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Consolidated Financial Results for the Cumulative First Quarter of FY2027 (under IFRS)

August 6, 2026

Company name: H-ONE CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 5989
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated financial results for the Cumulative First Quarter of FY2027 (April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate YoY changes)

	Revenue		Operating profit		Profit before tax		Profit for the Period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of FY2027	50,862	0.4	1,441	(43.6)	1,485	(45.7)	1,633	(18.5)
First quarter of FY2026	50,677	(12.4)	2,556	(39.3)	2,734	(33.0)	2,003	(42.9)

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
First quarter of FY2027	1,446	(9.9)	4,106	134.5	51.44	50.95
First quarter of FY2026	1,605	(39.4)	1,751	(68.2)	57.13	56.56

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of the parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
First quarter of FY2027	219,015	85,912	81,967	37.4	2,925.91
FY2026	205,407	82,919	79,391	38.7	2,820.58

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2026	—	32.00	—	32.00	64.00
FY2027	—				
FY2027 (forecast)		35.00	—	35.00	70.00

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

3. Consolidated Forecast for FY2027 (April 1, 2026 to March 31, 2027)

(Percentages indicate YoY changes)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	230,000	9.7	16,000	9.2	15,000	(1.8)	11,000	0.2	390.80

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

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: — companies
Excluded: — companies

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

(i) Changes in accounting policies required by IFRS: None

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

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

1Q of FY2027	28,392,830 shares
FY2026	28,392,830 shares

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

1Q of FY2027	378,501 shares
FY2026	245,701 shares

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

1Q of FY2027	28,118,504 shares
1Q of FY2026	28,106,310 shares

(Note) The number of treasury shares at the end of the period includes the shares of the Company held by Custody Bank of Japan, Ltd. (Trust account E) related to the Board Benefit Trust (BBT) (376,500 shares for the first quarter of the fiscal year ending March 31, 2027 and 243,700 shares for the fiscal year ended March 31, 2026). The number of treasury shares deducted for calculation of the average number of shares during the period include the average number of shares during the period of the Company held by Custody Bank of Japan, Ltd. (Trust account E) related to the Board Benefit Trust (BBT) (272,325 shares for the first quarter of the fiscal year ending March 31, 2027 and 284,616 shares for the first quarter of the fiscal year ended March 31, 2026).

* Review of attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including financial forecasts, contained in this document are based on information currently available to the Company and certain assumptions that the Company believes are reasonable, and are not intended to be a commitment by the Company to achieve them. Actual results may vary significantly depending on various factors.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

In the automotive industry to which our Group belongs, regional trends showed stark contrasts: demand remained robust in Japan and North America, whereas Japanese automakers faced intense competition from Chinese EV (electric vehicle) manufacturers in China and the rest of Asia, leading to tough sales conditions for Japanese brands.

Under these circumstances, for the cumulative first quarter period of the fiscal year under review, consolidated revenue was 50,862 million yen (up 0.4% YoY). Although production volume of automotive frames for our primary client declined by approximately 7% compared to the same period of the previous fiscal year, performance was supported by favorable foreign exchange rates resulting from a weaker yen.

On the earnings front, structural reform effects such as the consolidation of manufacturing bases/lines and workforce optimization promoted under our Medium-Term Management Plan "Change 2027" (April 2024 to March 2027) continued to yield results. However, due to changes in the business environment in China and the recording of one-off expenses, gross profit was 6,061 million yen (down 17.8% YoY), operating profit was 1,441 million yen (down 43.6% YoY), profit before tax was 1,485 million yen (down 45.7% YoY), and profit attributable to owners of the parent was 1,446 million yen (down 9.9% YoY).

Performance progressed largely in line with the initial plans formulated at the beginning of the period. As sales of equipment related to new models are planned for the second half of the fiscal year, there are no changes to the full year consolidated earnings forecasts.

The performance by segment is as follows.

(i) Japan

Although the production volume of automotive frames for primary client increased compared to the same period of the previous fiscal year, revenue was 14,911 million yen (down 0.4% YoY) due to a decline in equipment sales. Meanwhile, on the profit side, operating profit reached 1,767 million yen (up 14.6% YoY), driven by manufacturing cost reductions resulting from structural reforms.

(ii) North America

Revenue increased to 29,705 million yen (up 10.2% YoY), boosted by higher production volume of automotive frames for primary client and the continued weakness of the yen. Operating profit, however, was 1,032 million yen (down 35.1% YoY), mainly due to a decrease in prototype production for new models, which had temporarily generated revenue in the same period of the previous fiscal year.

(iii) China

Revenue fell significantly to 5,546 million yen (down 31.1% YoY) as a result of a sharp decline in the production volume of automotive frames for primary client. Despite structural reforms aimed at thorough manufacturing cost reductions—including a major overhaul of our production structure and base consolidation—the segment recorded an operating loss of 953 million yen (compared to an operating profit of 134 million yen in the same period of the previous fiscal year) due to the revenue decline and the recording of one-off expenses associated with the structural reforms.

(iv) Asia

Revenue was 4,306 million yen (down 8.1% YoY) due to lower production volume of automotive frames for primary client and a shift in the timing of equipment sales originally scheduled for the current quarter. On the profit front, although structural reforms such as the consolidation of manufacturing lines helped mitigate the impact of reduced revenue, the segment posted an operating loss of 185 million yen (compared to an operating loss of 109 million yen in the same period of the previous fiscal year) due to the recording of one-off expenses.

(2) Explanation of Financial Position

(i) Financial Position Analysis

At the end of the first quarter consolidated accounting period, total assets amounted to 219,015 million yen (an increase of 13,607 million yen compared to the end of the previous fiscal year). This was mainly attributable to an increase in cash and cash equivalents, trade and other receivables, inventories, and property, plant, and equipment.

Total liabilities stood at 133,102 million yen (an increase of 10,614 million yen compared to the end of the previous fiscal year). This was primarily due to an increase in borrowings and other financial liabilities, despite a decrease in trade payables.

Total equity amounted to 85,912 million yen (an increase of 2,993 million yen compared to the end of the previous fiscal year). This was mainly driven by an increase in retained earnings and other components of equity. The ratio of equity attributable to owners of the parent was 37.4% (down 1.3 percentage points compared to the end of the previous fiscal year).

(ii) Cash Flows Status

At the end of the cumulative first-quarter period under review, cash and cash equivalents totaled 24,568 million yen (an increase of 2,226 million yen compared to the end of the previous fiscal year). The status of each cash flow and their underlying factors during the cumulative first-quarter period were as follows:

- Cash flows from operating activities
  Net cash used in operating activities was 3,478 million yen (a decrease in cash inflow of 5,074 million yen YoY). Major factors included profit before tax of 1,485 million yen and depreciation and amortization of 2,459 million yen, which were offset by an increase in trade and other receivables of 898 million yen, an increase in inventories of 3,508 million yen, and a decrease in trade payables of 5,827 million yen.

- Cash flows from investing activities
  Net cash used in investing activities was 4,334 million yen (an increase in cash outflow of 1,719 million yen YoY). This was primarily due to cash outflows of 5,485 million yen for the purchase of property, plant, and equipment.

- Cash flows from financing activities
  Net cash provided by financing activities was 9,771 million yen (an increase in cash inflow of 8,777 million yen YoY). Major factors included a net increase in short-term borrowings of 12,295 million yen and proceeds from long-term borrowings of 3,474 million yen, partially offset by repayments of long-term borrowings of 4,615 million yen and cash dividends paid of 900 million yen.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

Operating performance has been progressing largely in line with the previously announced plan, and there are no changes to the earnings forecast announced on May 14, 2026.

2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Unit: Million yen)

	FY2026 (As of March 31, 2026)	First quarter of FY2027 (As of June 30, 2026)
Assets		
Current assets		
Cash and cash equivalents	22,341	24,568
Trade and other receivables	31,431	32,964
Inventories	31,226	35,235
Other financial assets	354	522
Other current assets	3,488	2,881
Total current assets	88,842	96,172
Non-current assets		
Property, plant, and equipment	88,656	92,139
Intangible assets	527	503
Investments accounted for using the equity method	10,301	10,302
Asset for retirement benefits	8,320	9,497
Other financial assets	6,823	8,479
Deferred tax assets	1,355	1,429
Other non-current assets	578	489
Total non-current assets	116,565	122,842
Total assets	205,407	219,015

(Unit: Million yen)

	FY2026 (As of March 31, 2026)	First quarter of FY2027 (As of June 30, 2026)
Liabilities and equity		
Current liabilities		
Trade payables	26,279	20,859
Borrowings	23,632	43,235
Income taxes payable	1,735	303
Other financial liabilities	6,312	10,601
Other current liabilities	10,168	10,156
Total current liabilities	68,127	85,156
Non-current liabilities		
Borrowings	43,749	36,315
Liability for retirement benefits	4,320	4,357
Other financial liabilities	1,259	1,561
Deferred tax liabilities	2,749	3,385
Other non-current liabilities	2,280	2,325
Total non-current liabilities	54,359	47,945
Total liabilities	122,487	133,102
Equity		
Share capital	4,366	4,366
Capital surplus	12,920	12,916
Retained earnings	37,021	37,567
Treasury shares	(173)	(439)
Other components of equity	25,256	27,555
Total equity attributable to owners of the parent	79,391	81,967
Non-controlling interests	3,528	3,945
Total equity	82,919	85,912
Total liabilities and equity	205,407	219,015

(2) Condensed Quarterly Consolidated Statement of Income and Condensed Quarterly Consolidated Statement of Comprehensive Income

Condensed Quarterly Consolidated Statement of Income

First quarter of the current fiscal year

(Unit: million yen)

	Consolidated cumulative First quarter of FY2026 (April 1, 2025– June 30, 2025)	Consolidated cumulative First quarter of FY2027 (April 1, 2026– June 30, 2026)
Revenue	50,677	50,862
Cost of sales	(43,306)	(44,800)
Gross profit	7,371	6,061
Selling, general, and administrative expenses	(4,133)	(4,623)
Other income	188	213
Other expenses	(869)	(210)
Operating income	2,556	1,441
Finance income	204	217
Finance costs	(301)	(379)
Share of profit of investments accounted for using the equity method	274	206
Profit before tax	2,734	1,485
Income tax expense	(730)	147
Profit for the period	2,003	1,633
Profit for the period attributable to:		
Owners of the parent	1,605	1,446
Non-controlling interests	397	186
Profit for the period	2,003	1,633
Earnings per share		
Basic earnings per share (yen)	57.13	51.44
Diluted earnings per share (yen)	56.56	50.95

Condensed Quarterly Consolidated Statement of Comprehensive Income

First quarter of the current fiscal year

(Unit: million yen)

	Consolidated cumulative First quarter of FY2026 (April 1, 2025– June 30, 2025)	Consolidated cumulative First quarter of FY2027 (April 1, 2026– June 30, 2026)
Profit for the period	2,003	1,633
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	28	914
Fair value measurement of equity financial instruments	143	704
Total of these items	171	1,619
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	(147)	610
Share of other comprehensive income of equity-method investments	(276)	243
Total of these items	(423)	853
Other comprehensive income, net of tax	(252)	2,473
Total comprehensive income for the period	1,751	4,106
Total comprehensive income for the period attributable to:		
Owners of the parent	1,228	3,745
Non-controlling interests	522	360
Total comprehensive income for the period	1,751	4,106

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Consolidated Cumulative First Quarter of FY2026 (April 1, 2025 – June 30, 2025)

(Unit: million yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
					Remeasurements of defined benefit plans	Fair value measurement of equity financial instruments	Exchange differences on translation of foreign operations	Total
Balance at beginning of the period	4,366	12,914	27,840	(239)	3,413	1,538	14,164	19,117
Quarterly profit	—	—	1,605	—	—	—	—	—
Other comprehensive income	—	—	—	—	(6)	143	(513)	(377)
Total comprehensive income for the quarterly period	—	—	1,605	—	(6)	143	(513)	(377)
Dividends	—	—	(1,038)	—	—	—	—	—
Disposal of treasury shares	—	4	—	46	—	—	—	—
Total transactions with owners	—	4	(1,038)	46	—	—	—	—
Balance at end of the period	4,366	12,919	28,408	(192)	3,407	1,681	13,650	18,739

	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at beginning of the period	64,000	1,541	65,541
Quarterly profit	1,605	397	2,003
Other comprehensive income	(377)	125	(252)
Total comprehensive income for the quarterly period	1,228	522	1,751
Dividends	(1,038)	—	(1,038)
Disposal of treasury shares	51	—	51
Total transactions with owners	(986)	—	(986)
Balance at end of the period	64,242	2,063	66,306

Consolidated Cumulative First Quarter of FY2027 (April 1, 2026 to June 30, 2026)

(Unit: million yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
					Remeasurements of defined benefit plans	Fair value measurement of equity financial instruments	Exchange differences on translation of foreign operations	Total
Balance at beginning of the period	4,366	12,920	37,021	(173)	4,651	1,282	19,322	25,256
Quarterly profit	—	—	1,446	—	—	—	—	—
Other comprehensive income	—	—	—	—	719	704	874	2,299
Total comprehensive income for the quarterly period	—	—	1,446	—	719	704	874	2,299
Dividends	—	—	(900)	—	—	—	—	—
Purchase of treasury shares	—	—	—	(286)	—	—	—	—
Disposal of treasury shares	—	(3)	—	21	—	—	—	—
Other changes in non-controlling interests	—	—	—	—	—	—	—	—
Total transactions with owners	—	(3)	(900)	(265)	—	—	—	—
Balance at end of the period	4,366	12,916	37,567	(439)	5,371	1,987	20,197	27,555

	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at beginning of the period	79,391	3,528	82,919
Quarterly profit	1,446	186	1,633
Other comprehensive income	2,299	174	2,473
Total comprehensive income for the quarterly period	3,745	360	4,106
Dividends	(900)	—	(900)
Purchase of treasury shares	(286)	—	(286)
Disposal of treasury shares	17	—	17
Other changes in non-controlling interests	—	56	56
Total transactions with owners	(1,169)	56	(1,113)
Balance at end of the period	81,967	3,945	85,912

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Unit: million yen)

	Consolidated cumulative First quarter of FY2026 (April 1, 2025–June 30, 2025)	Consolidated cumulative First quarter of FY2027 (April 1, 2026–June 30, 2026)
Cash flows from operating activities		
Profit before tax	2,734	1,485
Depreciation and amortization	2,251	2,459
Finance income	(199)	(200)
Finance costs	301	379
Share of loss (profit) of investments accounted for using equity method	(274)	(206)
Loss (gain) on sale of property, plant and equipment	(14)	125
Loss on retirement of property, plant and equipment	3	7
Decrease (increase) in trade and other receivables	2,753	(898)
Decrease (increase) in inventories	(3,808)	(3,508)
Increase (decrease) in trade and other payables	(1,683)	(5,827)
Increase (decrease) in retirement benefit liabilities	0	(449)
Other	(525)	3,939
Subtotal	1,537	(2,693)
Interest received	53	53
Dividends received	575	605
Interest paid	(330)	(449)
Income taxes paid	(240)	(993)
Net cash flows from operating activities	1,596	(3,478)
Cash flows from investing activities		
Payments for acquisition of property, plant, and equipment	(2,770)	(5,485)
Proceeds from sale of property, plant, and equipment	203	920
Payments for acquisition of intangible assets	(37)	—
Payments for acquisition of other financial assets	(64)	—
Other	54	231
Net cash flows from investing activities	(2,614)	(4,334)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,309	12,295
Proceeds from long-term borrowings	4,665	3,474
Repayments of long-term borrowings	(3,766)	(4,615)
Repayments of lease liabilities	(175)	(195)
Purchase of treasury shares	—	(286)
Dividends paid	(1,038)	(900)
Net cash flows from financing activities	993	9,771
Effect of exchange rate changes on cash and cash equivalents	(11)	269
Net increase (decrease) in cash and cash equivalents	(36)	2,226
Cash and cash equivalents at the beginning of period	19,310	22,341
Cash and cash equivalents at the end of period	19,273	24,568

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Applicable Financial Reporting Framework)

The Group's condensed quarterly consolidated financial statements (condensed quarterly consolidated statement of financial position, Condensed Quarterly Consolidated Statement of Income, condensed quarterly consolidated statement of comprehensive income, condensed quarterly consolidated statement of changes in equity, condensed quarterly consolidated statement of cash flows, and notes) have been prepared in accordance with Article 5, Paragraph 2 of the Regulations Concerning Terminology, Forms, and Preparation Methods of Quarterly Financial Statements (omissions permitted under Paragraph 5 of the same Article are applied) as mandated by the Tokyo Stock Exchange. Accordingly, certain disclosure items and notes required under IAS 34 "Interim Financial Reporting" have been omitted.

(Notes on Going Concern Assumption)

Not applicable.

(Segment Information)

(1) Overview of Reportable Segments

The Group's business segments are constituent units of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

The Group primarily manufactures and sells automotive parts. Local entities in "Japan," "North America" (USA, Canada, Mexico), "China," and "Asia" (Thailand, Indonesia) collaborate within each region to formulate comprehensive strategies and expand business activities.

Consequently, the Company is composed of regional segments based on production and sales structures, defining four reportable segments: "Japan," "North America," "China," and "Asia."

(2) Information on Revenue and Profit or Loss by Reportable Segment

(i) First Quarter of FY2026 (April 1, 2025 to June 30, 2025)

(Unit: million yen)

	Reportable segment					Adjustments	Consolidated
	Japan	North America	China	Asia	Total		
Revenue							
Revenue from external customers	11,429	26,657	7,959	4,630	50,677	—	50,677
Inter-segment internal revenue	3,542	296	85	54	3,979	(3,979)	—
Total	14,972	26,953	8,045	4,685	54,656	(3,979)	50,677
Segment profit (loss) (Operating Profit)	1,542	1,591	134	(109)	3,159	(602)	2,556

(Notes)

1. Intersegment revenue is based on transaction prices determined through price negotiations considering total costs.
2. The adjustment for revenue represents the elimination of intersegment transactions. The adjustment for segment profit or loss represents the elimination of intersegment unrealized profit.

(ii) First Quarter of FY2027 (April 1, 2026 to June 30, 2026)

(Unit: million yen)

	Reportable segment					Adjustments	Consolidated
	Japan	North America	China	Asia	Total		
Revenue							
Revenue from external customers	11,483	29,691	5,379	4,306	50,862	—	50,862
Inter-segment internal revenue	3,427	13	166	—	3,608	(3,608)	—
Total	14,911	29,705	5,546	4,306	54,470	(3,608)	50,862
Segment profit (loss) (Operating Profit)	1,767	1,032	(953)	(185)	1,661	(220)	1,441

(Notes)

1. Intersegment revenue is based on transaction prices determined through price negotiations considering total costs.
2. The adjustment for revenue represents the elimination of intersegment transactions. The adjustment for segment profit or loss represents the elimination of intersegment unrealized profit.