

Financial Results Briefing for Fiscal Year 2022

May 25, 2023



NETUREN CO., LTD.

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1. Overview of Consolidated Financial Results for Fiscal Year 2022

- Sales increased to ¥57.5 billion which was 8.5% YoY gain.
- Profit decreased due to stagnant production by the shortage of parts such as semiconductors and the soaring costs of materials such as steel and electricity

(Million yen)

	FY2021	FY2022	Change	Change (%)
Sales	53,004	57,524	4,519	8.5%
Operating profit	3,704	2,396	(1,308)	(35.3)%
Ordinary profit	4,418	3,088	(1,330)	(30.1)%
Profit attributable to owners of parent	2,690	381	(2,309)	(85.8)%
Return on equity (ROE)	4.6%	0.6%	(4.0)%	—
Return on asset (ROA)	5.6%	3.8%	(1.8)%	—

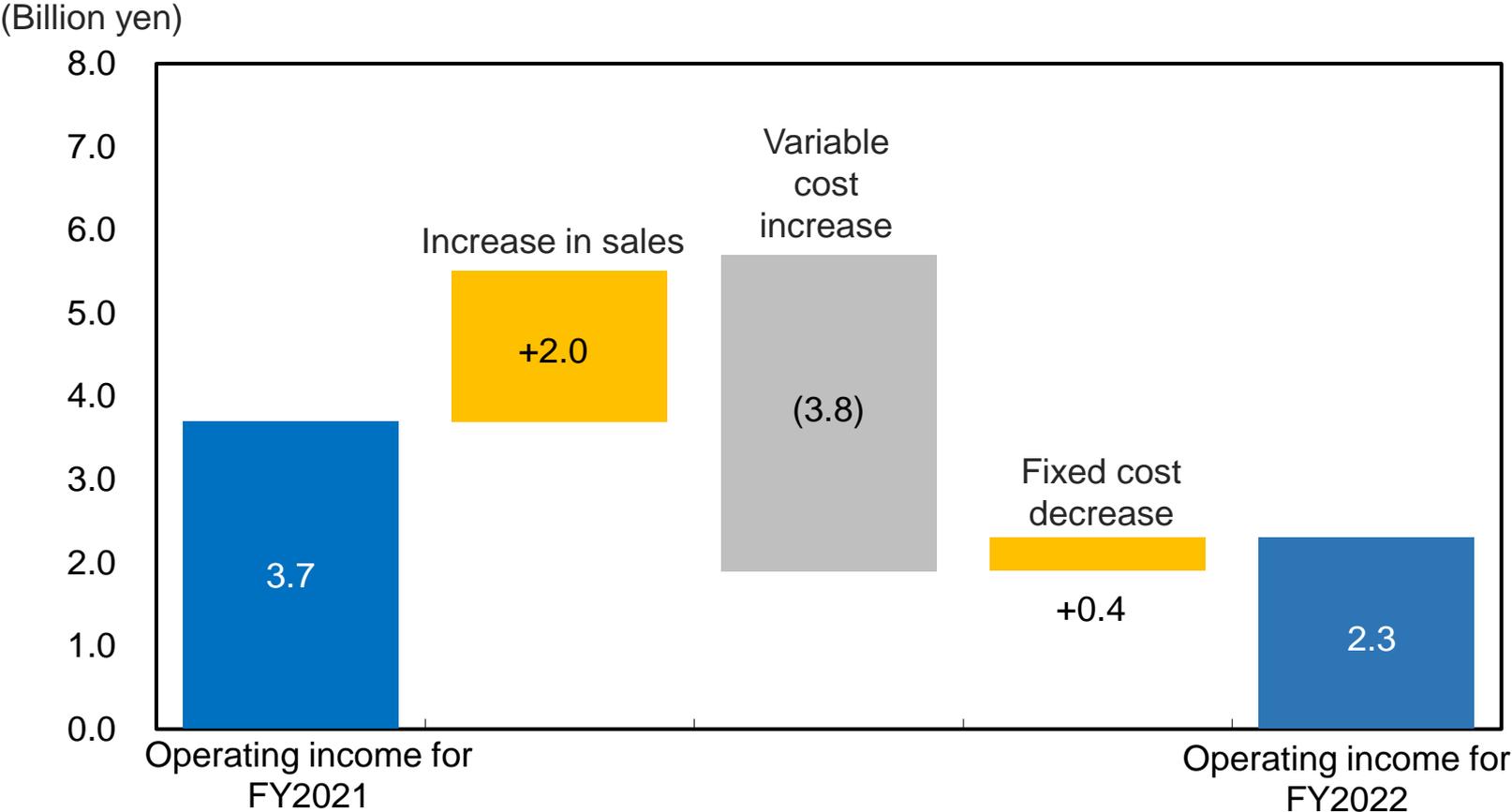
2. Consolidated Statements of Profit and Loss

(Million yen)

Item	Year	FY2021	FY2022	Change	Change (%)
Sales		53,004	57,524	4,519	8.5%
Cost of sales		41,712	47,279	5,567	13.3%
Gross profit		11,292	10,245	(1,047)	(9.3)%
Selling, general and administrative expenses		7,588	7,848	260	3.4%
Operating profit		3,704	2,396	(1,308)	(35.3)%
Non-operating profit		782	797	14	1.9%
Non-operating expenses		68	105	37	54.4%
Ordinary profit		4,418	3,088	(1,330)	(30.1)%
Extraordinary profit		322	51	(270)	(83.9)%
Extraordinary losses		273	1,860	1,587	581.0%
Profit before income taxes		4,467	1,279	(3,188)	(71.4)%
Income taxes – current		1,245	595	(649)	(52.2)%
Income taxes – deferred		96	(33)	(129)	—
Total income taxes		3,125	716	(2,408)	(77.1)%
Profit attributable to:					
Profit attributable to owners of parent		2,690	381	(2,309)	(85.8)%
Profit attributable to non-controlling interests		434	335	(99)	(22.9)%

3. Factors for Changes in Consolidated Operating Profit

- Factors of increase : ¥2.0 billion due to net sales increase of 8.5%.
¥0.4 billion due to a reduction of depreciation and other fixed costs.
- Factors of decrease : ¥3.8 billion due to significant increase of variable costs by soaring prices for materials such as steel and electricity.



4. Breakdown of Extraordinary Losses

- Book value of the machines were impaired in some factories which supplying automobile parts, because of reduced automobile production by the shortage of parts such as semiconductors.
- Impairment was done up to recoverable amount which was ¥1.8 billion in total.

(Million yen)

Name	Amount	Remark	Measures to take
Kariya Plant of the Company	648	Orders from the automobile industry decreased due to the shortage of parts such as semiconductors	<ul style="list-style-type: none"> • Promote thorough cost reductions • Further improve productivity • Acquire orders from industries other than the automobile industry
Kani NH Plant of the Company	705	Economical uncertainty increased owing to the Ukrainian conflict which affect to the production in Europe	
Neturen Czech	413		
Yancheng Neturen	85	Production facilities became idle due to the discontinuation of production of the specific parts	<ul style="list-style-type: none"> • Strengthen customer management • Consider diversion or resale of specific machines.
Total	1,852		

5. Segment Information (Consolidated Net Sales)

- Specialty Steel and Wire Products Division: Sales increased in overseas subsidiaries by the currency exchange gain and material price soaring pass on to the customers.
- Induction Heating Division (Induction heat treatment-related services): Sales of the machine tool and construction equipment industries increased but not enough to offset the decrease of automobile parts.

(Million yen)

Business segment	Main products/services	FY2021	FY2022	Gain or loss	Percentage
Specialty Steel and Wire Products Division	Steel bars for prestressed concrete (PC) High-strength shear reinforcement High-strength spring steel wire ITW® Hollow rack bars Slewing bearings (construction equipment parts)	31,205	36,870	5,664	18.2%
Induction Heating Division	Induction heat treatment-related services Induction heating equipment/services	21,666	20,514	(1,151)	(5.3)%
Others	Leasing business others	132	139	6	5.0%
Total		53,004	57,524	4,519	8.5%

6. Segment Information (Consolidated Operating Profit)

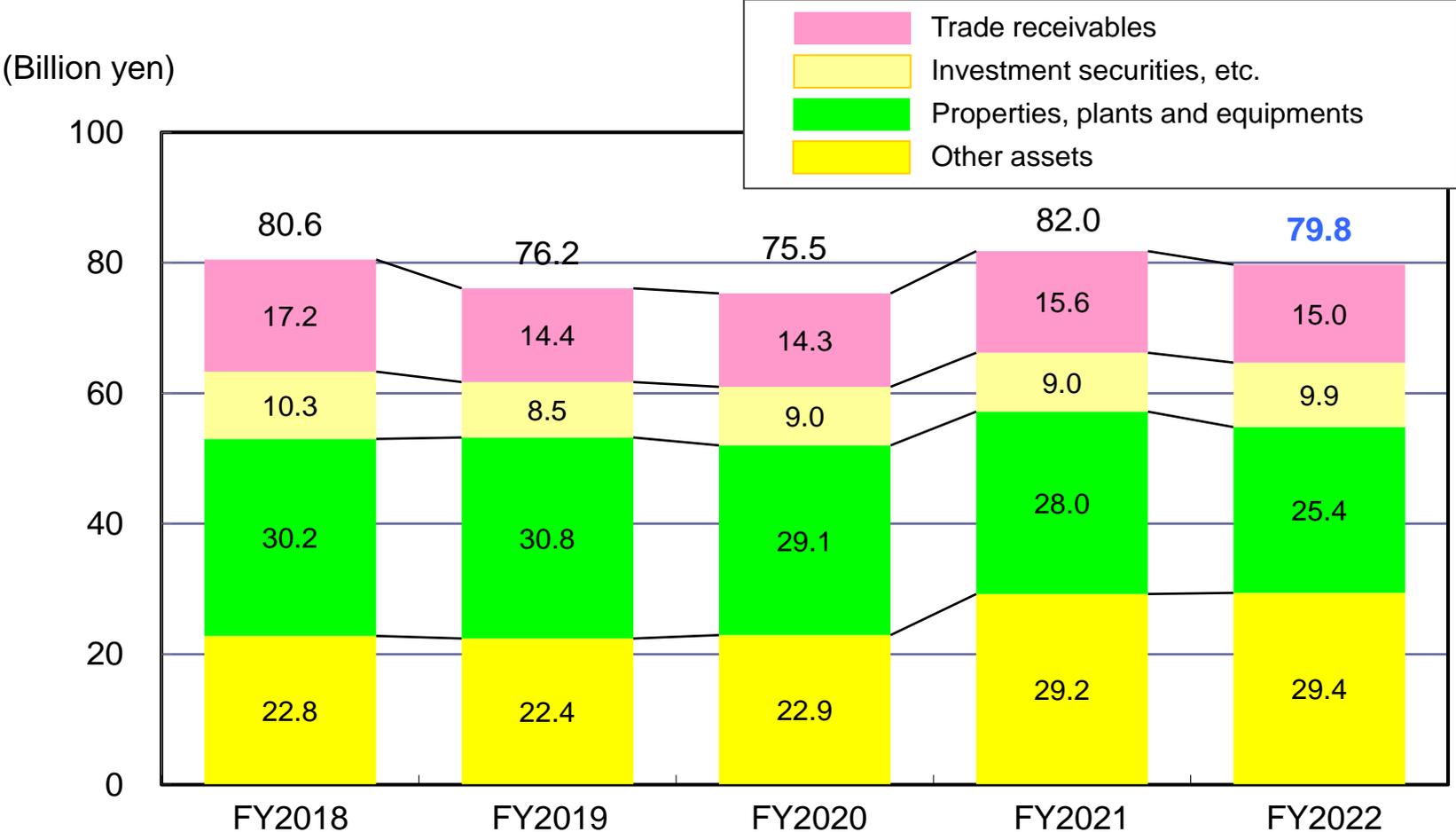
- Specialty Steel and Wire Products Division: Sales volume increased but profit decreased due to a delay in the material price soaring pass on to the customers in construction-related products.
- Induction Heating Division: Sales of machine tools and construction equipment remained firm, but profit decreased by reduced automobile parts production.

(Million yen)

Business segment	Main products/services	FY2021	FY2022	Change	Change (%)
Specialty Steel and Wire Products Division	Steel bars for prestressed concrete (PC) High-strength shear reinforcement High-strength spring steel wire ITW® Hollow rack bars Slewing bearings (construction equipment parts)	1,317	986	(330)	(25.1)%
Induction Heating Division	Induction heat treatment-related services Induction heating equipment/services	2,327	1,353	(974)	(41.9)%
Others	Leasing business others	54	51	(2)	(4.9)%
Elimination of intersegment transactions		5	4	0	—
Total		3,704	2,396	(1,308)	(35.3)%

7. Balance of Assets for Fiscal Year 2022 (Consolidated)

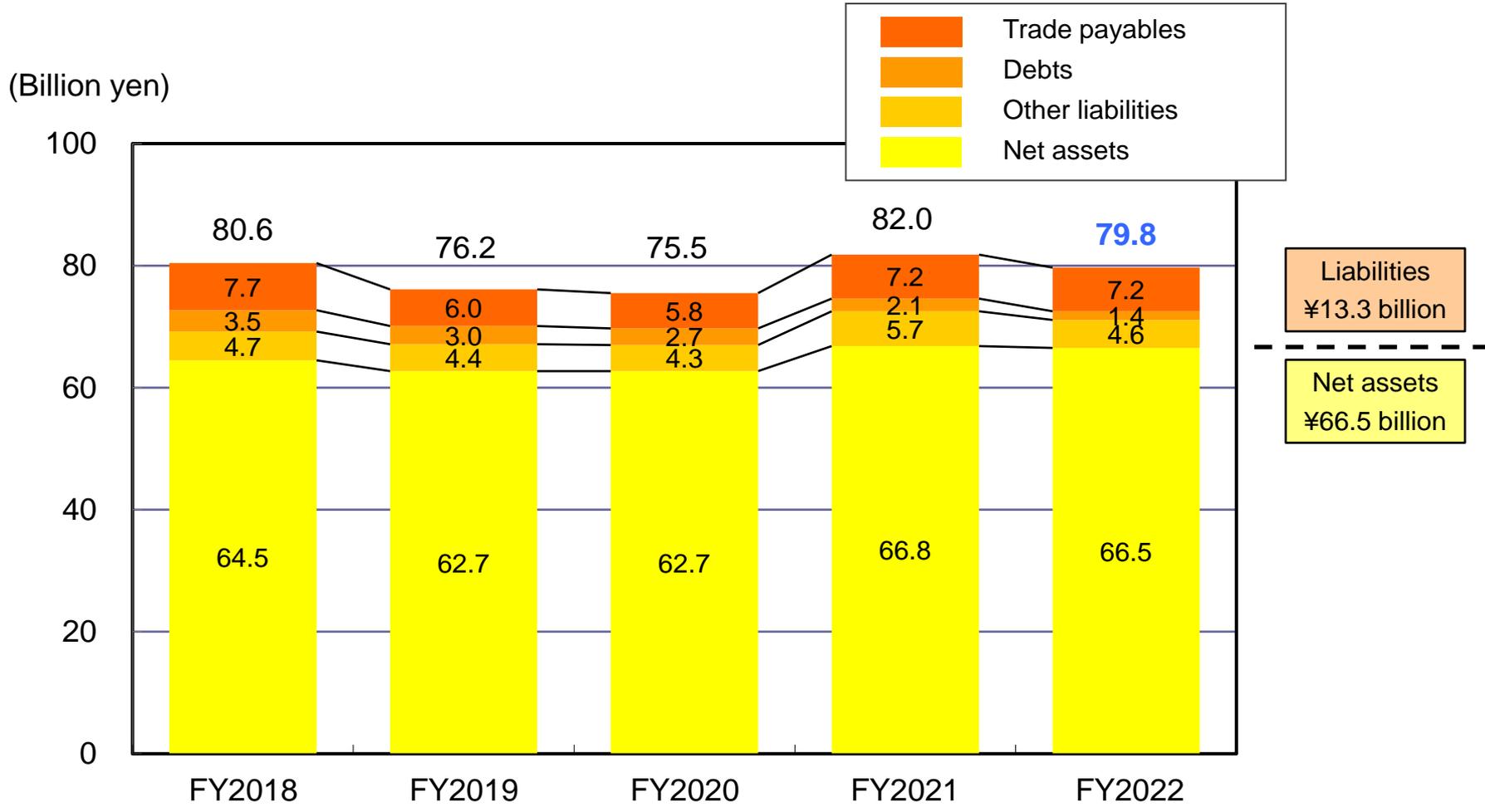
- Total assets decreased by ¥2.2 billion YoY, mainly due to a decrease in cash and bank deposits by purchasing own shares and depreciation of fixed asset resulting from impairment.



* Other assets mainly includes cash and deposits and inventories.

8. Balance of Liabilities and Net Assets for Fiscal Year 2022 (Consolidated)

- Liability; reduced by decrease of income taxes payable and long-term debts.
- Net assets; increased by currency exchange gain for retained foreign cash but decreased by an impairment loss



9. Cash Flows for Fiscal Year 2022 (Consolidated)

- Operating cash flows: Decreased YoY due to deteriorated business performance
- Investing cash flows: Decreased YoY due to lower sales amount of securities
- Financing cash flows: Increased YoY mainly due to purchase of own shares

(Million yen)

Item	FY2021	FY2022	Change
Profit before income taxes	4,467	1,279	(3,188)
Depreciation	2,954	2,705	(249)
Impairment loss	241	1,852	1,610
Decrease (increase) in trade receivables	(903)	888	1,791
Decrease (increase) in trade payables	1,303	(13)	(1,316)
Other, net	(1,728)	(2,823)	(1,095)
Cash flows from business operation	6,335	3,888	(2,447)
Cash flows from investment	(40)	(1,203)	(1,162)
Free cash flows	6,294	2,685	(3,609)
Debts	(631)	(775)	(144)
Purchase of own shares	(0)	(1,500)	(1,500)
Dividends paid	(877)	(1,254)	(376)
Other, net	(460)	(755)	(294)
Cash flows from financing activities	(1,970)	(4,286)	(2,316)
Cash flows at end of period	18,099	16,911	(1,188)

10. Consolidated Capital Investment

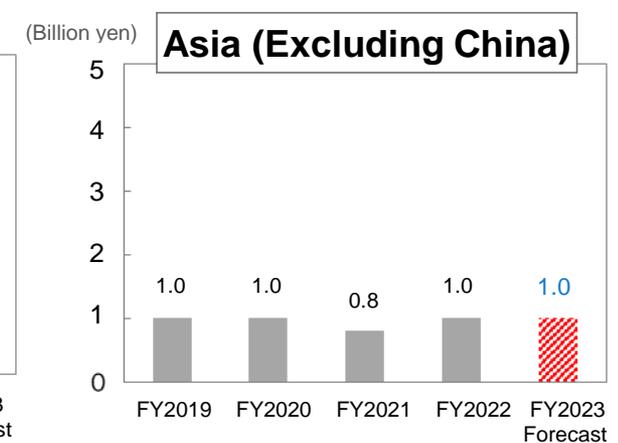
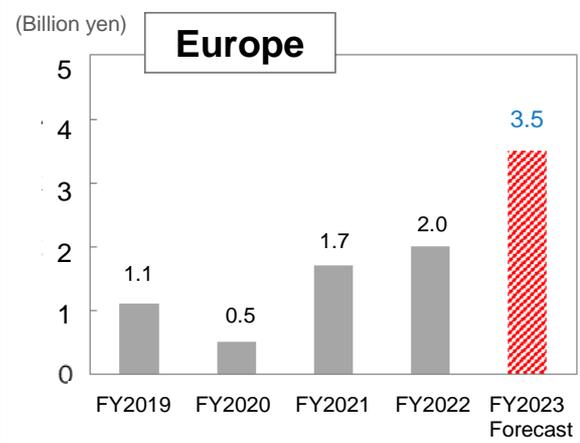
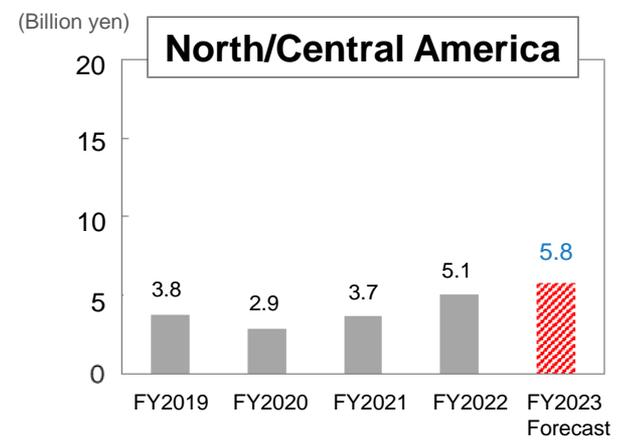
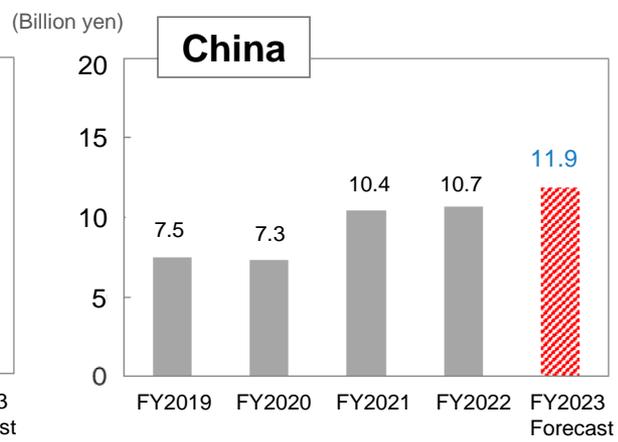
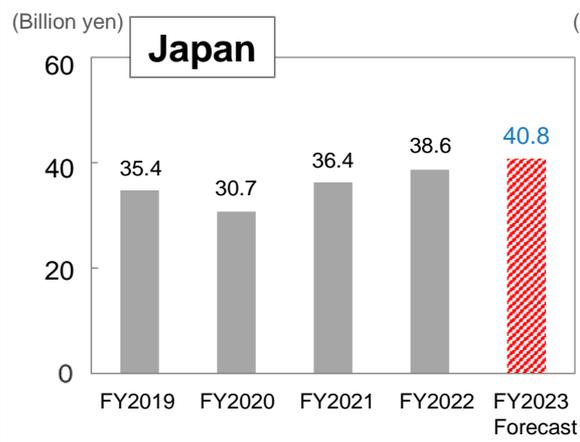
- In FY2022, installation of the large equipment was delayed and carried over to the next fiscal year.
- In FY2023, active investment is planned including the carried-over ones.

(Million yen)

	FY2019	FY2020	FY2021	FY2022	FY2023 (Plan)
Capital investment	4,177	1,426	1,377	1,296	5,000
Depreciation	3,189	3,034	2,954	2,705	2,600

11. Net Sales by Region

- FY2022: Sales volume increased in regions except Europe. Cash sales in JPY increased in all regions because of material price soaring pass on to the customers and exchange gain.
- FY2023: Sales volume and cash sales are expected Y on Y increase in all regions



<Notes>
 • For net sales in overseas sites of FY2023 (forecast), exchange rates are as follows:
 1 RMB = 19.42 JPY
 1 KRW = 0.1031 JPY
 1 IDR = 0.0089 JPY
 1 CZK = 6.19 JPY
 1 USD = 133.53 JPY
 1 MXN = 7.38 JPY

* Net sales do not include transactions within the Group

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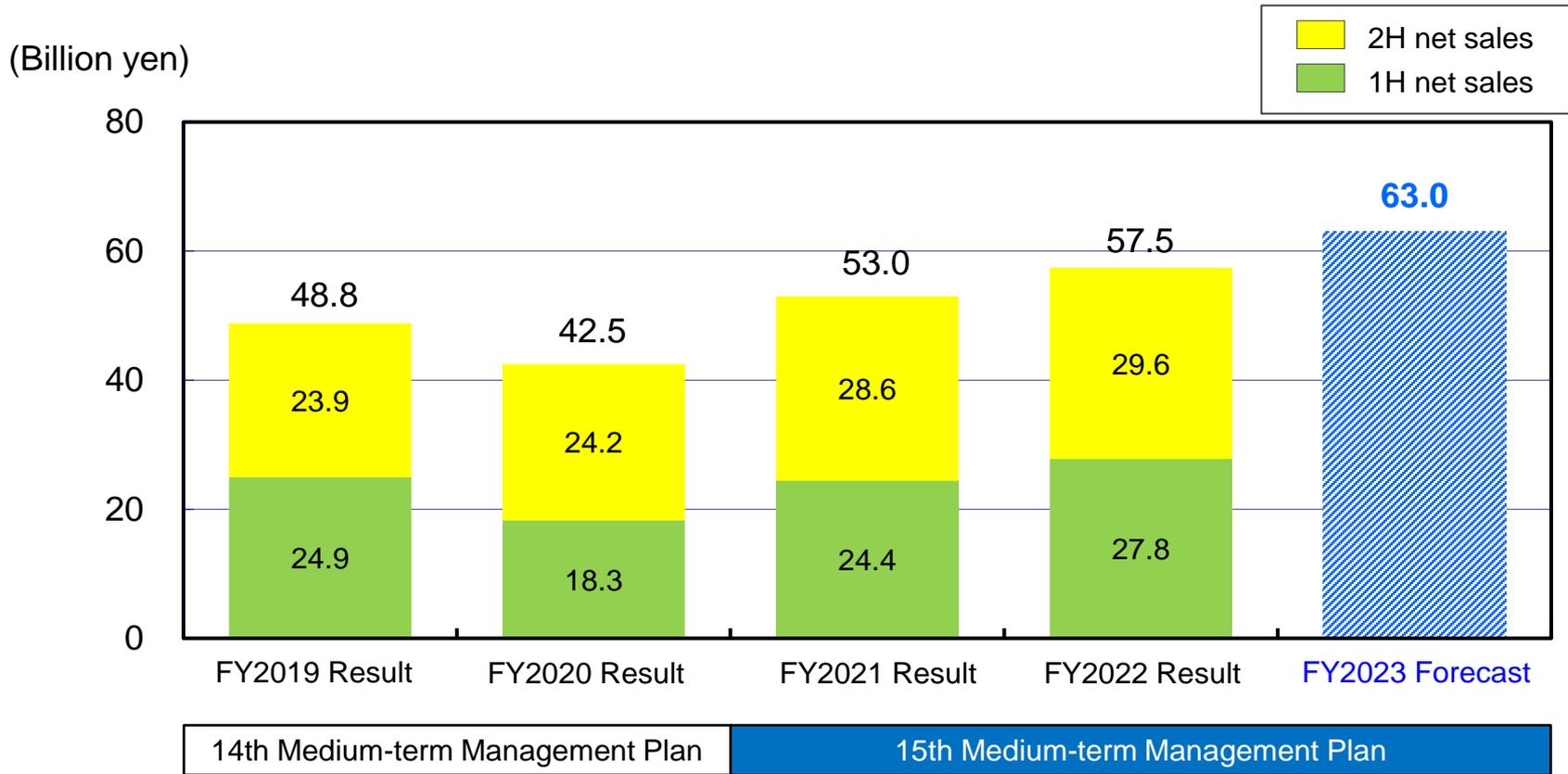
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12. Consolidated Sales

- In FY2023, we expect net sales to reach a record high of ¥63.0 billion mainly due to an increase in sales volume and the revision of sales prices.

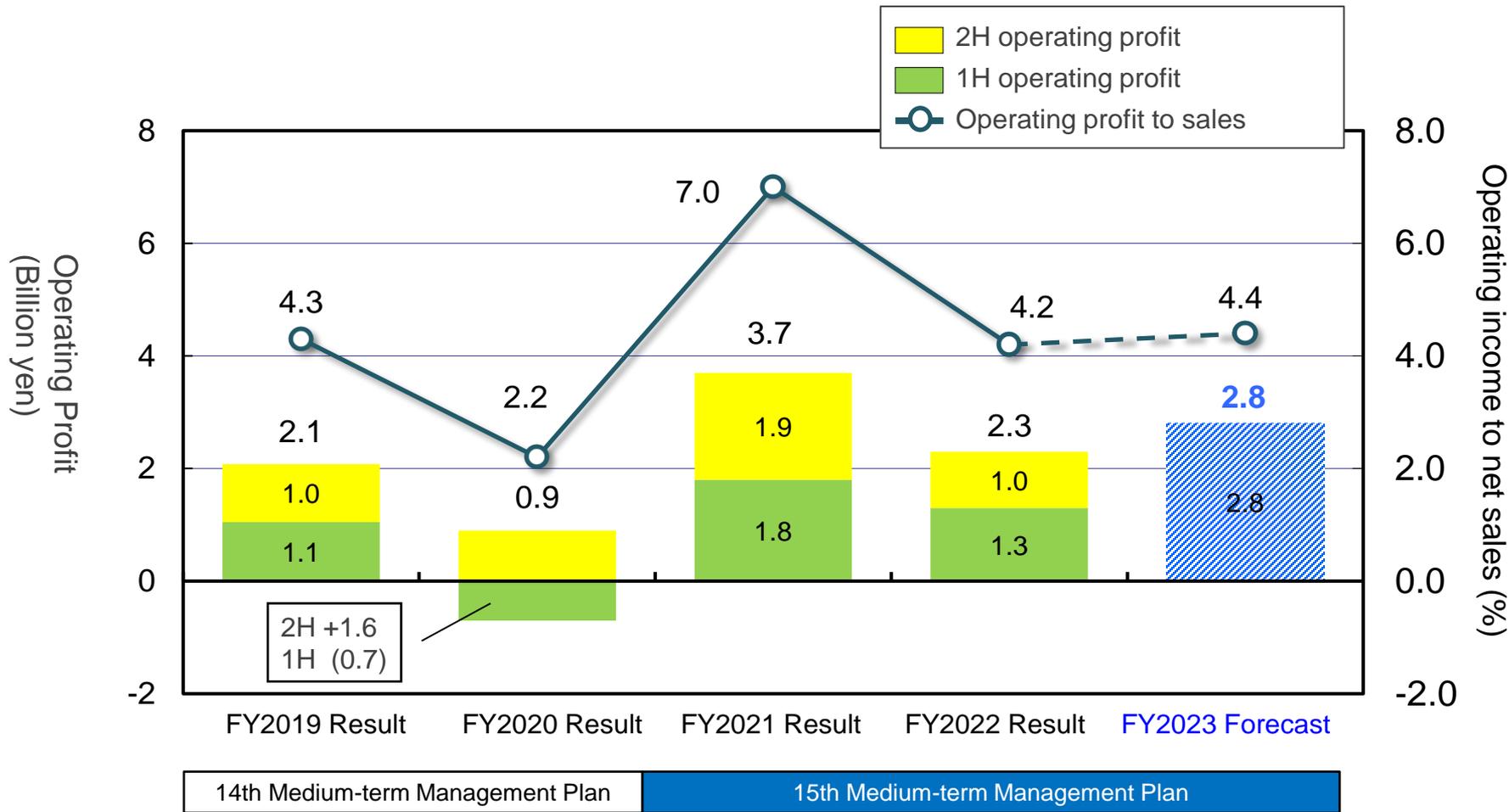


[Exchange rates]

- FY2022 1 RMB = 19.01 JPY, 1 USD = 132.70 JPY
- FY2023 1 RMB = 19.42 JPY, 1 USD = 133.53 JPY

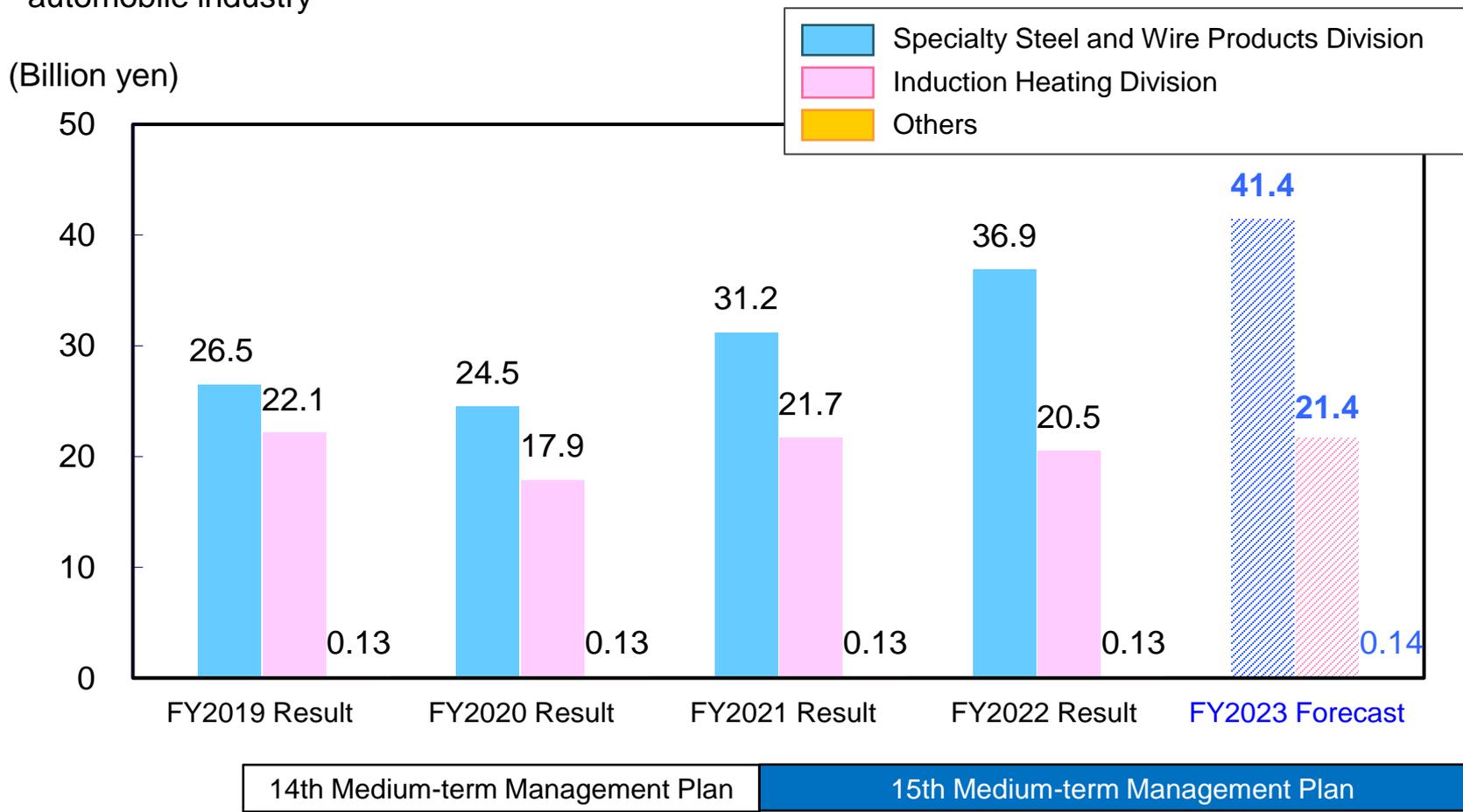
13. Operating profit/Operating Profit to Sales Ratio

- In FY2023, we expect to recover profit in the latter half of the year by the revision of sales prices and further cost reductions.



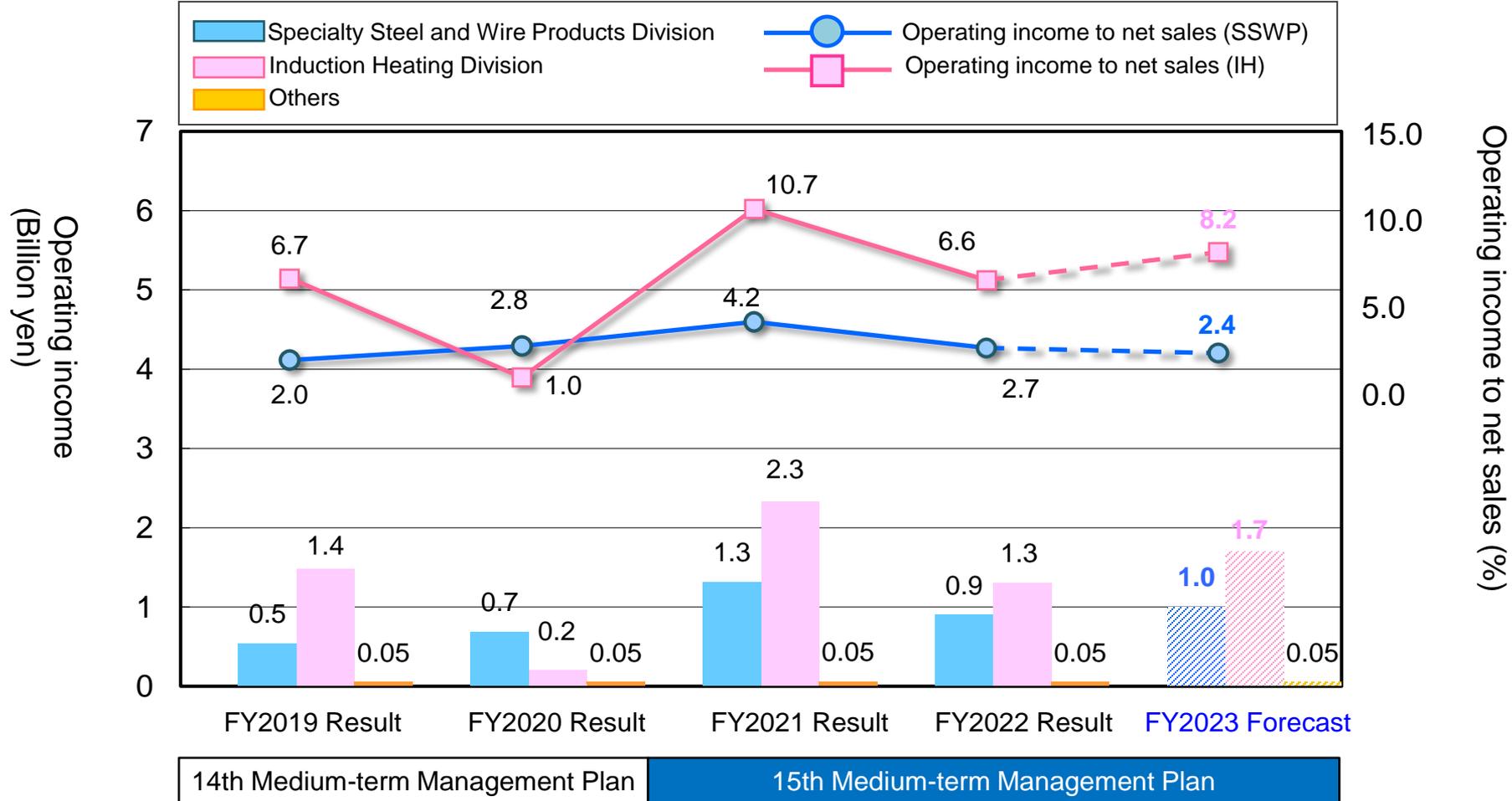
14. Segment Information (Consolidated Sales)

- Specialty Steel and Wire Products Division: In FY2023, we expect 12.0% YoY growth due to an increase in sales volume and the revision of sales prices
- Induction Heating Division: In FY2023, we expect 4.0% YoY growth due to recovery of orders from the automobile industry



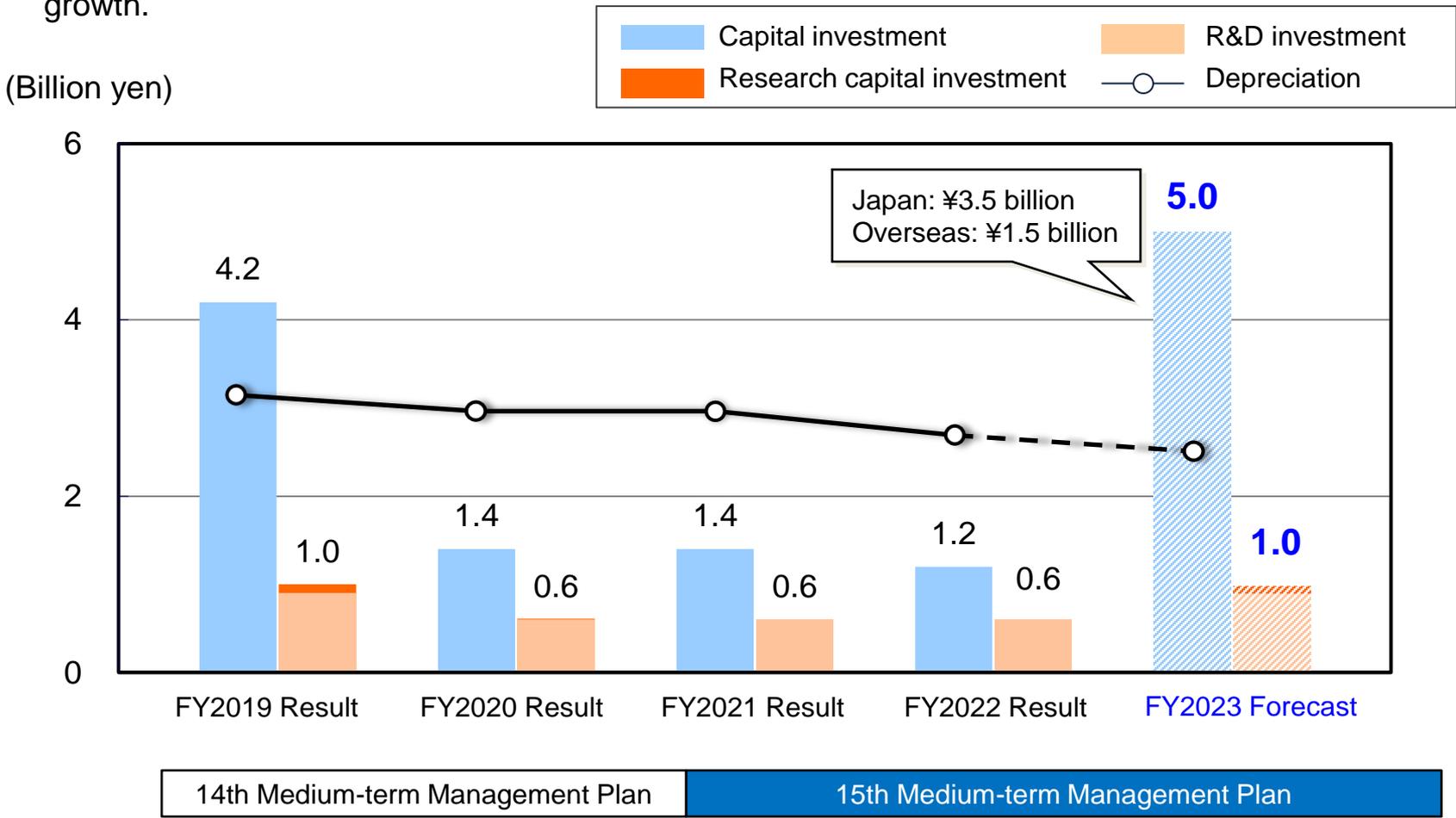
15. Segment Information (Operating Profit/Operating Profit to Sales)

- Specialty Steel and Wire Products Division: In FY2023, we expect profit will increase due to an increase in sales volume, revision of sales prices, and cost reductions
- Induction Heating Division: In FY2023, we expect profit will increase due to the recovery of automobile industry and cost reductions



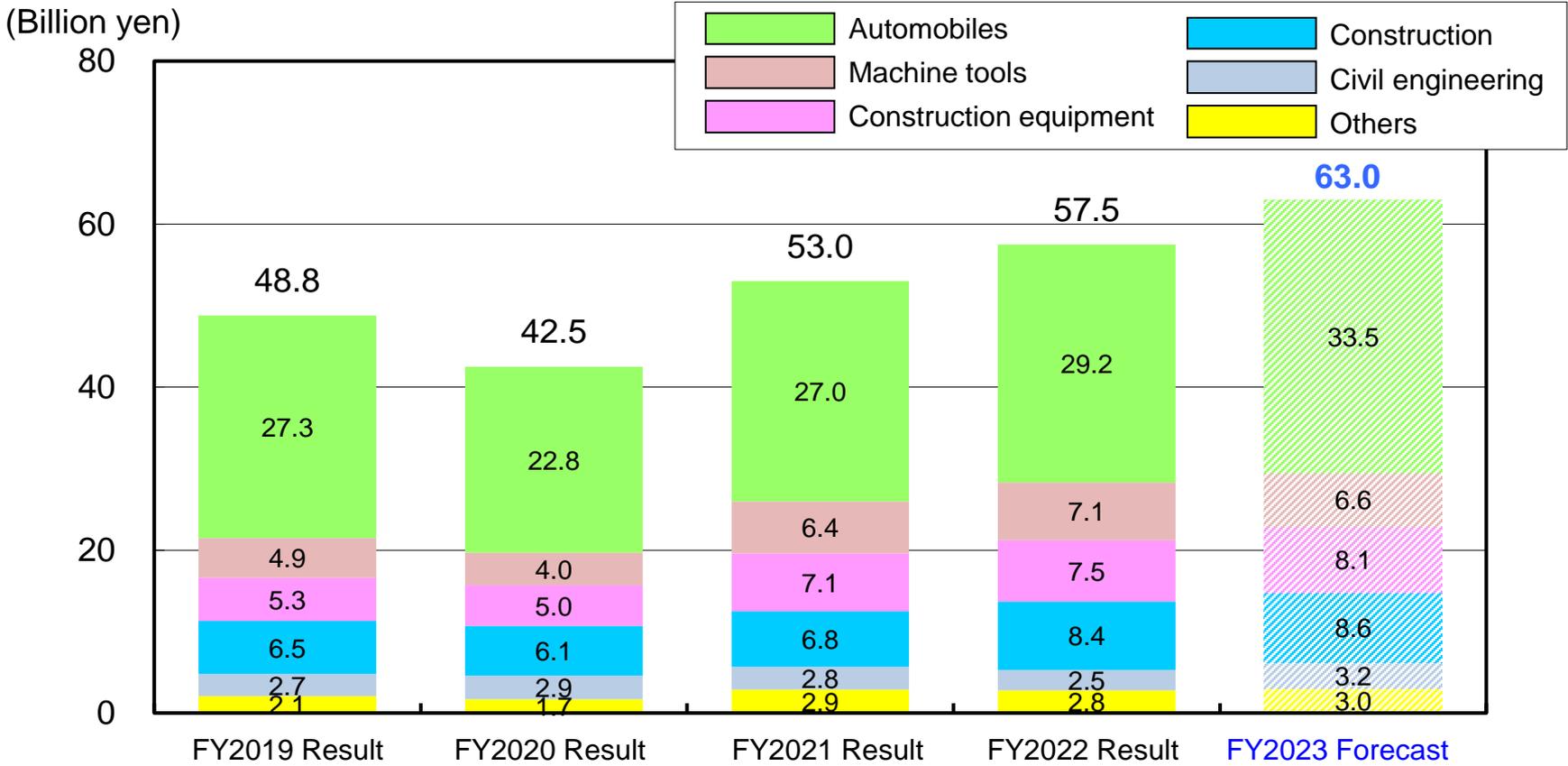
16. Capital Investment/R&D Investment/Depreciation

- Capital Investment: FY22, the installation of equipment was delayed due to a shortage of parts such as semiconductors. Large capital investments were carried over to FY23.
- R&D Investment: Continue to invest in the development of next-generation technologies for sustainable growth.



17. Sales by Industry

- In FY2023, we expect sales of the automobile-related products, which was stagnant last year, will recover and increase significantly mainly because of growth of overseas ITW business. Even though sales of machine tools do not look well this year, construction machinery, civil engineering and construction materials are expected to get better.



14th Medium-term Management Plan | 15th Medium-term Management Plan

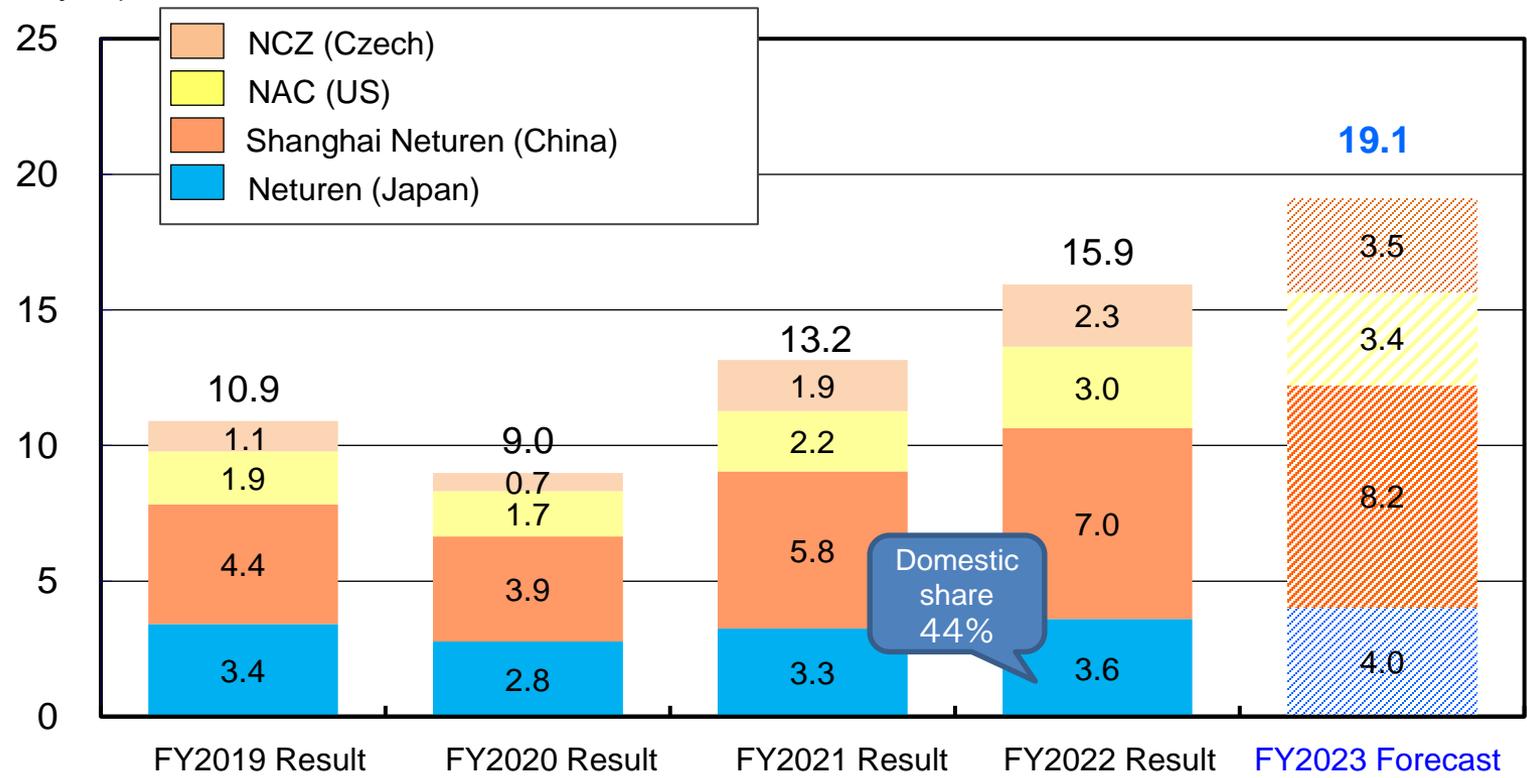


18. Sales of High-strength Spring Steel Wire (ITW®)

- FY2022: Demand of ITW® kept growing which contribute to reduce weight of automobiles according to the market switch to EVs from conventional ones. Net sales in Japan increased due to higher sales volume and the revision of selling prices. Overseas sales increased by the good performance and currency exchange gain.
- FY2023: Market demand is expected to remain strong both in Japan and overseas. In the U.S., starting up of new facilities are scheduled in the latter half of the year.



(Billion yen)



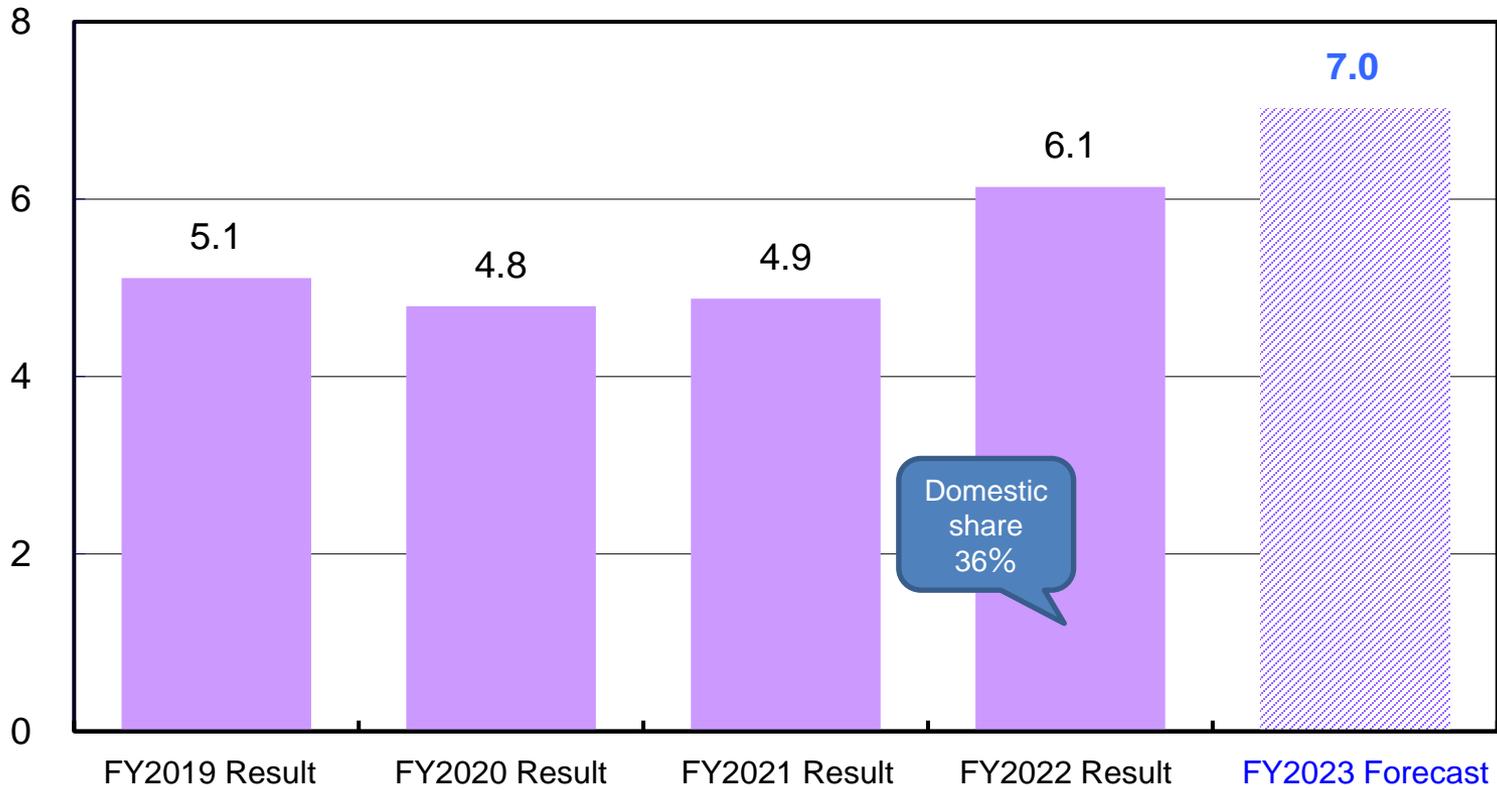
* Includes transactions within the Group

19. Sales of PC Steel Bars and Deformed PC Steel Bars

- FY2022: Increased 24% YoY due to large-scale projects, the special requirement from the customers, and the revision of sales prices.
- FY2023: 15% increase YoY is expected due to the construction of Hokkaido Shinkansen (bullet train) and semiconductor factories.



(Billion yen)

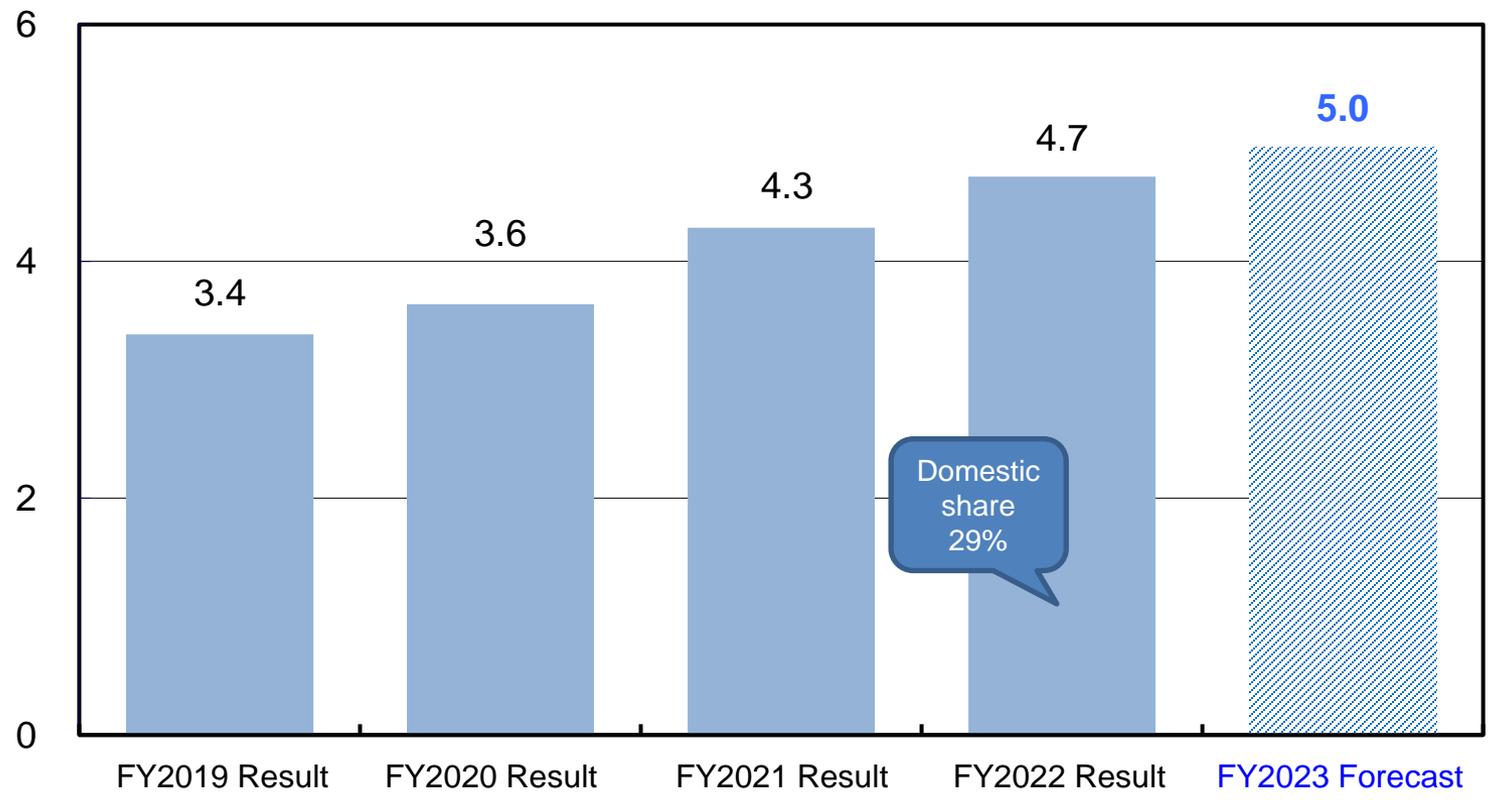


20. Sales of High-strength Shear Reinforcement

- FY2022: Net sales increased by 9% YoY even though the price revision of some products for construction was delayed.
- FY2023: The delay in the sales price revision will be catch up in the first half of the year, and sales is expected to increase by 6% YoY.



(Billion yen)

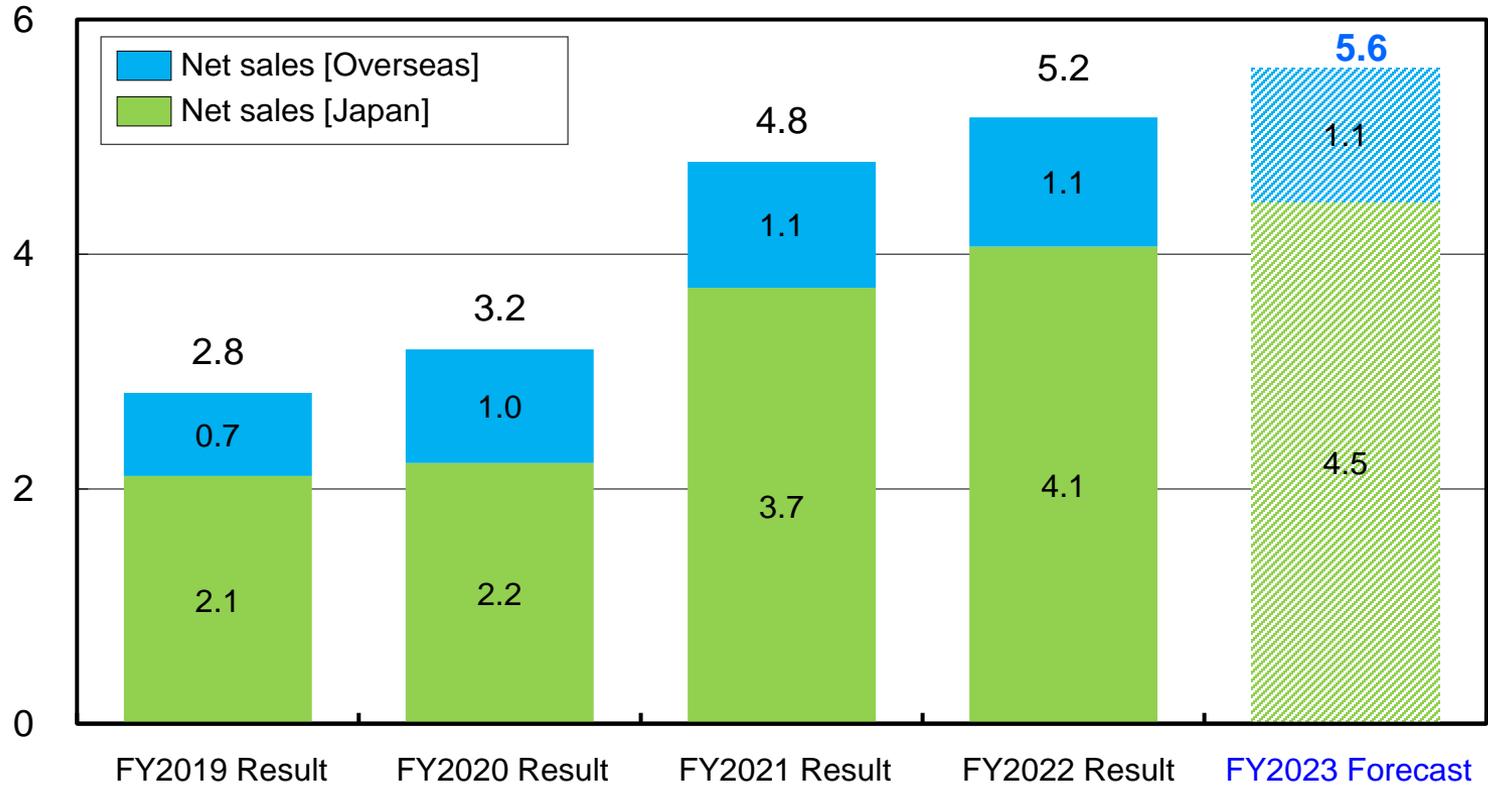


21. Sales of Slewing Bearings (Construction Equipment Part)

- FY2022: Increased by 8% YoY as orders remained strong despite the supply anxiety of some materials.
- FY2023: 8% YoY growth is expected due to increased demand of the products for Southeast Asia, Brazil, and North America.



(Billion yen)



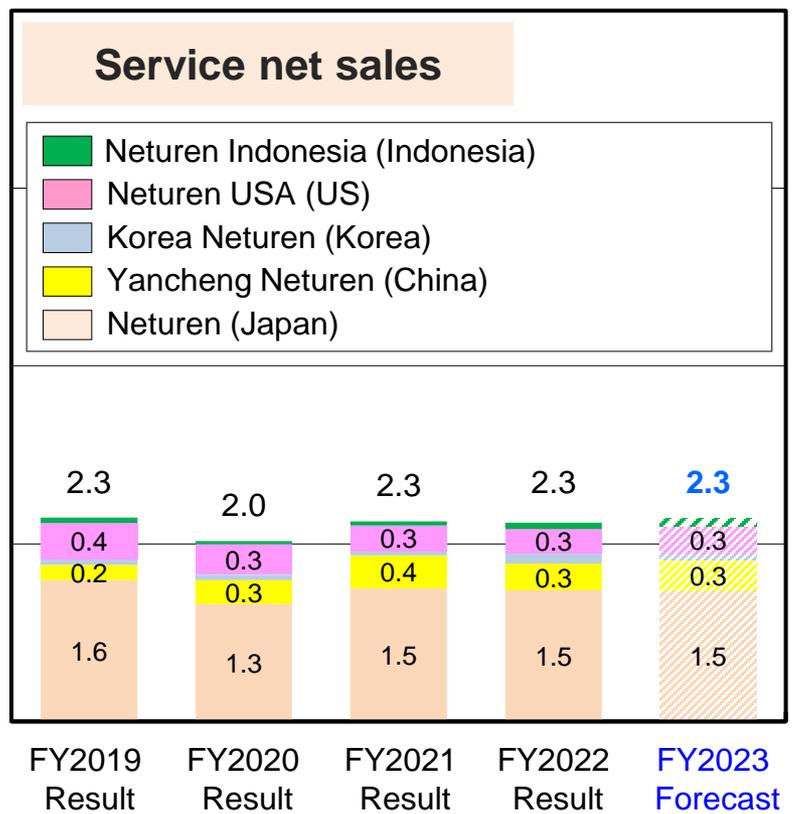
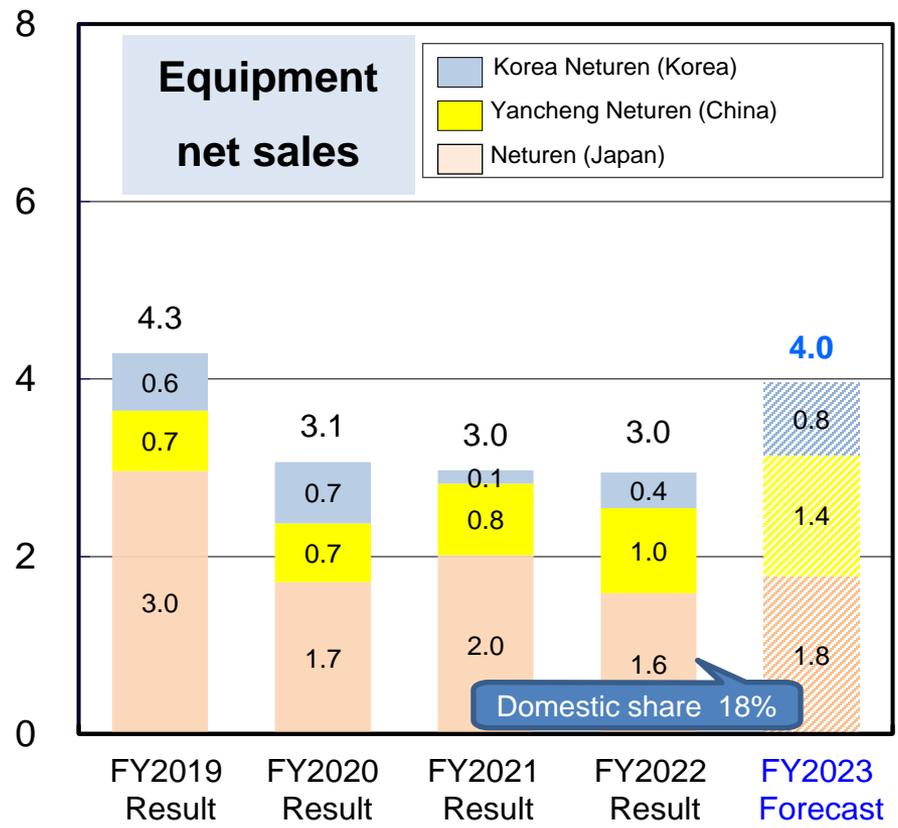
* Includes transactions within the Group

22. Sales of Induction Heating Equipment/Services

- FY2022: Orders were strong, but the sales was not as good as expected due to longer delivery term of main components.
- FY2023: Sales is expected to increase by 33% YoY because of the resolution of longer delivery term of main components.



(Billion yen)



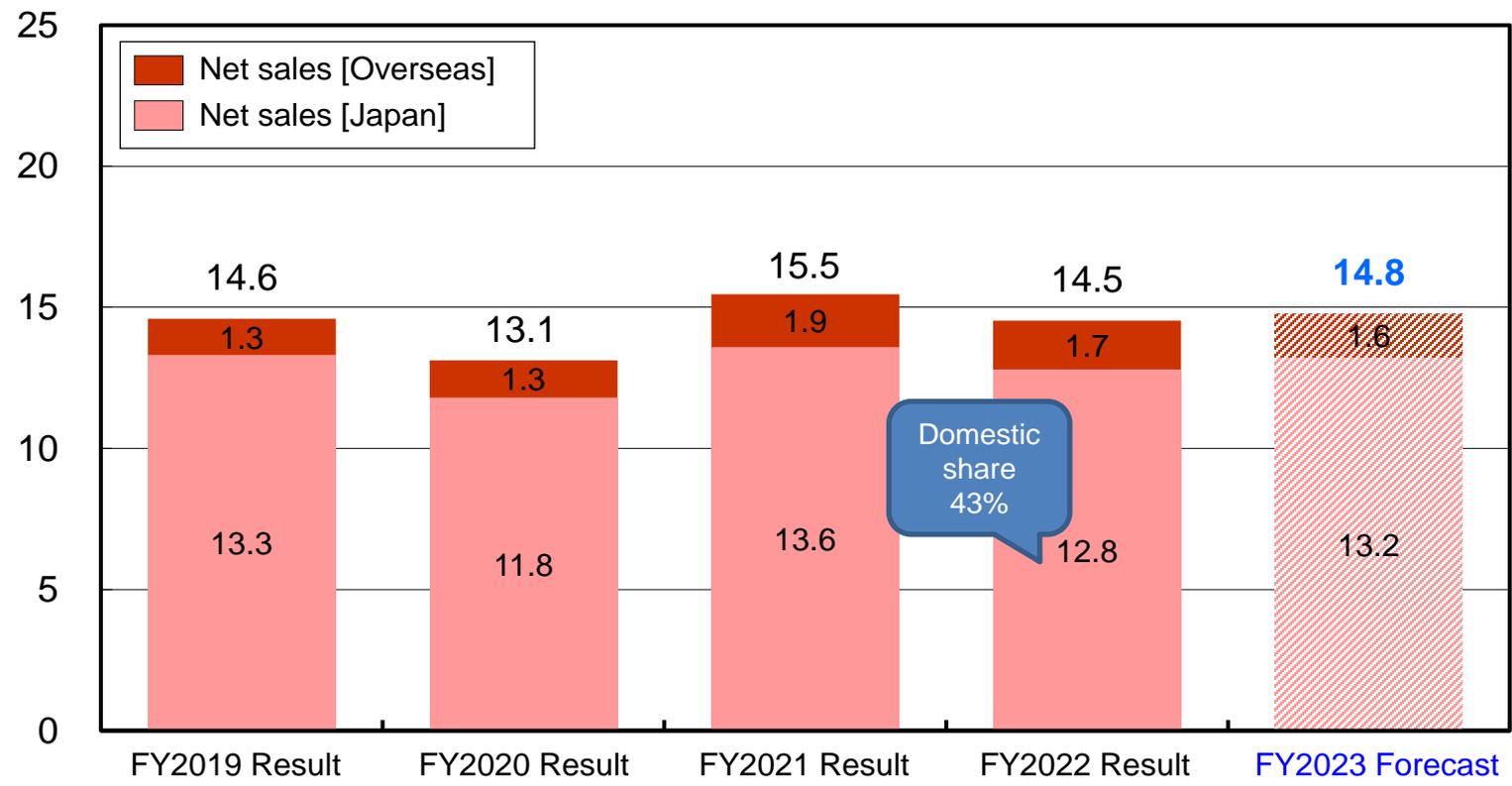
* Includes transactions within the Group

23. Sales of Induction Heat Treatment-related Services

- FY2022: 6.5% decreased YoY affected by reduced automobile production.
- FY2023: 2% increase YoY is expected. Requests for prototyping of new parts for EVs are expected to increase.



(Billion yen)



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24. Progress of 15th Medium-term Management Plan (1)

Basic policy

Aim to “contribute to a sustainable society” and “increase corporate value” as first phase of achieving “NETUREN VISION 2030 (Evolution and Breakthrough)”

Strategy 1	Stabilizing business by strengthening core competence, and developing new technologies, products and businesses to the market.
Strategy 2	Promote digitization and improve information sharing throughout the company by N-DX system , aim for full operation in three years' time.
Strategy 3	Identify SDGs as the core of management, reduce CO ₂ emission and contribute to a sustainable society .
Strategy 4	Develop human resources to enhance the Group's sales and marketing capabilities globally.

Major management indicators (consolidated)	FY2022 original forecast	FY2022 results	FY2023 original targets	FY2023 revised targets
Net sales	¥60.0 bn	¥57.5 bn	¥56.0 bn	¥63.0 bn
Operating income	¥3.6 bn	¥2.3 bn	¥4.0 bn	¥2.8 bn
Operating income to net sales	6.0%	4.2%	7.1%	4.4%
Return on equity (ROE)	4.1%	0.6%	5.0% or more	3.4% or more
Return on asset (ROA)	5.1%	3.8%	5.5% or more	4.2% or more

25. Progress of 15th Medium-term Management Plan (2)

Strategy 1: Stabilizing business by further strengthening core competence, and developing new technologies, products and businesses to the market

Item	Initiatives and results in FY2022
Specialty Steel and Wire Products Division	<ul style="list-style-type: none"> Completed listing cut-off construction method calculation formula to general design software, and started proposing it at the time of replacement. (high-strength shear reinforcement) Completed the first expansion plan of NETUREN AMERICA, including building construction and installation of processing equipment and started commercial production. The second expansion plan has already started. Started promotion of pre-grouted PC steel bars and NAPP to general contractors and civil engineering consultants Began evaluation to expand the application of Double Stark
Induction Heating Division (Induction heat treatment-related services)	<ul style="list-style-type: none"> Started commercial production of 4 new types of new products (EV-related). NETUREN INDONESIA received orders of 5 new product models to start commercial production in FY2023. New facility completed and preparing commercial production which was amounting approximately ¥0.3 billion investment Improved productivity by promoting automation and introducing IoT Introduced IoT for CVJ quenching equipment at the Kariya and Okayama Plants. Equipped the Kani NH Plant with full-fledged ICT.
Induction Heating Division (Induction heating equipment/services)	<ul style="list-style-type: none"> Expand sales of new power supplies equipped with FPGA: Achieved 75% replacement of legacy power supplies Expand sales of Semiconductor Manufacturing Equipment: Plan to achieve 200% of the previous year's sales

Strategy 2: Promote digitization and improve information sharing throughout the company by N-DX

Progress in FY2022
<ul style="list-style-type: none"> Conducted cloud verification and validation for building Neturen big data Conducted on-site inspections for the establishment of a company-wide electronic document management system Started demonstration of installation of VR technology. Verified grand design of next-generation factory operation system Conducted IT validation to change the operation throughout the company as part of DX

26. Progress of 15th Medium-term Management Plan (3)

Strategy 3: Promote reduction of CO₂ and contribute to the creation of a sustainable society

FY2022 Main measures



Solar power generation panels (Kobe)

EV charging station

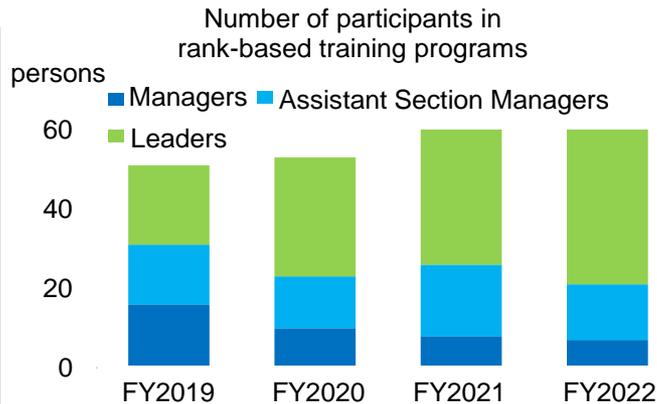
- Upgrading equipment to energy-saving, high efficiency ones.
- Reduction of energy for logistics
- Installation of solar power generation system at two sites (Amagasaki and Kobe, Japan) at the end of the fiscal year, and start investigation for next sites

CO₂ emissions per unit of production
 FY2022 result: **182 t-CO₂/1000t**
(31% decrease from FY2017)

Strategy 4: Develop human resources to enhance the Group's sales and global marketing capabilities.

FY2022 Main measures

Develop fully skilled human resources	<ul style="list-style-type: none"> • Establishment and promotion of skill map • Technical support to overseas factories (steel and material quality control, technical personnel exchange) • Acceptance of technical trainees from overseas
Achieve diverse work styles	<ul style="list-style-type: none"> • Promotion of the use of childcare leave, nursing care leave, and family care leave • Firm establishment of the work-from-home program
Realize diversity	<ul style="list-style-type: none"> • Installation of individual career development policies for training female managers • Recruit of new graduates from faculties in other fields



27. Progress of 15th Medium-term Management Plan (4)

Efforts for PR and IR activities



“Interview with Top Management — Strengths and Human Resource Strategy —” Radio NIKKEI 1

- Made an appearance on TV TOKYO’s program “Unknown Gulliver” (June 2022)
- Issued Factsheet (Euroland) (June 2022)
- Published an article in “TIME Magazine Asia Edition” (October 2022)
- Held an annual financial results briefing for institutional investors (November 2022)
- Published an article in “Newsweek” (December 2022)
- Held a company information session for individual investors (March 2023)
- Made an appearance on Radio NIKKEI (April 2023)

Efforts for social contribution

(Environment, education, and culture on the left / Academic and research on the right)

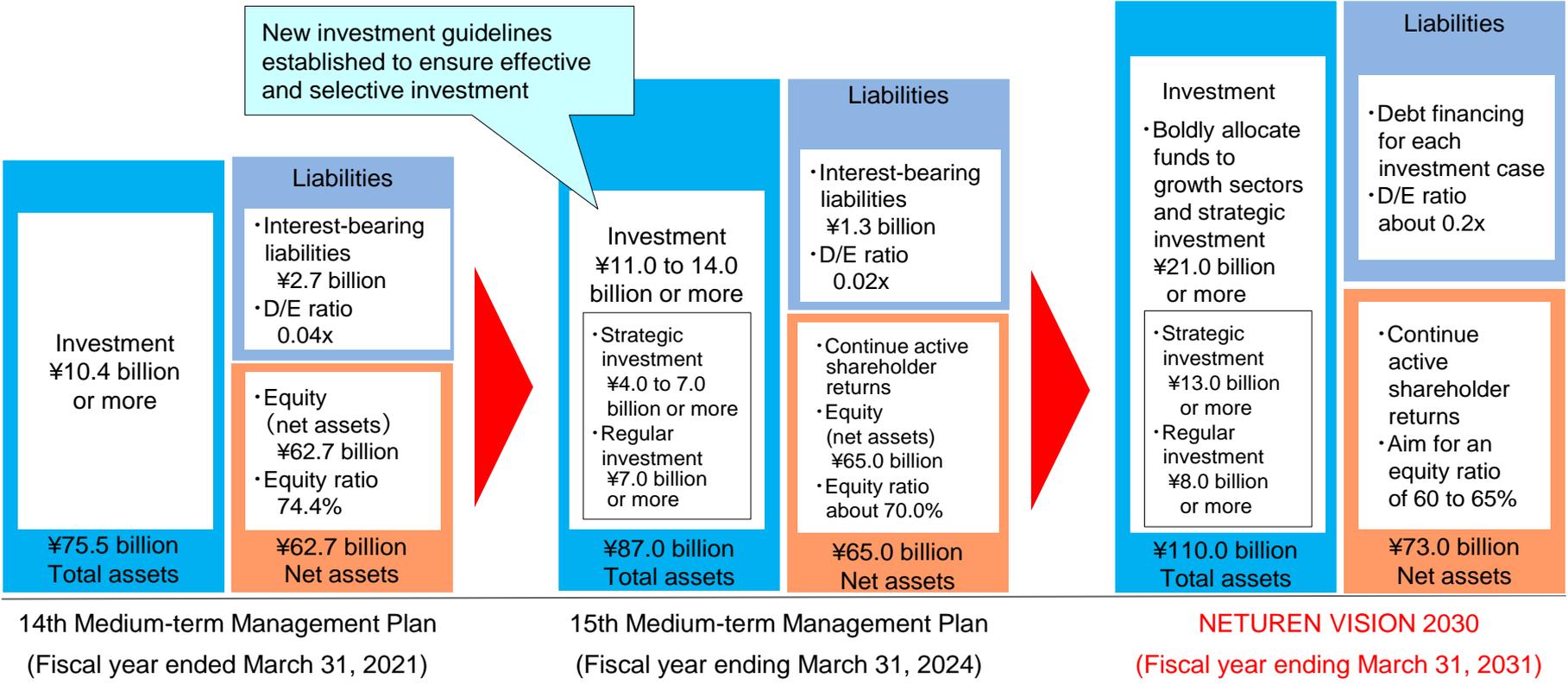


- Medical support for conflict and disaster areas.
- Support for sports promotion in local communities
- Support for the promotion of music culture
- Promote interaction with local residents
- Received various awards from the Japan Society of Heat Treatment
 - Technical Achievement Award (Hayashi Award)(for the development of heat treatment technology and science)
 - Technical Diligence Award (for the dedication to the education of heat treatment engineers)
- Made a presentation at an ISIJ meeting (Quantitative evaluation of auto-tempering in as-quenched martensite)
- Wrote for Industrial Heating magazine (IH initiatives to achieve carbon neutrality)

28. Progress of 15th Medium-term Management Plan (5) Balance Sheet Aimed For

Future target balance sheet

- Aiming for sustainable improvement of corporate value, boldly allocate funds to growth sectors and strategic investment, while taking business risks into consideration
- Improvement of asset efficiency through a review of the business portfolio
- Achieve a balance sheet that meets the goals of VISION 2030, while controlling net assets and equity, taking into consideration the balance between financial soundness and capital efficiency



29. Progress of 15th Medium-term Management Plan (6) Capital Allocation

Basic policy

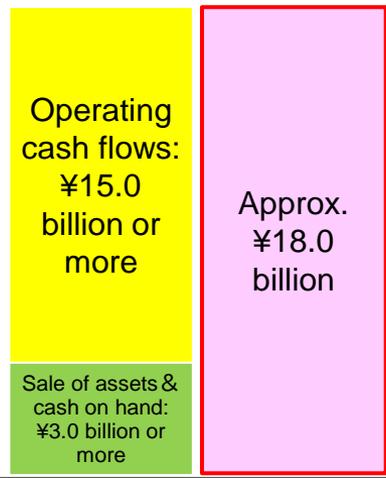
- Improvement of balance sheet while ensuring financial soundness (Improve WACC and ROE)
- Active investment mainly for strategic and growing sector aimed for future growth by using funds which obtained from operating cash flows and sale of assets
- Enhancing shareholder returns by increasing dividend and by own share repurchasing when profit gains together with short-term and medium to long-term growth

15th Medium-term Management Plan (April 2021 to March 2024)

 = Forecasted amount as of March 31, 2023

Cash-in

Operating cash flows + sale of assets & cash on hand



Regular investment

- Quenching equipment for machine tools
- Expansion of polishing and straightening machines
- Automation of production facilities
- Investment projects to improve productivity by introducing IoT

Increase production, labor-saving and rationalization, seismic retrofitting and repairing of equipment



Cash-out

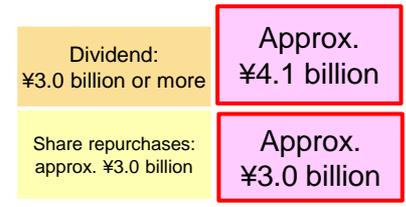
Strategic investment

R&D, new products, DX, environment, energy-efficient and CO₂ emissions reduction, M&A



- Investment projects for production increase in the U.S. and Indonesia
- ICT investment
- Introduction of 3D printer for heating coil manufacturing
- Investment to use renewable energy

Shareholder returns



Purchase of own shares of ¥1.5 billion in FY2023 was authorized by the Board of Directors held on May 11

* Sale of assets includes sale of cross-shareholdings
* Debt finance may be used if necessary

[Dividend] FY2021 to 2022: Consolidated dividend payout ratio of 40% or higher, setting the lower limit of dividend on equity (DOE) ratio of 1.5%
FY2023: dividend on equity (DOE) ratio of 3.0% or higher

30. Progress of 15th Medium-term Management Plan (7) Enhancement of Shareholder Returns 1

NEW dividend policy (effective from the interim dividend for FY2023)

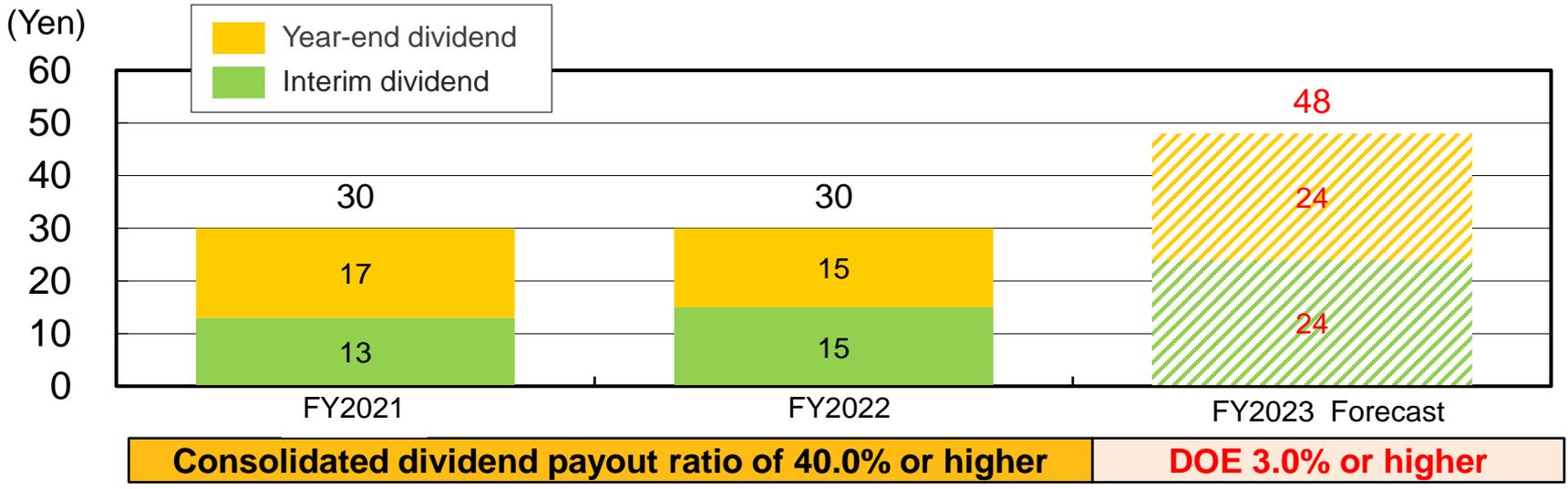
- Accelerate to achieve the desired balance sheet, an ROE of 8%, and a price book-value ratio (PBR) of 1.0 times or more, along with the cost of capital in mind.

Before the Change

- Stable dividend:
 - Setting the lower limit of dividend on equity (DOE) of 1.5%
- Profit distribution according to performance:
 - Targeting a consolidated dividend payout ratio of 40.0% or higher

After the Change

Stable dividend
 → **Dividend on equity (DOE) 3.0% or higher**



31. Progress of 15th Medium-term Management Plan (8) Enhancement of Shareholder Returns 2

Purchase of own shares

- Purchase own shares up to ¥1.5 billion to further enhance shareholder returns and improve capital efficiency

No.	Date of purchase	Number of shares purchased	Percentage of shares purchased (to the number of issued and outstanding shares)	Equivalent price of purchase (Million yen)
1	January 2010	557,400	1.2%	352
2	January 2011	397,400	0.8%	283
3	December 2016	976,800	2.1%	872
4	September 2017	635,800	1.4%	682
5	February 2019	200,000	0.4%	179
6	February 2021	985,900	2.2%	505
7	May to December 2022	2,227,800	5.4%	1,499
8	May 2023 to March 2024	(Up to) 2,717,000	7.2%	(Up to) 1,500
Total		8,698,100	23%	5,872

* Reference (as of the end of March 2023)

Total number of issued and outstanding shares (excluding treasury shares): 37,708,689 shares,

Number of treasury shares: 970,011 shares

I. Overview of Financial Results for Fiscal Year 2022

II. Trends in Business Results

III. Progress of 15th Medium-term Management Plan

IV. Growth Strategy



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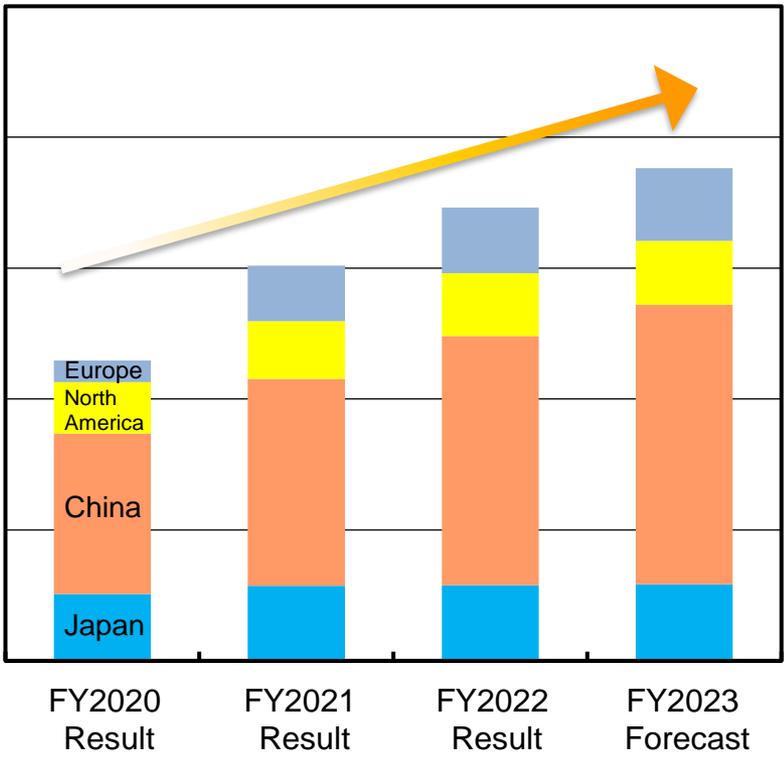
32. Growth Strategy (1) Global Business Expansion of ITW®

Expand global sales of ITW® that meets to requirement of EV, as it helps reducing steel spring weight.

- As switch to EVs continues, demands for high-strength spring steel wire (ITW®) that helps reduce weight is significantly increasing. We aim to continue steady worldwide growth in FY2023 onward.



Sales volume of ITW® by region



- Europe** After-market is sluggish, but sales to new customers are steadily increasing. In 2024, we will exhibit at wire 2024.
- North America** The first expansion plan finished and started commercial production. Preparation of the second expansion plan started which aims to construct new building and installing heat treatment facilities to expand production capacity by 40%.
- China** Two sites cover all of China: Shanghai and Chongqing. Start exporting and expanding sales to new EV suppliers.
- Japan** Start an improvement plan to increase production capacity by 1.5 times at Ako Plant, a mother plant. Plan to deploy it to all sites.

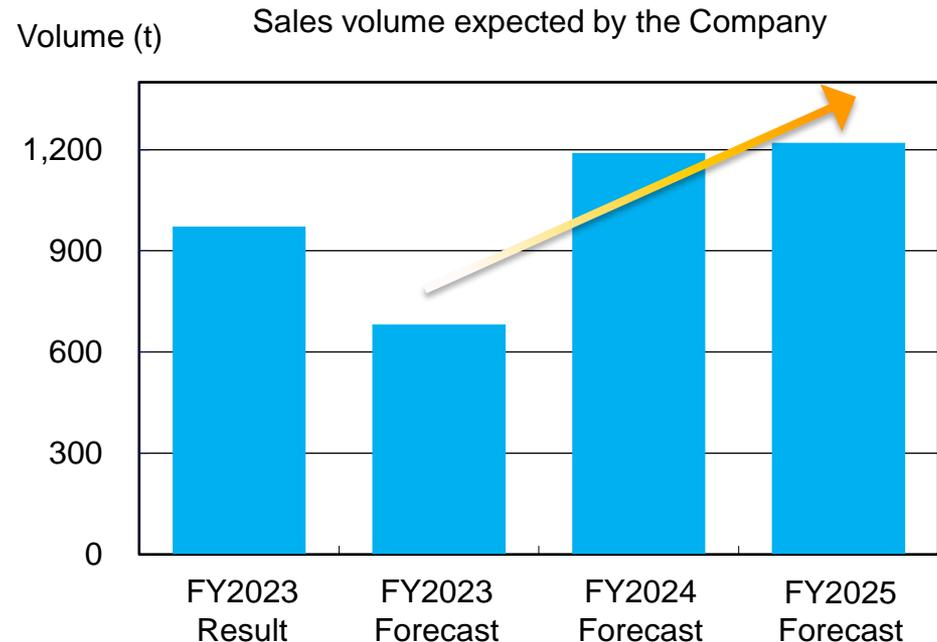
33. Growth Strategy (2) Expansion of Processing Facilities for Ball Screw Shaft Materials

Sales Expansion for semiconductor manufacturing equipment, industrial robots, machine tools

- Capital investment of ¥0.2 billion to respond to increasing demand of ball screw shaft materials.
 - ⇒ Increase production capacity by the reinforcement of polishing, chamfering, and straightening machines.



Ball screw



34. Growth Strategy (3) Business Expansion of Front Fork Inner Tubes

Sales increase of front fork inner tubes for motorcycles

Market environment

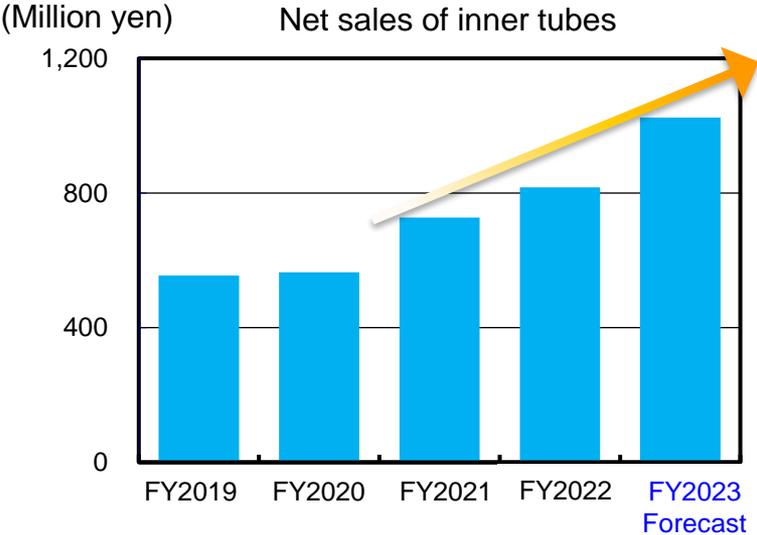
- Launch in Europe for inner tubes for off-road and luxury motorcycle.
- High-precision thin-wall steel pipe by our IH quenching technology receive high reputation.
- Planning investment of ¥0.6 billion to reinforce production in response to the demand of major customers.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE

13 CLIMATE
ACTION



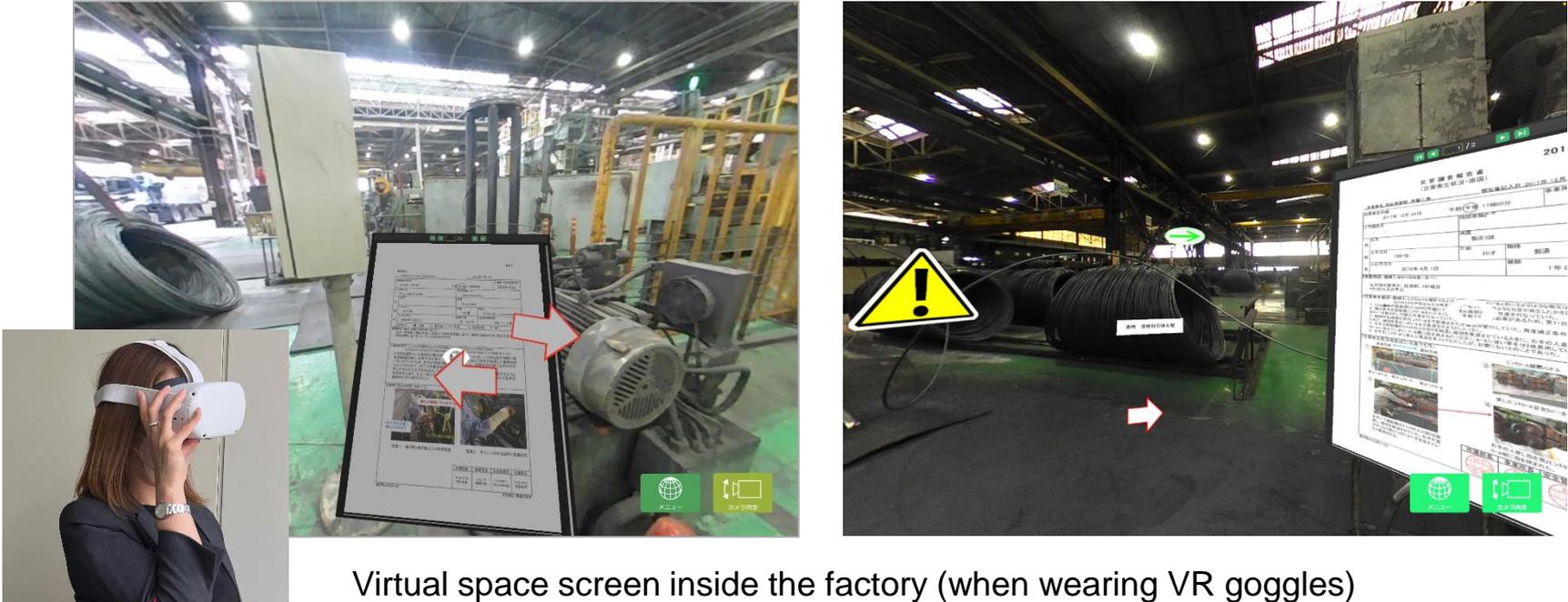

Examples of equipped motorcycles



35. Growth Strategy (4) N-DX Project

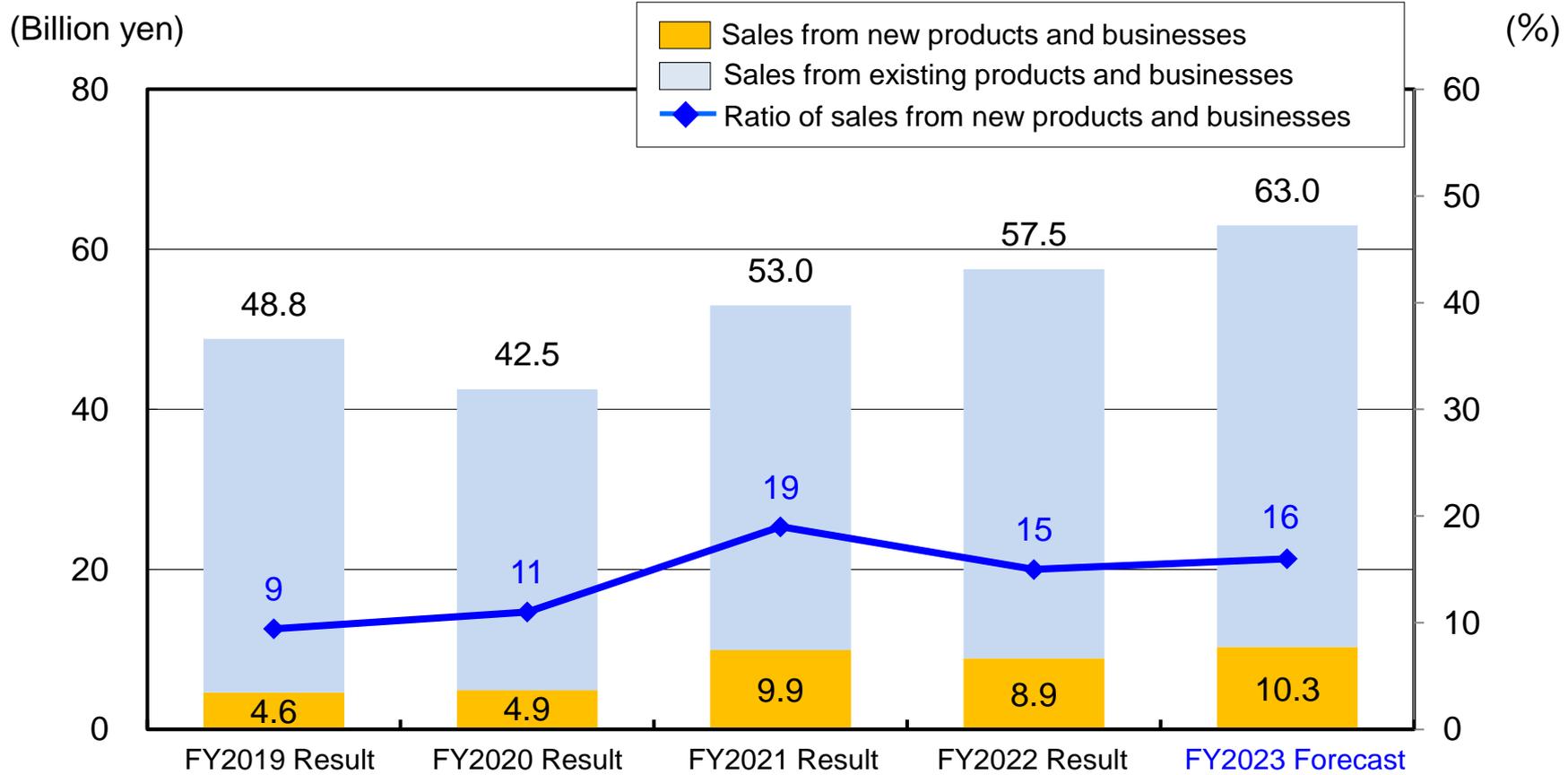
Improving operational efficiency by virtual reality (VR)

- Conducted in-house training in a virtual space factory for safety, hazard prediction, and technology transfer.
- Aim to expand VR to be used in factory tours and facility design in the future



36. Net Sales of New Products and New Businesses

- FY2022: Sales of ITW®-related products significantly increased but, total sales decreased YoY because some products were no longer categorized as new products.
- FY2023: An increase in sales is expected in new products such as cut-off construction methods, pre-gouted PC steel bars, and construction machinery.



NETUREN VISION 2030



「Evolution and Breakthrough」_{2021.4~2031.3}

◆ What the company should be

We will contribute to creating a sustainable society while increasing our corporate value

◆ What the company should aim at

We will increase our corporate value and reduce environmental loads through technologies and products based on our core IH heat treatment technologies effective in reducing CO₂ emissions

We will continue to evolve and aim to make a global breakthrough by pushing ahead with the development of N-DX and bringing together the power of all Neturen Group employees

The 15th Mid-term Management Plan

_{2021.4~2024.3}



Establishment of profit base

Selection and concentration of projects



N-DX System

Improvement of digital information ability under the N-DX System



SDGs

Contribution to realization of the sustainable society through CO₂ emission reductions, putting SDGs at the center of our businesses



Global

Development of human resources that can enhance the group's global sales and marketing abilities

The 15th Mid-term Management Plan Slogan

Change // New NETUREN 2023



NETUREN CO., LTD.



The Company's
Website

Note: Forward-looking statements contained in this document are based on judgments made in accordance with information currently available and include many uncertain factors. Actual results may differ from these forecasts due to changes in business conditions and other factors.

Appendix



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Introduction of Neturen (1)

Neturen is the pioneer company that successfully commercialized and industrialized IH (induction heating) technology for the first time in Japan in 1946. With the **IH (induction heating) technology accumulated since its inauguration as the core of its business**, Neturen engages in the **metal products' manufacture and related services, and equipment sales**.

Trade Name	Neturen Co., Ltd.
Address	Oval Court Ohsaki Mark West, 2-17-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
Date of Establishment	May 15, 1946 (With current company name)
Capital	¥6,418 million
Net sales	Consolidated: ¥57,524 million (FY2022)
Number of Employees	As of the end of March 2023 Consolidated: 1,596 Independent: 896
Stock Exchange Listing	Prime Market of the Tokyo Stock Exchange Security code: 5976



Katsumi Omiya

Representative Director, Member of the Board
President and Chief Executive Officer

Introduction of Neturen (2)

List of Neturen Domestic Business Sites

(1) Iwaki Plant (2) Ibaraki Plant (3) Head Office (4) Human Resource Training Center (5) Shonan Office / Hiratsuka Plant (6) Kani Plant / Kani NH Plant (7) Nagoya Plant (8) Kariya Plant (9) Osaka Sales Office, Specialty Steel & Wire Products Division (10) Amagasaki Plant (11) Kobe Plant (12) Ako Plant (13) Okayama Plant

9 companies, 25 bases in Japan
15 companies, 16 bases in 6 countries overseas

(As of the end of March 2023)



Introduction of Neturen (3)

Business segment	Main products/services
Specialty Steel and Wire Products Division	High-strength steel material products <ul style="list-style-type: none"> • Steel bars for prestressed concrete (PC) • High-strength shear reinforcement • High-strength spring steel wire ITW® Integrated processed products <ul style="list-style-type: none"> • Hollow rack bars • Slewing bearings (construction equipment parts)
Induction Heating Division	Induction heat treatment-related services Induction heating equipment/services
Others	Leasing business others

Induction heat treatment-related services

Automobiles



Construction equipment



Industrial / machine tools



Induction Heating Technology

Plasticity Processing

Surface Heat Treatment & Processing

Induction Heating System

Wire Heat Treatment & Processing

High-strength steel material products

Construction Civil engineering Automobiles



Integrated processed products

Hollow rack bars (automobiles)



Inner tubes (two-wheeled vehicles)

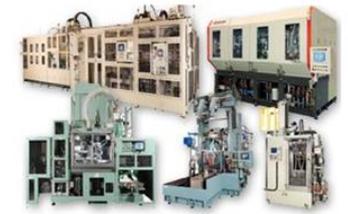


Slewing bearings (construction equipment)



Induction heating equipment

High-frequency quenching equipment



High-frequency power supplies



ROE/ROA

- In FY2023, we expect ROE of 3.4% and ROA of 4.2%

