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March 07, 2025

Consolidated Financial Results for the Three Months Ended January 31, 2025 (Under Japanese GAAP)

Company name: HI-LEX CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 7279
 URL: <https://www.hi-lex.co.jp/>
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended January 31, 2025 (from November 01, 2024 to January 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
January 31, 2025	77,503	(1.1)	1,355	550.0	1,765	48.6	751	52.1
January 31, 2024	78,368	8.4	208	40.2	1,188	-	494	-

Note: Comprehensive income For the three months ended January 31, 2025: ¥9,857 million [- %]
 For the three months ended January 31, 2024: ¥804 million [- %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
January 31, 2025	20.04	20.03
January 31, 2024	13.18	13.17

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
January 31, 2025	278,294	193,679	63.6
October 31, 2024	270,260	184,587	62.5

Reference: Equity
 As of January 31, 2025: ¥176,956 million
 As of October 31, 2024: ¥168,961 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2024	-	20.00	-	20.00	40.00
Fiscal year ending October 31, 2025	-				
Fiscal year ending October 31, 2025 (Forecast)		23.00	-	23.00	46.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending October 31, 2025 (from November 01, 2024 to October 31, 2025)

(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	147,900	(4.2)	1,100	574.5	2,100	5.6	900	367.3	23.99
Full year	298,800	(3.1)	2,400	557.3	4,500	65.0	2,000	1.3	53.31

Note: Revisions to the forecast of financial results most recently announced: None

* **Notes**

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

Newly included: - companies

Excluded: - companies

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of January 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 January 31, 2025	701,471 shares
As of October 31, 2024	701,448 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended January 31, 2025	37,515,290 shares
Three months ended January 31, 2024	37,514,476 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 March 14, 2025.

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1. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	50,175	47,000
Notes and accounts receivable - trade	46,119	49,289
Electronically recorded monetary claims - operating	1,584	1,569
Securities	7,345	7,611
Merchandise and finished goods	11,954	12,476
Work in process	4,210	4,617
Raw materials and supplies	18,585	19,589
Other	7,608	8,785
Allowance for doubtful accounts	(923)	(1,181)
Total current assets	146,659	149,758
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	※ 19,216	※ 19,823
Machinery, equipment and vehicles, net	※ 24,005	※ 24,345
Tools, furniture and fixtures, net	※ 2,688	※ 2,798
Land	※ 9,338	※ 9,495
Construction in progress	4,602	6,265
Other, net	3,400	3,610
Total property, plant and equipment	63,250	66,339
Intangible assets		
Goodwill	1,047	1,030
Other	2,919	3,053
Total intangible assets	3,966	4,084
Investments and other assets		
Investment securities	45,612	46,491
Long-term loans receivable	887	888
Retirement benefit asset	1,052	1,069
Deferred tax assets	5,744	6,399
Other	4,729	4,958
Allowance for doubtful accounts	(1,646)	(1,697)
Total investments and other assets	56,379	58,108
Total non-current assets	123,597	128,532
Deferred assets	3	3
Total assets	270,260	278,294

(Millions of yen)

	As of October 31, 2024	As of January 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	36,225	37,097
Short-term borrowings	9,404	7,684
Current portion of long-term borrowings	306	338
Income taxes payable	2,325	1,723
Contract liabilities	1,670	1,898
Provision for bonuses	2,047	1,547
Provision for bonuses for directors (and other officers)	6	4
Provision for product warranties	3,908	3,934
Other	13,794	14,061
Total current liabilities	69,689	68,290
Non-current liabilities		
Long-term borrowings	1,423	1,373
Deferred tax liabilities	9,983	10,194
Retirement benefit liability	2,128	2,201
Other	2,448	2,554
Total non-current liabilities	15,983	16,324
Total liabilities	85,673	84,614
Net assets		
Shareholders' equity		
Share capital	5,657	5,657
Capital surplus	7,864	7,864
Retained earnings	117,467	117,569
Treasury shares	(1,215)	(1,215)
Total shareholders' equity	129,773	129,875
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,128	23,843
Foreign currency translation adjustment	16,211	23,404
Remeasurements of defined benefit plans	(152)	(167)
Total accumulated other comprehensive income	39,188	47,080
Share acquisition rights	33	33
Non-controlling interests	15,592	16,689
Total net assets	184,587	193,679
Total liabilities and net assets	270,260	278,294

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

(Millions of yen)

	Three months ended January 31, 2024	Three months ended January 31, 2025
Net sales	78,368	77,503
Cost of sales	70,746	68,482
Gross profit	7,622	9,021
Selling, general and administrative expenses	7,413	7,665
Operating profit	208	1,355
Non-operating income		
Interest income	235	194
Dividend income	358	437
Share of profit of entities accounted for using equity method	111	89
Foreign exchange gains	205	—
Subsidy income	281	123
Revenue from electric power sales	12	12
Other	260	421
Total non-operating income	1,465	1,279
Non-operating expenses		
Interest expenses	179	63
Foreign exchange losses	—	676
Expense of electric power sales	9	7
Other	296	121
Total non-operating expenses	485	869
Ordinary profit	1,188	1,765
Extraordinary income		
Gain on sale of non-current assets	464	22
Reversal of allowance for doubtful accounts	13	6
Total extraordinary income	478	29
Extraordinary losses		
Loss on sale of non-current assets	1	88
Loss on retirement of non-current assets	11	19
Loss on liquidation of subsidiaries and associates	—	190
Provision of allowance for doubtful accounts	—	56
Extra retirement payments	47	—
Total extraordinary losses	61	355
Profit before income taxes	1,605	1,439
Income taxes - current	288	544
Income taxes - deferred	281	(378)
Total income taxes	569	165
Profit	1,036	1,273
Profit attributable to non-controlling interests	541	521
Profit attributable to owners of parent	494	751

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended January 31, 2024	Three months ended January 31, 2025
Profit	1,036	1,273
Other comprehensive income		
Valuation difference on available-for-sale securities	4,182	715
Foreign currency translation adjustment	(4,332)	7,839
Remeasurements of defined benefit plans, net of tax	(81)	(13)
Share of other comprehensive income of entities accounted for using equity method	0	41
Total other comprehensive income	(232)	8,583
Comprehensive income	804	9,857
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	614	8,643
Comprehensive income attributable to non-controlling interests	189	1,213