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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 Technical Center (Overseas Subsidiary) in Suzhou, China

HI-LEX Corporation (the “Company”) hereby announces that at the meeting of the Board of Directors held on August 7, 2026, it resolved to establish a new technical development base, tentatively named Suzhou Hi-Lex Technology Development Co., Ltd., in Suzhou City, Jiangsu Province, the People’s Republic of China.

1. Need to Strengthen Development Capabilities in China

(1) Background of the Establishment of the Technical Center

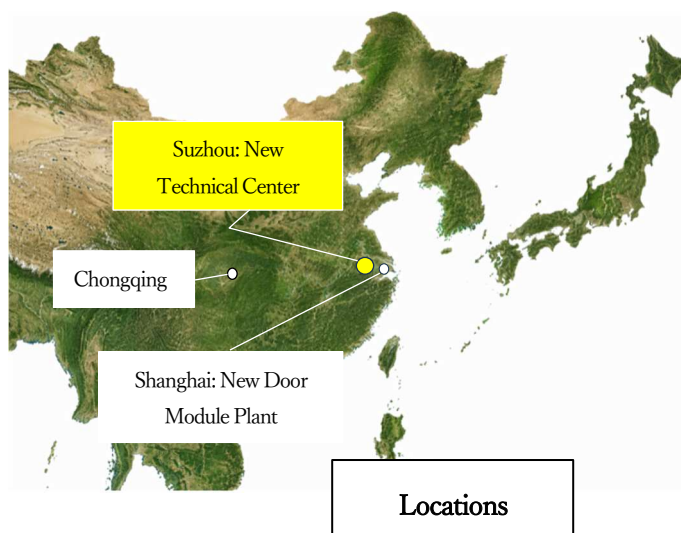
The HI-LEX Group has developed its business in China with Chongqing HI-LEX Cable System (Group) Co., Ltd. serving as its core operating company and has steadily expanded transactions with Chinese automotive manufacturers.

In recent years, the Chinese automotive market has experienced rapid growth in the market share of Chinese vehicle manufacturers, accompanied by an accelerated pace of development of next-generation vehicles, particularly electric vehicles (EVs) and smart vehicles. To respond effectively to this market environment, the Group believes it is essential to strengthen its development capabilities by enabling faster product development closer to customers.

(2) Purpose of the Establishment of the Technical Center

The Suzhou Technical Center will be positioned as a new development base designed to complement and strengthen the Group’s existing development structure centered in Chongqing.

The East China region, including Suzhou, is home to numerous automotive OEM development centers. By establishing a technical development base in this region, the Group aims to strengthen collaborative development and cooperation with customers and further improve development speed and responsiveness.



Following the establishment of the new Technical Center, the total number of the Group’s production and development sites in China will increase to 21.

(3) Position within the Group's Development Strategy

The Suzhou Technical Center will be positioned as a new development base designed to complement and strengthen the Group's existing development structure centered in Chongqing.

The HI-LEX Group is strengthening its development framework to support its evolution into a "Door System Supplier."

As part of this initiative, the Company has assigned a dedicated executive responsible for the development of Power Closure Systems (PCS) and has commenced the establishment of a global development framework for electrically operated closure products, including "Power Sliding Doors", "Power Tailgates", and "Power Hinged Doors".

The Suzhou Technical Center will serve as an integral part of this global development framework and will play a key role in advancing the development of PCS-related products for the Chinese market.

2. Sites Subject to Reorganization and Overall Framework

(1) Company Name (planned)	Suzhou Hi-Lex Technology Development Co., Ltd.	
(2) Place	Suzhou City, Jiangsu Province, People's Republic of China	
(3) The job title and name of the representative	Chairman: Zhang Ping	
(4) Business Profile	Development of Door System Products in China	
(5) Capital	CNY 20,000,000 (equivalent to approximately ¥460 million)	
(6) Major Shareholders and Shareholding Ratio	Chongqing HI-LEX Cable System Group Co., Ltd. 70%, HI-LEX Corporation 30%	
(7) Date of Establishment, Date of Commencement of Business	September 2026 (Scheduled)	
(8) Relationship between the listed company and the relevant company	Capital Relationship	Ownership Ratio 74.1%
	Personnel Relationship	One executive officer responsible for PCS development is scheduled to be appointed as a director of the new company
	Business Relationship	Not applicable.
	Related Party Status	Not applicable.

Note: Mr. Zhang Ping is the General Manager of Chongqing HI-LEX Cable System Group Co., Ltd.

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