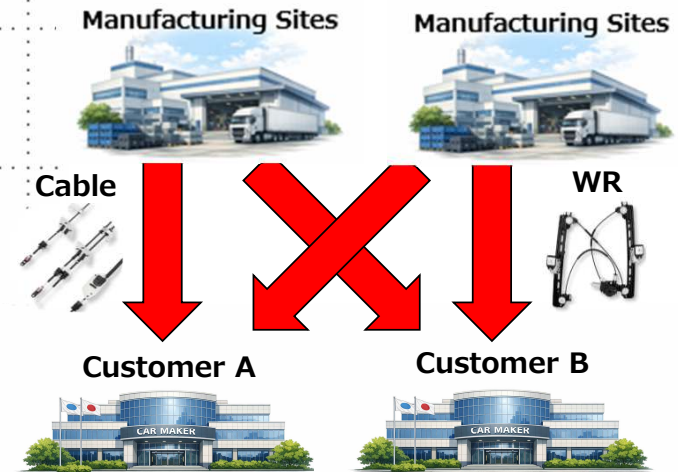


Future: Product- and Function-Based Layout

• Consolidation of similar products → **Concentration** of resources

※ Definition of Functional Segmentation

- **Upstream** functions involved in producing components and materials
- **Downstream** functions involved in product assembly



Consolidating resources through product- and function-based layout to improve operational efficiency

Addressing Challenges in the Automotive Business

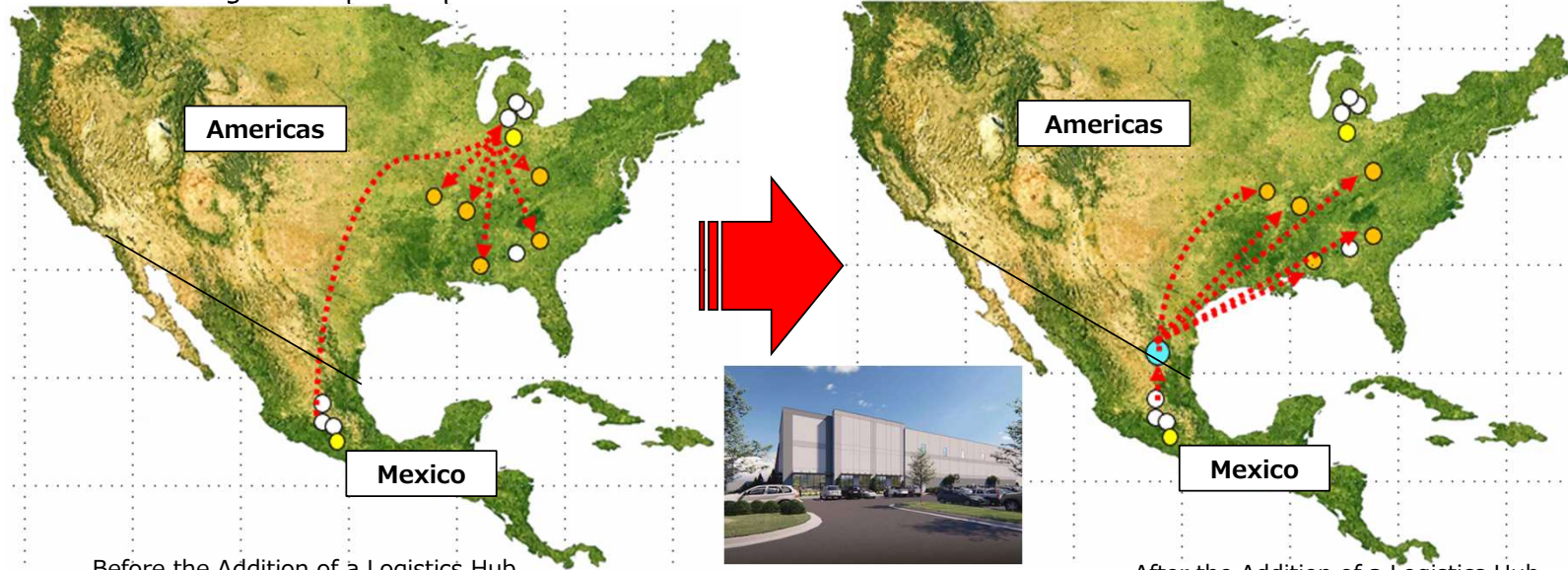
Business Structure Reform: Logistics Efficiency and Production Capacity Optimization (North and Central America)

Earnings Improvement Measures in the Americas

- Reduction of logistics costs through the full-scale operation of **new logistics hub**
- Restructuring of low-profit operations

Sites in North and Central America

- Hilex Act locations
- New logistics hubs
- Customer



Before the Addition of a Logistics Hub

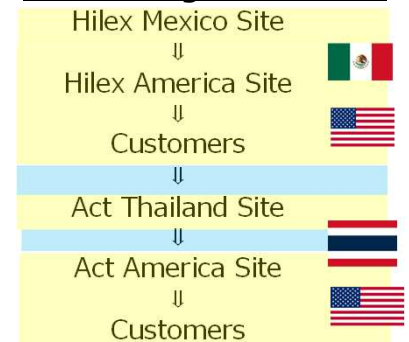
transportation distance: 3,400km

New Logistics Hub in Laredo, Texas

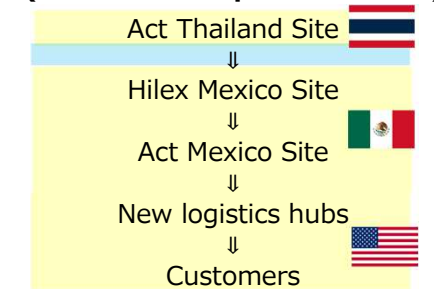
After the Addition of a Logistics Hub
Improved logistics toward the shortest-route transportation

An Example of Logistics Improvement Including Currently Under-Consideration Hilex Act Sites

Current Logistics Routes



Optimized Logistics Routes (After Hub Implementation)



Plans to optimize production capacity are currently being further detailed, with implementation scheduled to begin in the second half.

Addressing Challenges in the Automotive Business

Responding to Market Changes: Addressing the Rapid Expansion of Chinese OEMs in China

Challenges in the China Business

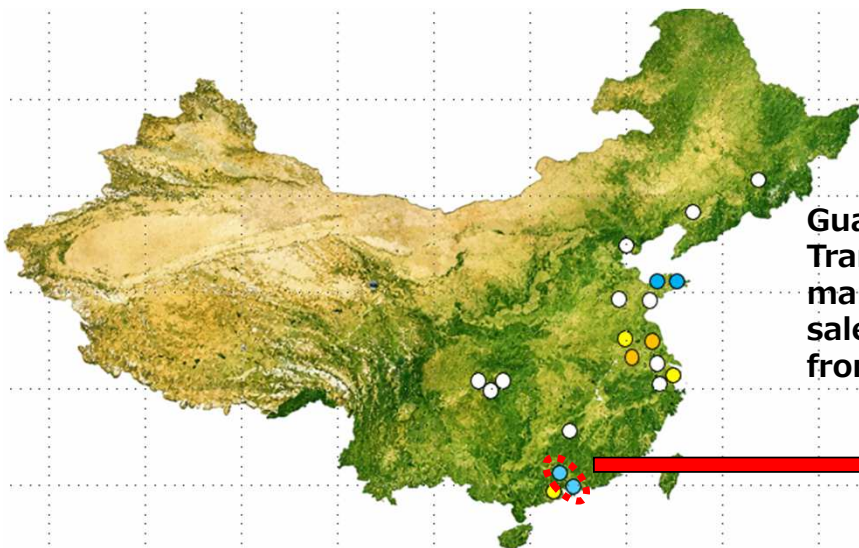
- Expanding sales to Chinese OEMs from Japan-led Hilex sites

Hilex Group Sites in China

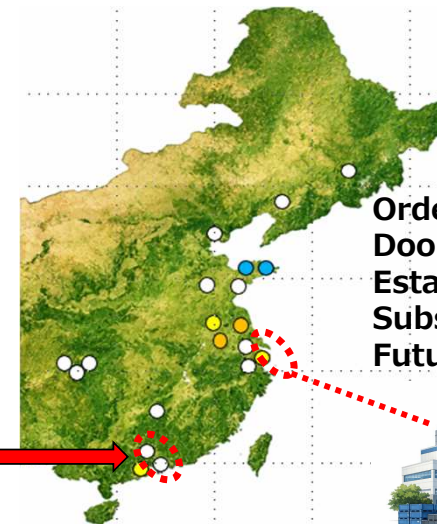
- Chongqing Hilex (China-led site) (Sales ratio to Chinese OEMs: **64%**)
- Hilex Japan-led sites (Sales ratio to Chinese OEMs: **1%**)
- Hilex Act sites (Sales ratio to Chinese OEMs: **20%**)

Current China Market Share (by Sales)

- Chinese OEMs: **69%**
- German OEMs: 13%
- Japanese OEMs: 10%
- U.S. OEMs: 6%



Guangzhou Area Operations Transition to China-led management Increasing the sales ratio to Chinese OEMs from 1% to **15%** by 2027



Chongqing Hilex Secures Orders from a **new customer** for Door Module Products. Establishing a New Production Subsidiary in Shanghai to Support Future Expansion



Accelerating Sales Growth through a Transition to China-led Management

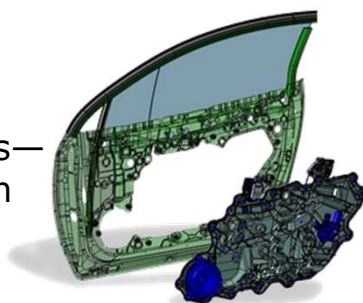
Current Status of Existing Businesses and Direction for Strengthening

Development of New Products and New Customers

- **Japan Operations (Advancing Modularization and Electrification)**
 - First-ever door module inquiries in the domestic market
 - Growing adoption of electric actuators

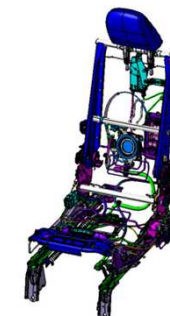
Door Module

Key components—including window regulators (WR), speakers, ECUs, and harnesses—are pre-assembled onto a resin plate (module plate) and integrated into the door.



Seat Actuator

Operating a touch panel or switch releases the seatback lock electrically, enabling the seatback to fold forward. (Providing easy access to the third-row seats)



■ **Global Operations**

- Expansion into new door module customers in China
- Reestablishment of business in Europe supported by strong product competitiveness

Roadmap to Door System Supplier

From a Cable Supplier to a Door System Supplier

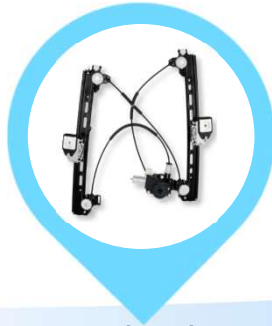
Cable

Transmission
Parking Brake
Actuator
For Sunroof



Actuator

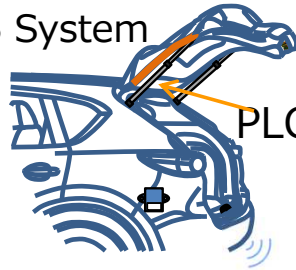
Window Regulator
Power Lift Gate(PLG)
Electric Parking Brake(EPB)
Fuel/Charge Lid



Japan / Other Asia

Control Unit

PLG System
EPB System
etc.



Module

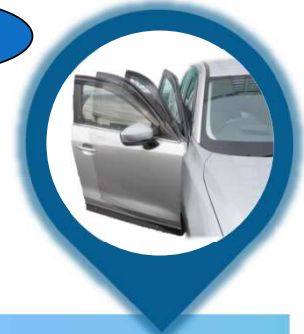
Door Module
Seat Cable Module



Americas/Europe
China/Korea

Door System

Transformation into a
Closure System Supplier
• Power Lift Gate
• Power Hinge Door



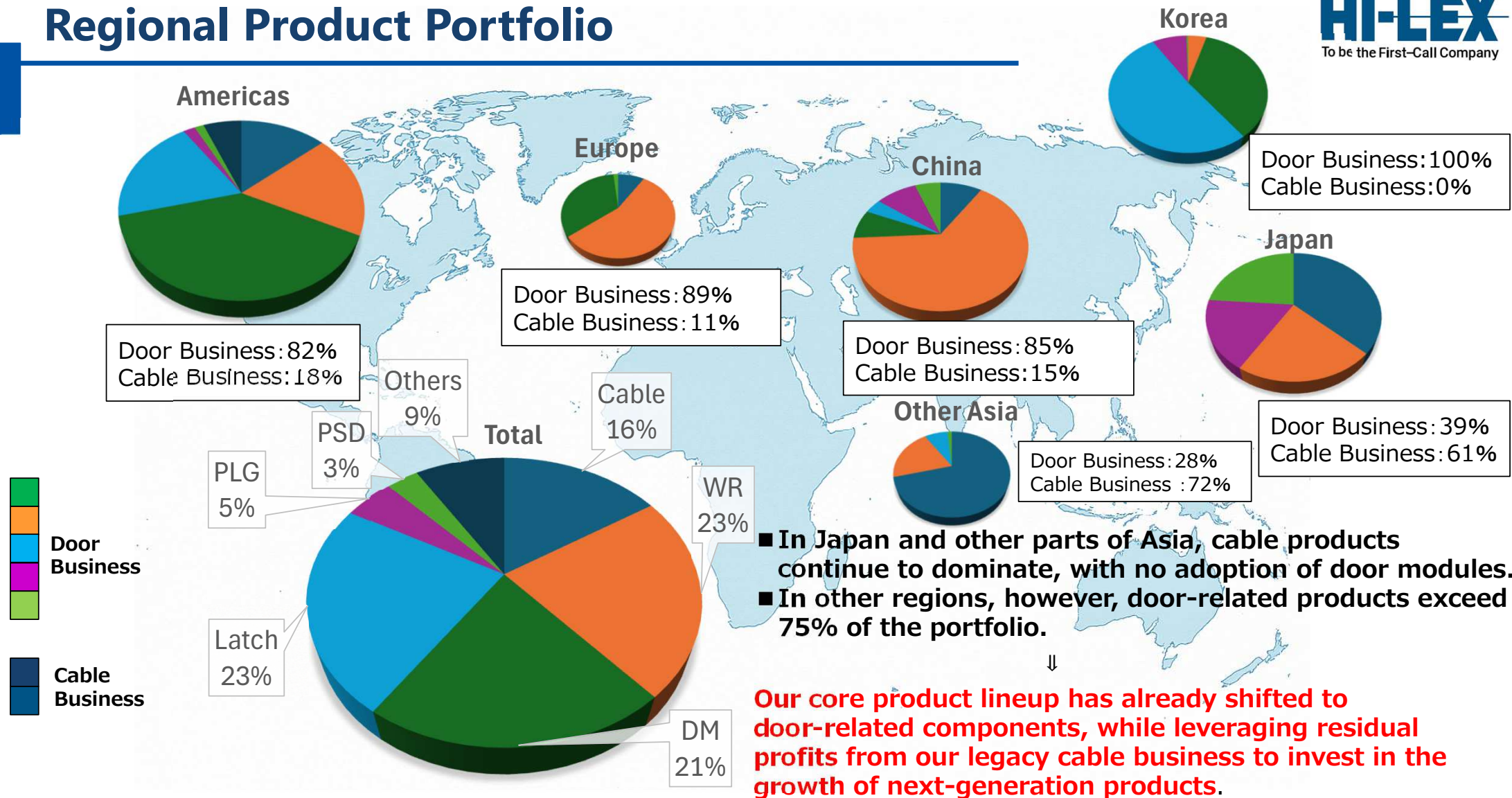
Making Hi-Lex ACT Co., Ltd. a Group Company

FY2025

**Integrate control
technology into our module
products**

**Evolve into a Door System
Supplier**

Regional Product Portfolio

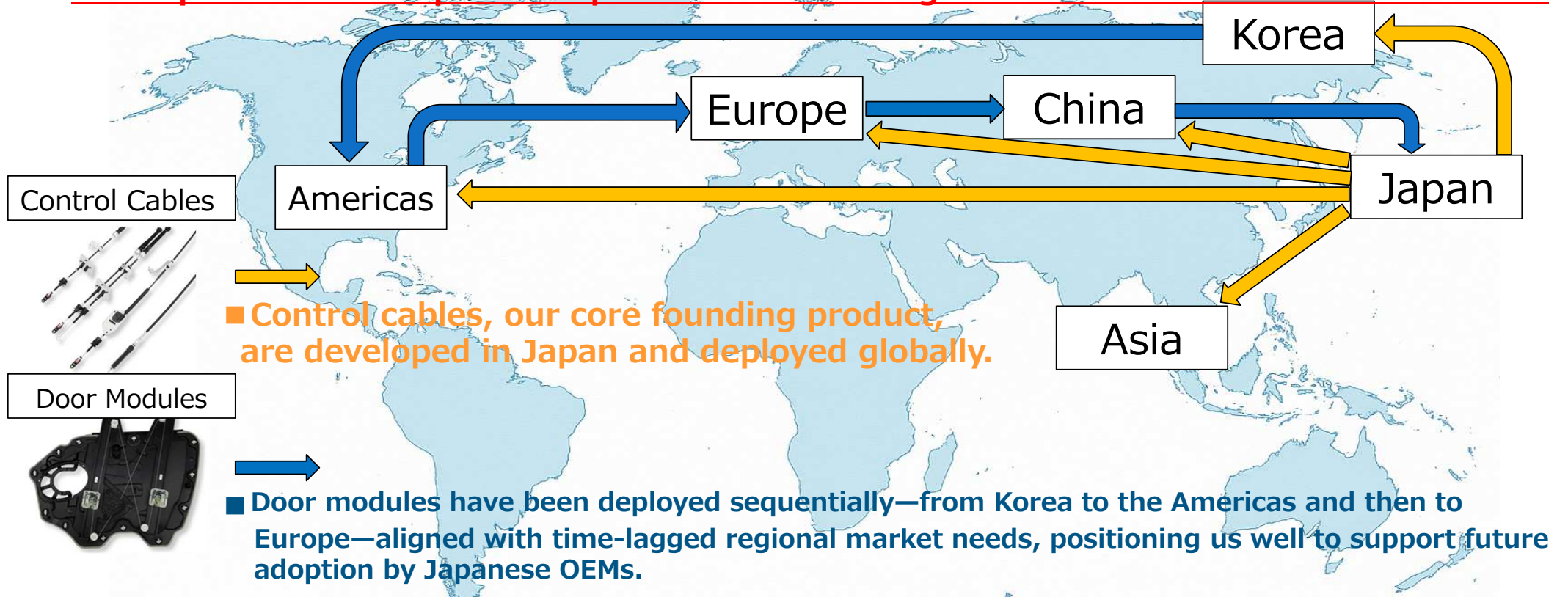


※PSD : Power Sliding Door PLG : Power Liftgate DM : Door Module WR : Window Regulator

Product Development Strengths

Hilex's Core Strengths

- Globally Established Local-for-Local Production Structure
- Independent Development Capabilities in Each Region to Address Local Customer Needs



Leveraging cutting-edge technologies across our global network enhances responsiveness to diverse regional customer needs.

Establishing a Development System for Power Closure Systems

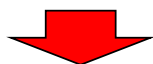
Hilex's Established Strengths

- Product development aligned with regional customer needs
- Independent development capabilities across regions

Localized Development

Drawbacks

- Resource dispersion due to overlapping development
- Increase in component variants due to non-uniform specifications

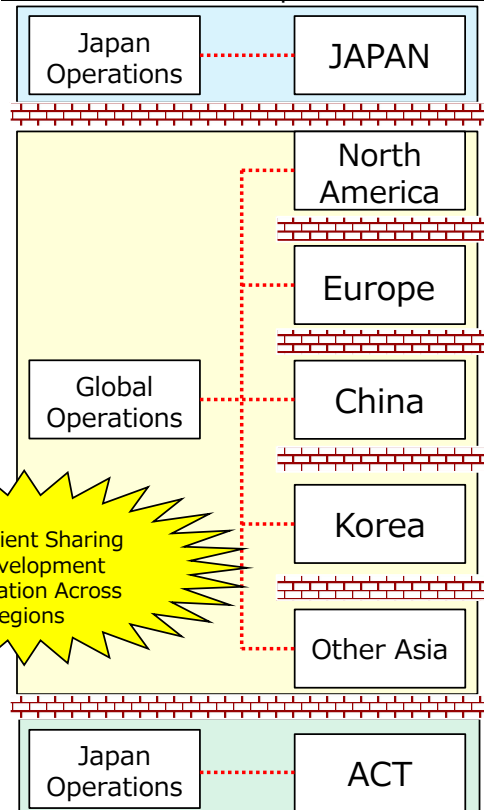


Key Development Requirements Going Forward

- Centralization of customer requirements
- Standardization of component specifications
- Sharing of development resources
- Standardization of product specifications

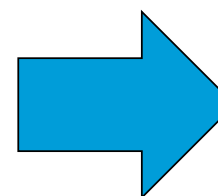
Establishing Group-wide Standard Specifications while Maintaining a Local-for-Local Development Approach, and Becoming a Development Partner of Choice

Conventional Development Structure



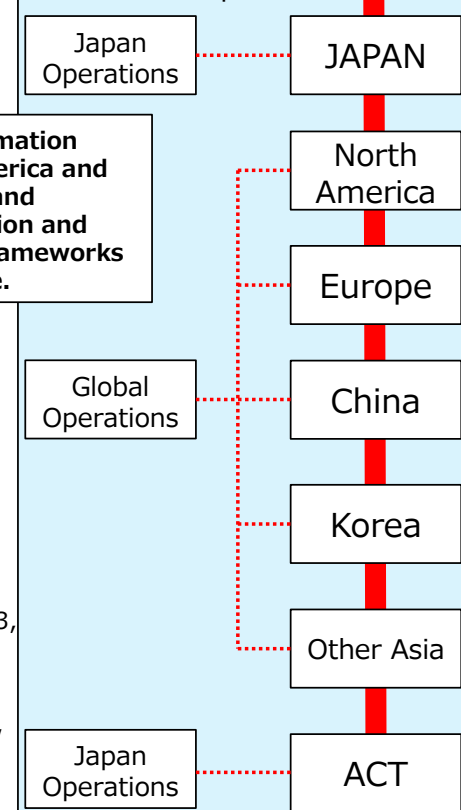
Information Flow

Integrate information from North America and other regions, and establish direction and collaboration frameworks by adding value.



Power Closure Systems Division

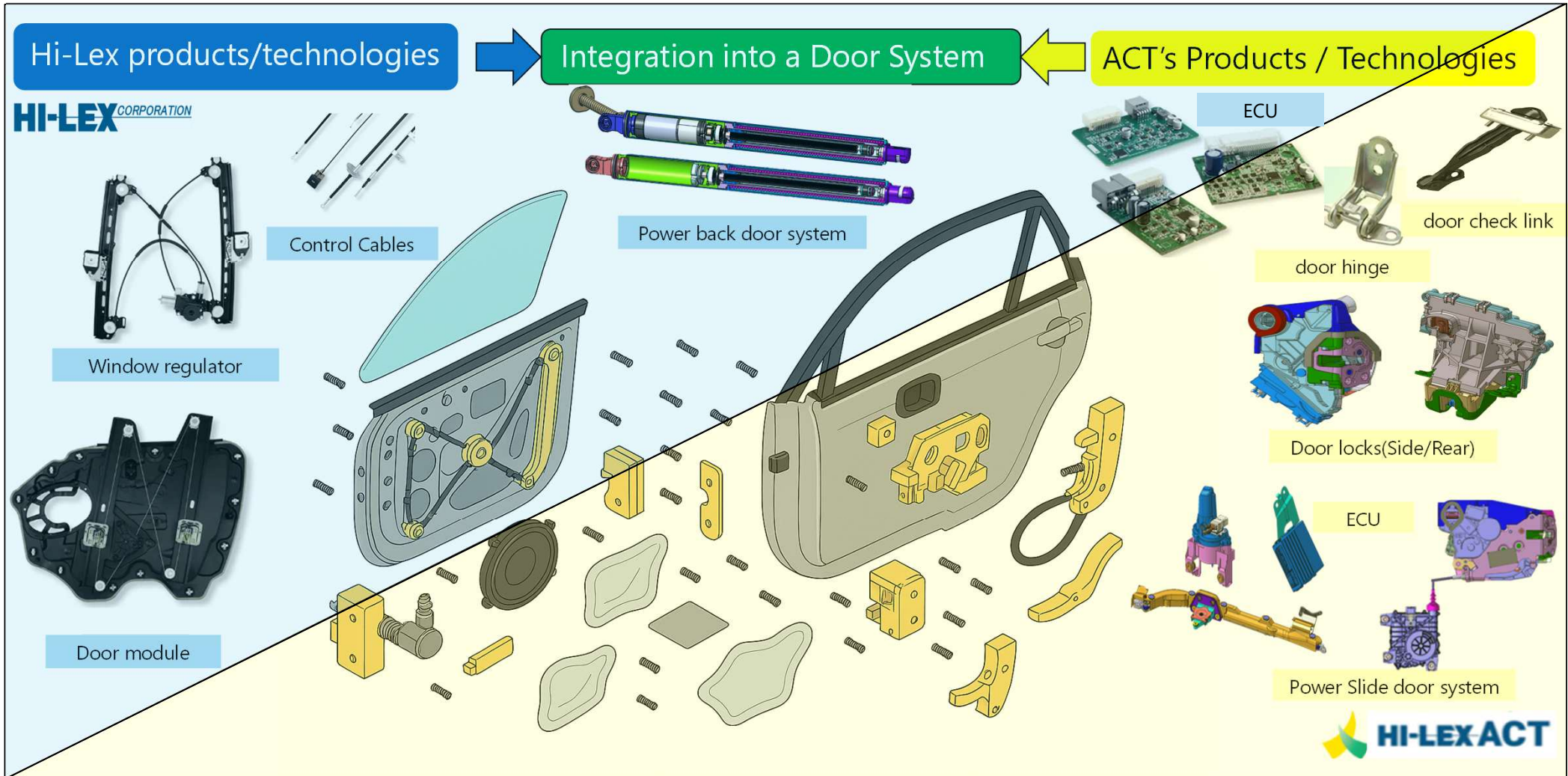
New Development Structure



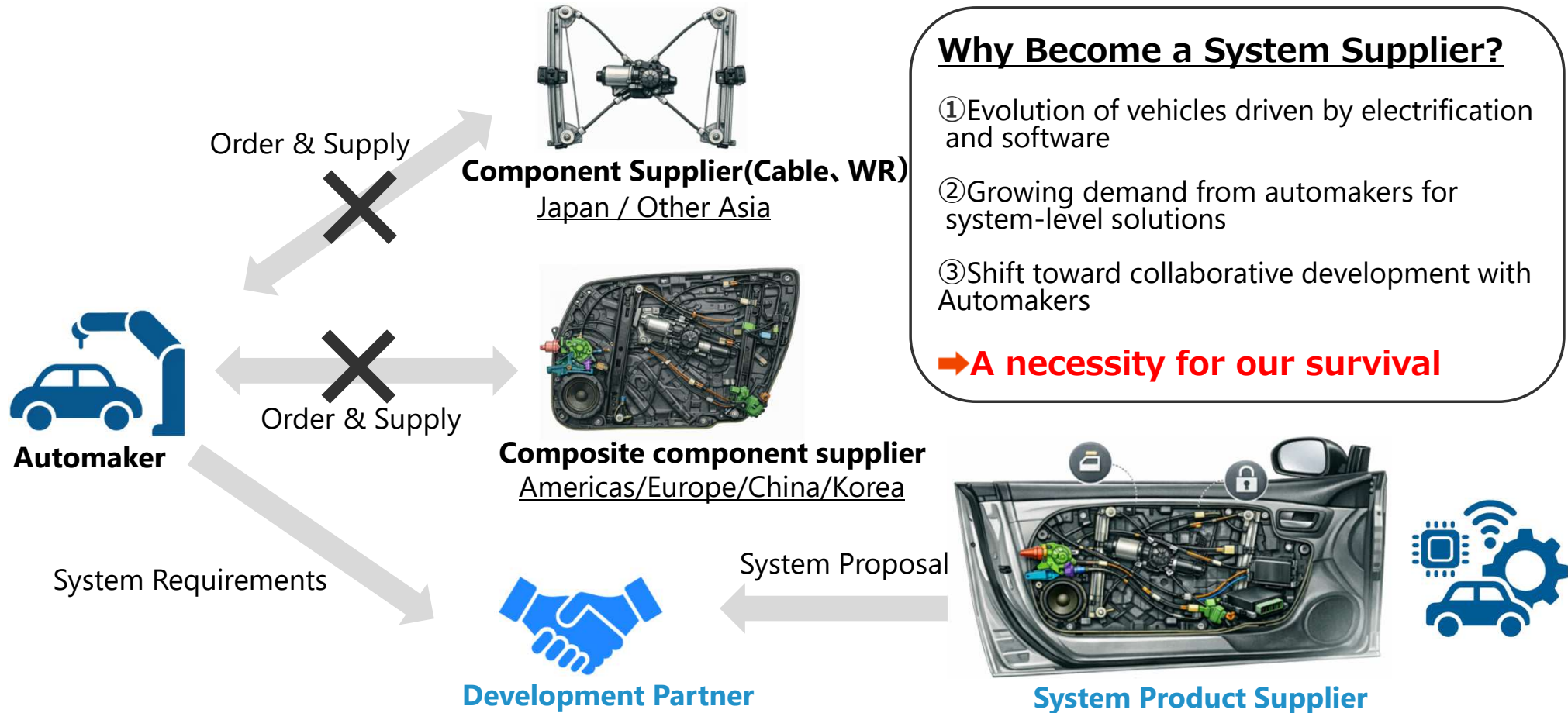
As disclosed on April 3, the new development structure was launched on May 1, along with a new flow of information.

Evolution into a Door System Supplier (Key Synergy Driver)

Integration of Hi-Lex and ACT Technologies



Why is the transition to a system supplier necessary?



Door module inquiries have begun to emerge in Japan—traditionally a component-based market

Strategic direction as a door system supplier

Short- to
mid-term

To win new business awarded for sliding and back door systems by **combining products and technologies**, and establish proven results.

Long-
term

To be a trusted **development partner**, capable of creating satisfying **automatic power door systems for all vehicle doors**.

Back Door



Sliding Door



Side Door



Hood



Tailgate



Power Closure Systems

Examples of Synergy Creation with Hilex Act

Synergy Examples

Various Synergies Leveraging Both Companies' Resources

Business Acquisition Using Common Products



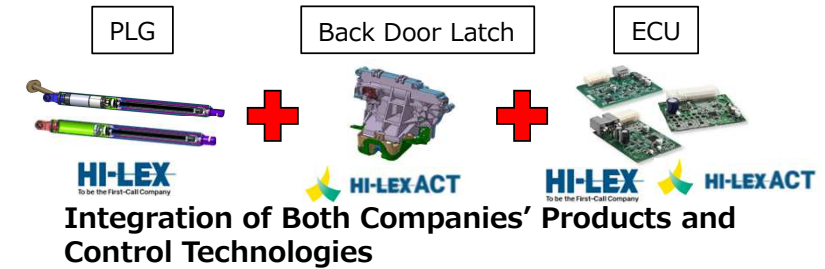
Expansion via Distribution Channels



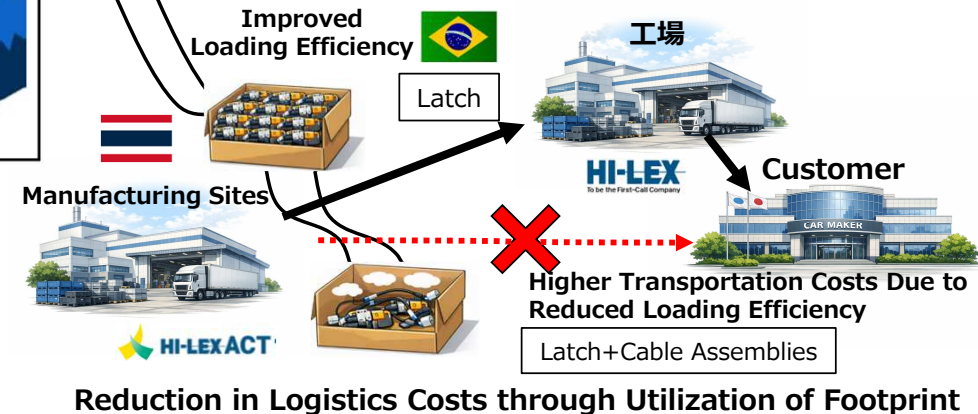
Inquiries for ACT Latches via Hilex's Sales Channels



Technology & Product Integration



Footprint-Driven Logistics Optimization



Increase in Inquiries Worldwide by Leveraging Both Companies' Technologies and Networks

ESG Initiatives

【Environment】

Improving Efficiency through the Use of Renewable Energy



HI-LEX Hungary

- Achieves 23% electricity self-sufficiency through solar power
- Generates approximately 650 MWh annually

【Environment】

Reducing CO₂ Emissions through Logistics Optimization

Before



Long Distance / Higher CO₂ Emissions

After



Shorter Distance / Reduced CO₂

【Social】



Community Engagement in Takarazuka
Sponsorship of the *Kizuna Fireworks Festival*

【Social】

Strengthening a Diverse Talent Base



- Internship Program with the Indian Institute of Technology (IIT)
- Expanding engagement with global talent
- Promoting diversity
- Building a talent base to support electrification and ECU-related capabilities

HI-LEX CORPORATION

As we continue to refine our attractive technologies and human resources, we strive to be a company that customers turn to first whenever they face challenges.

**“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.

Disclaimer

This material is for informational purposes only and does not constitute an investment solicitation.

Forward-looking statements are based on information available at the time of preparation and are subject to risks and uncertainties.

Actual results may differ materially; the Company assumes no obligation to update such statements.