

January 12, 2023

Company name: Freund Corporation  
 Representative: Iwao Fusejima, President & CEO  
 Listing: Tokyo Stock Exchange (JASDAQ)  
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## Notice of Revisions to Consolidated Forecasts

Freund Corporation has revised the sales and earnings forecasts announced on April 13, 2022, as follows.

### ● Revisions to consolidated forecasts

#### Revisions to consolidated forecasts for the fiscal year ending February 28, 2023

(March 1, 2022 – February 28, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
	(Million yen)	(Million yen)	(Million yen)	(Million yen)	(Yen)
Previous forecast (A)	18,500	700	720	450	26.87
Revised forecast (B)	19,500	150	200	100	5.97
Change (B - A)	1,000	(550)	(520)	(350)	
Percentage change (%)	5.4	(78.6)	(72.2)	(77.8)	
(Reference) Previous fiscal year results (FY2/22)	17,632	981	1,032	543	32.46

#### Reasons for revisions

For the fiscal year ending February 2023, Freund has revised upward its forecast for its net sales, while revising downward the forecasts for operating profit, ordinary profit and profit attributable to owners of parent, respectively, in light of the current economic situation and business environment.

The upward revision to net sales is primarily attributable to higher-than-planned sales in the chemicals business and the positive effect of the yen's depreciation on sales at overseas subsidiaries.

The downward revision to earnings is mainly explained by the unfavorable performance in the machinery business. The U.S. subsidiary, which is engaged in machinery business, experienced significant delays in shipments due to the tight labor supply and the prolonged procurement of parts/materials caused by supply chain disruptions. The higher cost of raw materials caused by rapid inflation also negatively affected its earnings. In the machinery business in Japan, the sharp rise in raw material prices, prolonged lead times for procurement and shipment, and other factors continue to exert downward pressure on earnings. As a result, fiscal year earnings are expected to fall short of the initial forecast.

(Note) The above forecasts are based on information available as of the date of this announcement, and actual results may differ from these forecasts due to various factors.

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