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(Securities code: 5989; TSE Prime Market)
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Notice regarding revision of financial forecast and revision of year-end dividend forecast

H-ONE CO., LTD. (the “Company”) hereby announces the forecast of consolidated financial results for the year ending March 31, 2024 and the year-end dividend forecast announced on May 15, 2023 has been revised as follows based on recent business trends.

1. Revisions to consolidated financial results forecasts for the current fiscal year (April 1, 2023 through March 31, 2024)

	Revenue (million yen)	Operating profit (million yen)	Profit before tax (million yen)	Profit attributable to owners of parent (million yen)	Basic earnings per share (yen)
Previously announced forecasts (A)	230,000	3,000	2,500	1,900	68.03
Revised forecasts (B)	230,000	(14,000)	(15,000)	(17,100)	(611.39)
Change (B-A)	—	(17,000)	(17,500)	(19,000)	
Change (%)	—	—	—	—	
(Reference) Actual consolidated results for the previous fiscal year (Fiscal year ended March 31, 2023)	225,511	(9,270)	(9,742)	(6,993)	(249.25)

2. Reason for revision

In the automobile industry in which our group operates, supply constraints for in-vehicle semiconductors have been eased and production has been recovering world-wide. However, in the Chinese automobile market, where a rapid shift to electric vehicles is progressing, the rise of emerging domestic electric vehicle manufacturers is remarkable, and foreign-owned car manufacturers, including Japanese companies, are struggling with sales. While production of automobile frames for our group's main customers remained steady in Japan, North America, and Asia, production in China decreased due to the intensifying competition and

severe business environment is expected to continue in the future. In addition, although production in North America is steady, the impact of rising manufacturing costs such as labor and outsourcing costs is increasing.

Under such business environment, there was an indication of impairment for some of operating assets held by the Company's three consolidated subsidiaries in China, arising from decline in profitability. The Company performed impairment testing in accordance with International Financial Reporting Standards (IFRS) and estimated the recoverability through estimated future cash flows, the Company decided to reduce the book value of the operating assets to recoverable amount and recorded the reduction as impairment losses. Therefore, the Company recorded the impairment losses of 15,168million yen as other expenses during the nine month of the year ending March 31, 2024 (April 1, 2023 through March 31, 2024).

In light of the results for the third quarter, we will revise the forecast of consolidated financial results for the financial year ending March 31, 2024 announced on May 15, 2023

3. Revision of year-end dividend forecast

(Yen)

	Annual dividends		
	Second quarter-end	Fiscal-year end	Total
Previous forecasts	12.00	12.00	24.00
Revised forecasts		8.00	20.00
Actual results for the current fiscal year	12.00		
Actual results for the previous fiscal year (Fiscal year ended March 31, 2023)	13.00	7.00	20.00

4. Reasons for Revision

In consideration of future business development and capital investment, the basic policy of dividends is to stably distribute the results according to the business performance over a long period of time.

In light of the revision of consolidated financial results forecast for the year announced today and taking into consideration the business environment performance figures, future business development, etc., the year-end dividend forecast will be revised from 12yen to 8yen per share. As a result, the annual dividend forecast will be 20yen per share.

Forecasts for future financial results and dividends provided in this material are prepared based on information available to the Company and certain assumptions that the Company considers reasonable as of the date of this announcement. Actual results may differ from these forecasts, depending on a variety of factors.