

# Japan Catalyst, Inc.

## Shareholder Proposal to HI-LEX CORPORATION (7279)

TOKYO, December 15, 2025 – Japan Catalyst, Inc. (hereinafter referred to as "JCI") implements an engagement strategy with Japanese listed companies through two investment vehicles under its advisory: the Monex Activist Mother Fund ("MAMF", a Japan-registered mutual fund) and the Japan Catalyst Fund ("JCF", a Cayman-registered corporate-type investment fund).

With a long-term investment perspective, JCI has been engaging with HI-LEX CORPORATION ("HI-LEX"), a key holding of MAMF and JCF. As part of this engagement, MAMF has submitted a shareholder proposal for HI-LEX's 82nd Annual General Meeting of Shareholders, scheduled for January 2026. A summary of the proposal is provided in the attached appendix.

*\*This shareholder proposal was submitted by Monex Asset Management, Inc. ("MAM"), acting as the proxy agent for MAMF. JCI has provided support to MAM in connection with the submission of this proposal.*

## Appendix

\*In this shareholder proposal, “the Company” refers to HI-LEX CORPORATION.

### Shareholder Proposal (Main Text Only)

All figures referenced in the Proposal below are based on the Company’s consolidated financial statements.

#### 1. Proposal: Appropriation of Surplus

##### (1) Summary of the Proposal:

We propose that surplus be appropriated as follows to ensure that the total annual dividend equals an amount equivalent to 5% of net assets.

This proposal is made independently of any proposal for appropriation of surplus that may be submitted by the Company’s Board of Directors at the Annual General Meeting of Shareholders.

##### (a) Type of Dividend Assets:

Cash

##### (b) Amount of Dividend per Share:

The dividend per share shall be ¥208 minus the amount of dividend per share proposed by the Board of Directors and approved at the Annual General Meeting of Shareholders. If the “amount equivalent to a 5% Dividend on Equity (DOE)” — calculated as the average of net assets per share at the beginning and end of the 82nd fiscal year, multiplied by 0.05, rounded down to the nearest yen, and then reduced by ¥23 — differs from ¥208, then the amount of ¥208 shall be replaced with this DOE-equivalent amount.

##### (c) Method of Allocation and Total Amount:

A dividend of the per-share amount described in item (b) shall be paid for each share of the Company’s common stock. The total amount of dividends shall be calculated by multiplying the per-share dividend by the total number of issued shares of the Company as of October 31, 2025, excluding treasury shares.

##### (d) Effective Date of Dividend Distribution:

The date of the Annual General Meeting of Shareholders.

##### (e) Commencement Date of Dividend Payment:

The date falling three weeks after the business day following the date of the Annual General Meeting of Shareholders.

##### (2) Reason for the Proposal :

Since the fiscal year ending October 2025, the Company has undertaken a clear shift in management policy from a focus on “market share maximization” to “profitability enhancement.” Under the leadership of President and Representative Director Taro Teraura, the Company has been advancing fundamental

structural reforms and making strategic investments in growth fields. Specifically, the Company has begun top-down initiatives to right-size an excessively large production capacity relative to demand and to engage in negotiations with customers to correct product pricing. In North America, where profitability declined in the fiscal year ended October 2024, the Company has already begun to see recovery through reallocating resources between the U.S. and Mexico and reviewing its cost structure. These initiatives demonstrate that the profitability-focused approach is taking hold throughout the organization, and the reforms led by President Teraura are making steady progress. The Company's commitment to improving its business fundamentals is commendable, and further improvement in profitability is expected.

Meanwhile, improving ROE requires not only stronger profitability but also a disciplined capital policy. As of October 31, 2025, the Company's market capitalization was ¥107.4 billion, while its financial assets amounted to ¥104.3 billion as of July 31, 2025. To enhance ROE, we believe it is appropriate for the Company to adopt a dividend policy based on a 5% Dividend on Equity (DOE).

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This material is an English translation of a Japanese announcement made on the date above. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document.