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August 7, 2026

To whom it may concern,

Company name: HI-LEX Corporation
Name of representative: Taro Teraura, President and CEO
(Securities Code: 7279; TSE Standard Market)
Inquiries: Makoto Okumura, CFO and CAO
(TEL 0797-85-2500)

Notice Regarding the Establishment of European Regional Headquarters (Overseas Subsidiary)

HI-LEX Corporation (the "Company") hereby announces that, at the meeting of its Board of Directors held on August 7, 2026, it resolved to establish a European Regional Headquarters, tentatively named TSK of Europe GmbH, in the State of Bavaria, Federal Republic of Germany.

1. Purpose of the Establishment of European Regional Headquarters

The HI-LEX Group operates a number of business sites across Europe, including a sales and engineering center in Germany, manufacturing sites in Hungary, the Czech Republic, and Serbia, and an integrated sales, engineering, and manufacturing operation in Italy.

To date, each site has conducted its operations in accordance with local market conditions, customer needs, and the characteristics of its business. However, from the perspective of the Group's European operations as a whole, there remains room for further improvement in areas such as the optimal allocation of management resources, the standardization of business processes and technology platforms, enhanced collaboration among sites, and the optimization of investment decisions and capital utilization. As a result, establishing a management structure that promotes group-wide optimization has become an important management priority.

In response to these challenges, the Company has decided to establish TSK of Europe GmbH ("TOE") as its European Regional Headquarters ("RHQ"). As the Group's European RHQ, TOE will centrally manage management functions and resources currently dispersed across various European locations. Through faster decision-making, strengthened corporate governance, and the optimal allocation of management resources, the Company aims to enhance the competitiveness and profitability of its European operations.

** "TSK" is derived from Takarazuka Sakudo-Kan Co., Ltd., the Company's original corporate name at the time of Its founding. The name has been adopted to carry forward the founding spirit and philosophy of the Company.*

2. New Management Structure for European Operations

Ms. Karen Zezula, currently Vice President responsible for Information Technology and Mexican Operations at HI-LEX Automotive Center in the United States, will be appointed Chief Executive Officer of the European Regional Headquarters.

In addition, the Company will establish the new positions of Chief Technology Officer, Europe (CTO, Europe) and Chief Financial Officer, Europe (CFO, Europe) in order to strengthen the technological and financial functions of its European operations.

CTO, Europe: Tadashi Adachi, President of HI-LEX Europe GmbH
CFO, Europe: Paolo Pajardi, Vice President of HI-LEX Italy S.p.A.

The CEO, Europe, CTO, Europe, and CFO, Europe will work closely together to oversee business operations throughout the region. Through this structure, the Company will further enhance the quality of management decisions and improve operational efficiency, thereby supporting the sustainable growth of its European operations and the enhancement of corporate value.

The Group's operations in the United Kingdom and Morocco belonging to HI-LEX Act, which joined the HI-LEX Group on November 4, 2025, will not be included within the scope of the European Regional Headquarters.

Ms. Karen Zezula

Mr. Tadashi Adachi

Mr. Paolo Pajardi

3. Overview of the Overseas Subsidiary to Be Established

<table>
<tr><td>(1) Company Name (planned)</td><td colspan="2">TSK of Europe GmbH</td></tr>
<tr><td>(2) Place</td><td colspan="2">Bavaria, Federal Republic of Germany</td></tr>
<tr><td>(3) The job title and name of the representative</td><td colspan="2">CEO、Karen Zezula</td></tr>
<tr><td>(4) Business Profile</td><td colspan="2">Regional Headquarters for European Operations</td></tr>
<tr><td>(5) Capital</td><td colspan="2">EUR 750,000 (equivalent to approximately ¥139 million)</td></tr>
<tr><td>(6) Major Shareholders and Shareholding Ratio</td><td colspan="2">TSK of America Inc. (see note below)</td></tr>
<tr><td>(7) Date of Establishment, Date of Commencement of Business</td><td colspan="2">November 2026 (Planned)</td></tr>
<tr><td rowspan="4">(8)Relationship between the listed company and the relevant company</td><td>Capital Relationship</td><td>Indirect ownership: 100.0%</td></tr>
<tr><td>Personnel Relationship</td><td>One Representative Director and one Executive Officer of the Company are scheduled to be appointed as directors of the new company.</td></tr>
<tr><td>Business Relationship</td><td>Not applicable.</td></tr>
<tr><td>Related Party Status</td><td>Not applicable.</td></tr>
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4. Outlook

The establishment of the European Regional Headquarters is not expected to have any impact on the Company's consolidated financial results for the fiscal year ending October 31, 2026.

Should any matter requiring disclosure arise with respect to its future impact on the Company's financial performance, the Company will promptly make an announcement.

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