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December 12, 2025

Consolidated Financial Results for the Fiscal Year Ended October 31, 2025 (Under Japanese GAAP)

Company name: HI-LEX CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 7279
 URL: <https://www.hi-lex.co.jp/>
 Representative: Taro Teraura, President and Representative Director
 Inquiries: Makoto Okumura, Senior Executive Managing Officer,
 General Manager of Administration Headquarters
 Telephone: +81-797-85-2500
 Scheduled date of annual general meeting of shareholders: January 24, 2026
 Scheduled date to commence dividend payments: January 26, 2026
 Scheduled date to file annual securities report: January 23, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2025	304,123	(1.4)	3,391	828.9	7,272	166.6	8,419	326.7
October 31, 2024	308,382	3.3	365	(87.8)	2,727	(48.8)	1,973	—

Note: Comprehensive income For the fiscal year ended October 31, 2025: ¥10,513 million [- %]
 For the fiscal year ended October 31, 2024: ¥(1,746 million) [- %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
October 31, 2025	224.87	224.78	4.9	2.7	1.1
October 31, 2024	52.60	52.58	1.1	1.0	0.1

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended October 31, 2025: ¥337 million
 For the fiscal year ended October 31, 2024: ¥110 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
October 31, 2025	276,997	191,692	63.2	4,737.56
October 31, 2024	270,260	184,587	62.5	4,503.79

Reference: Equity
 As of October 31, 2025: ¥175,124 million
 As of October 31, 2024: ¥168,961 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
October 31, 2025	12,023	665	(6,892)	54,684
October 31, 2024	11,813	445	(4,522)	48,476

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended October 31, 2024	-	20.00	-	20.00	40.00	1,501	76.0	0.9
Fiscal year ended October 31, 2025	-	23.00	-	23.00	46.00	1,701	20.5	1.0
Fiscal year ending October 31, 2026 (Forecast)	-	53.50	-	26.50	80.00		10.4	

3. Forecast of consolidated financial results for the year ending October 31, 2026 (from November 1, 2025 to October 31, 2026)

(Percentages indicate year-on-year changes for the full year and year-on-same-quarter changes for the quarter.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	201,000	31.9	2,350	0.3	2,950	(9.0)	26,550	—	718.25
Full year	401,000	31.9	5,400	59.2	6,500	(10.6)	28,500	238.5	771.00

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies

Excluded: - companies

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of October 31, 2025	38,216,759 shares
As of October 31, 2024	38,216,759 shares

(ii) Number of treasury shares at the end of the period

As of October 31, 2025	1,251,699 shares
As of October 31, 2024	701,448 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended October 31, 2025	37,443,762 shares
Fiscal year ended October 31, 2024	37,515,164 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forecasts included in this document are based on the information that we have obtained at the time of disclosure. Actual results may differ from the forecasts due to various factors in the future.

* How to obtain supplementary financial results material on financial results

We plan to post supplementary financial results on our website on December 22, 2025.

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1. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2024	As of October 31, 2025
Assets		
Current assets		
Cash and deposits	50,175	57,666
Notes receivable - trade	3,053	3,587
Accounts receivable - trade	43,066	44,212
Electronically recorded monetary claims - operating	1,584	1,732
Securities	7,345	5,116
Merchandise and finished goods	11,954	12,582
Work in process	4,210	5,152
Raw materials and supplies	18,585	19,987
Other	7,608	7,341
Allowance for doubtful accounts	(923)	(825)
Total current assets	146,659	156,554
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,870	49,700
Accumulated depreciation	(28,653)	(30,207)
Buildings and structures, net	19,216	19,493
Machinery, equipment and vehicles	93,524	96,600
Accumulated depreciation	(69,519)	(74,064)
Machinery, equipment and vehicles, net	24,005	22,535
Tools, furniture and fixtures	25,139	26,108
Accumulated depreciation	(22,451)	(23,619)
Tools, furniture and fixtures, net	2,688	2,489
Land	9,338	9,023
Construction in progress	4,602	5,606
Other, net	3,400	3,072
Total property, plant and equipment	63,250	62,220
Intangible assets		
Goodwill	1,047	932
Other	2,919	2,634
Total intangible assets	3,966	3,566
Investments and other assets		
Investment securities	45,612	43,724
Long-term loans receivable	887	965
Retirement benefit asset	1,052	1,033
Deferred tax assets	5,744	6,176
Other	4,729	4,899
Allowance for doubtful accounts	(1,646)	(2,146)
Total investments and other assets	56,379	54,654
Total non-current assets	123,597	120,441
Deferred assets	3	1
Total assets	270,260	276,997

(Millions of yen)

	As of October 31, 2024	As of October 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	36,225	38,689
Short-term borrowings	9,404	7,491
Current portion of long-term borrowings	306	436
Income taxes payable	2,325	3,243
Contract liabilities	1,670	1,844
Provision for bonuses	2,047	2,224
Provision for bonuses for directors (and other officers)	6	7
Provision for product warranties	3,908	3,129
Other	13,794	15,168
Total current liabilities	69,689	72,237
Non-current liabilities		
Long-term borrowings	1,423	1,012
Deferred tax liabilities	9,983	7,456
Retirement benefit liability	2,128	2,349
Other	2,448	2,248
Total non-current liabilities	15,983	13,066
Total liabilities	85,673	85,304
Net assets		
Shareholders' equity		
Share capital	5,657	5,657
Capital surplus	7,864	7,843
Retained earnings	117,467	124,391
Treasury shares	(1,215)	(2,693)
Total shareholders' equity	129,773	135,197
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,128	22,302
Foreign currency translation adjustment	16,211	18,039
Remeasurements of defined benefit plans	(152)	(414)
Total accumulated other comprehensive income	39,188	39,926
Share acquisition rights	33	20
Non-controlling interests	15,592	16,548
Total net assets	184,587	191,692
Total liabilities and net assets	270,260	276,997

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
Net sales	308,382	304,123
Cost of sales	277,410	270,165
Gross profit	30,971	33,957
Selling, general and administrative expenses	30,606	30,565
Operating profit	365	3,391
Non-operating income		
Interest income	917	742
Dividend income	1,040	1,303
Share of profit of entities accounted for using equity method	110	337
Foreign exchange gains	—	983
Technical support fee income	133	192
Subsidy income	515	383
Revenue from electric power sales	84	84
Compensation income	437	98
Other	600	866
Total non-operating income	3,839	4,991
Non-operating expenses		
Interest expenses	452	348
Foreign exchange losses	361	—
Expense of electric power sales	44	36
Compensation expenses	181	105
Other	436	620
Total non-operating expenses	1,477	1,111
Ordinary profit	2,727	7,272
Extraordinary income		
Gain on sale of non-current assets	850	94
Gain on sale of investment securities	4,891	7,416
Reversal of allowance for doubtful accounts	27	18
Reversal of provision for product warranties	—	1,130
Gain on liquidation of subsidiaries and associates	16	—
Total extraordinary income	5,786	8,660
Extraordinary losses		
Loss on sale of non-current assets	5	124
Impairment losses	1,945	1,241
Loss on retirement of non-current assets	148	53
Loss on tax purpose reduction entry of non-current assets	—	6
Loss on valuation of investment securities	—	212
Loss on liquidation of subsidiaries and associates	—	190
Bad debts expenses	—	257
Provision for product warranties	—	840
Loss on sale of subsidiaries and associates	0	—
Provision of allowance for doubtful accounts	461	339
Provision for loss on litigation	33	—
Extra retirement payments	138	1,449
Total extraordinary losses	2,734	4,716
Profit before income taxes	5,779	11,216
Income taxes - current	2,938	3,804
Income taxes - deferred	(697)	(2,243)
Total income taxes	2,241	1,560
Profit	3,538	9,655
Profit attributable to non-controlling interests	1,564	1,235
Profit attributable to owners of parent	1,973	8,419

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
Profit	3,538	9,655
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,904)	(834)
Foreign currency translation adjustment	(2,309)	1,973
Remeasurements of defined benefit plans, net of tax	(155)	(295)
Share of other comprehensive income of entities accounted for using equity method	85	14
Total other comprehensive income	(5,284)	858
Comprehensive income	(1,746)	10,513
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,177)	9,158
Comprehensive income attributable to non-controlling interests	1,430	1,355

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended October 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,657	8,277	118,337	(1,217)	131,054
Changes during period					
Dividends of surplus			(1,389)		(1,389)
Profit attributable to owners of parent			1,973		1,973
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				3	3
Change in scope of consolidation		(0)	(1,454)		(1,455)
Change in ownership interest of parent due to transactions with non-controlling interests		(412)			(412)
Net changes in items other than shareholders' equity					
Total changes during period	—	(413)	(869)	2	(1,281)
Balance at end of period	5,657	7,864	117,467	(1,215)	129,773

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	26,035	18,325	(22)	44,339	33	15,752	191,179
Changes during period							
Dividends of surplus							(1,389)
Profit attributable to owners of parent							1,973
Purchase of treasury shares							(0)
Disposal of treasury shares							3
Change in scope of consolidation							(1,455)
Change in ownership interest of parent due to transactions with non-controlling interests							(412)
Net changes in items other than shareholders' equity	(2,907)	(2,113)	(129)	(5,150)	—	(160)	(5,311)
Total changes during period	(2,907)	(2,113)	(129)	(5,150)	—	(160)	(6,592)
Balance at end of period	23,128	16,211	(152)	39,188	33	15,592	184,587

For the fiscal year ended October 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,657	7,864	117,467	(1,215)	129,773
Changes during period					
Dividends of surplus			(1,614)		(1,614)
Profit attributable to owners of parent			8,419		8,419
Purchase of treasury shares				(1,500)	(1,500)
Disposal of treasury shares			(0)	22	21
Change in scope of consolidation			119		119
Change in ownership interest of parent due to transactions with non-controlling interests		(21)			(21)
Net changes in items other than shareholders' equity					
Total changes during period	-	(21)	6,923	(1,478)	5,424
Balance at end of period	5,657	7,843	124,391	(2,693)	135,197

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	23,128	16,211	(152)	39,188	33	15,592	184,587
Changes during period							
Dividends of surplus							(1,614)
Profit attributable to owners of parent							8,419
Purchase of treasury shares							(1,500)
Disposal of treasury shares							21
Change in scope of consolidation							119
Change in ownership interest of parent due to transactions with non-controlling interests							(21)
Net changes in items other than shareholders' equity	(826)	1,827	(262)	738	(13)	956	1,681
Total changes during period	(826)	1,827	(262)	738	(13)	956	7,105
Balance at end of period	22,302	18,039	(414)	39,926	20	16,548	191,692

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
Cash flows from operating activities		
Profit before income taxes	5,779	11,216
Depreciation	10,252	9,471
Impairment losses	1,945	1,241
Amortization of goodwill	211	214
Increase (decrease) in allowance for doubtful accounts	428	316
Increase (decrease) in provision for bonuses	(267)	171
Increase (decrease) in provision for bonuses for directors (and other officers)	(1)	0
Increase (decrease) in provision for product warranties	(202)	(767)
Increase (decrease) in retirement benefit liability	(32)	(233)
Increase (decrease) in other provisions	95	966
Interest and dividend income	(1,958)	(2,046)
Interest expenses	452	348
Foreign exchange losses (gains)	(194)	(553)
Share of loss (profit) of entities accounted for using equity method	(110)	(337)
Loss (gain) on sale of investment securities	(4,891)	(7,416)
Loss (gain) on valuation of investment securities	—	212
Loss (gain) on liquidation of subsidiaries and associates	—	190
Loss on retirement of non-current assets	148	53
Loss (gain) on sale of non-current assets	(844)	30
Subsidy income	(7)	(7)
Decrease (increase) in trade receivables	3,826	(953)
Decrease (increase) in inventories	769	(1,989)
Decrease (increase) in other current assets	30	182
Increase (decrease) in trade payables	(2,581)	1,795
Increase (decrease) in accrued consumption taxes	(185)	(52)
Increase (decrease) in other current liabilities	(26)	255
Increase (decrease) in other non-current liabilities	660	118
Other, net	(1,024)	176
Subtotal	12,272	12,605
Interest and dividends received	2,322	2,393
Interest paid	(441)	(388)
Income taxes paid	(2,341)	(2,587)
Net cash provided by (used in) operating activities	11,813	12,023

(Millions of yen)

	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
Cash flows from investing activities		
Payments into time deposits	(21,389)	(4,043)
Proceeds from withdrawal of time deposits	25,549	5,034
Purchase of securities	(583)	(41)
Proceeds from sale of securities	583	103
Purchase of property, plant and equipment	(10,136)	(8,343)
Proceeds from sale of property, plant and equipment	1,371	165
Purchase of intangible assets	(841)	(433)
Proceeds from sale of intangible assets	—	2
Purchase of investment securities	(29)	(0)
Proceeds from sale of investment securities	4,982	7,498
Proceeds from redemption of investment securities	1,508	500
Loan advances	(856)	(128)
Proceeds from collection of loans receivable	33	28
Purchase of insurance funds	(1)	(0)
Proceeds from maturity of insurance funds	131	53
Subsidies received	7	7
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(95)	—
Proceeds from liquidation of subsidiaries	147	209
Other, net	64	54
Net cash provided by (used in) investing activities	445	665
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(412)	(2,442)
Proceeds from long-term borrowings	285	—
Repayments of long-term borrowings	(405)	(311)
Purchase of treasury shares	(0)	(1,500)
Proceeds from disposal of treasury shares	0	0
Dividends paid	(1,389)	(1,614)
Dividends paid to non-controlling interests	(436)	(412)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(16)	(24)
Repayments of finance lease liabilities	(576)	(587)
Purchase of treasury shares of subsidiaries	(1,572)	—
Net cash provided by (used in) financing activities	(4,522)	(6,892)
Effect of exchange rate change on cash and cash equivalents	(813)	412
Net increase (decrease) in cash and cash equivalents	6,921	6,208
Cash and cash equivalents at beginning of period	41,554	48,476
Cash and cash equivalents at end of period	48,476	54,684