



February 7, 2023

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(Securities code: 5976; Prime Market of the Tokyo Stock Exchange)  
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## Notice Concerning Revisions to Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2023

Neturen Co., Ltd. (the “Company”) hereby announces that in light of the most recent operating trends, a decision was made to revise the consolidated financial results forecasts announced on May 12, 2022 for the fiscal year ending March 31, 2023, as described below.

### 1. Revisions to consolidated financial results forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 through March 31, 2023)

(Million yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecasts (A) (announced May 12, 2022)	60,000	3,600	4,200	2,400	60.14
<b>Revised forecasts (B)</b>	<b>58,000</b>	<b>2,500</b>	<b>3,300</b>	<b>1,700</b>	<b>45.08</b>
Change (B-A)	(2,000)	(1,100)	(900)	(700)	
Change (%)	(3.3)	(30.6)	(21.4)	(29.2)	
(Reference) Actual results for the previous fiscal year (fiscal year ended Mar. 31, 2022)	53,004	3,704	4,418	2,690	67.45

### 3. Reason for revision

Net sales are expected to fall short of the previously announced forecast. This is because orders from the automobile industry, which the Company had assumed as of the end of the first half, would recover in the second half of the year, has no prospects of recovering at the present time, despite the relatively solid orders from the civil engineering and construction industries and the construction equipment and machine tools industries. Furthermore, profits are also expected to be lower than the previously announced forecast, due to the significant impact of soaring costs, such as material costs and electricity costs, in addition to the decrease in revenues, despite the revision of sales prices and efforts to reduce costs.

In the Specialty Steel and Wire Products Division, civil engineering and construction-related products performed mostly as initially planned. However, incoming orders for automobile-related products declined due to such factors as reduced production by automobile manufacturers. The Company is also continuing to focus on the revision of sales prices to compensate for the rise in costs such as material costs and electricity costs. As a result, the Specialty Steel and Wire Products Division expects to maintain the increase in revenue of the previously announced forecast but report a slight decrease in profits.

In the Induction Heating Division, the induction heat treatment-related services are seeing lower-than-expected incoming orders from the automobile-related industry, reflecting the prolonged shortage of parts including semiconductors, while orders from the construction equipment and machine tools industries remain solid. In induction heating equipment/services, also, sales are expected to be postponed to the next fiscal year in a number of projects, due to the effects of COVID-19 and the shortage of parts. Furthermore, harsh conditions are expected to continue, as a result of rising manufacturing costs caused by soaring electricity costs in the induction heat treatment-related services and deteriorating production efficiency due to short-term fluctuations in order intake from automobile-related customers. As a result, the Induction Heating Division is expected to report a significant decrease in both revenues and profits compared to the previously announced forecast.

In light of these circumstances, the Group intends to further promote the revision of sales prices and cost reduction measures, to ensure profits and ultimately enhance corporate value.

**\*Explanation of the proper use of financial results forecast**

The forward-looking statements contained in this document are based on judgments made in accordance with information available at the time of the release of this document and include many uncertain factors. Actual results may differ from these forecasts due to changes in business conditions and other factors.