

Securities code: 5975
June 6, 2018

To our shareholders

Shinichiro Uchigasaki,
Representative Director and President

Topre Corporation

12-2, Nihonbashi 3-chome, Chuo-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 123RD ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 123rd Ordinary General Meeting of Shareholders (“Meeting”) as detailed below.

If you are unable to attend the Meeting, you may exercise your voting rights in writing. Please review the Reference Documents for the General Meeting of Shareholders below and indicate your vote by filling out the enclosed Form for Exercising Voting Rights and return it ensuring that it reaches us by 5:30 p.m. on Tuesday, June 26, 2018.

Thank you

- 1. Date and time** 10:00 a.m., Wednesday, June 27, 2018
- 2. Place** Head Office Conference Room, Asahi Bldg. 4th floor
12-2, Nihonbashi 3-chome, Chuo-ku, Tokyo
- 3. Purpose**

- Matters to be Reported**
1. The Business Report, the Consolidated Financial Statements for the 123rd Term (from April 1, 2017 to March 31, 2018) and Audit Reports by the Independent Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements
 2. The Financial Statements for the 123rd Term (from April 1, 2017 to March 31, 2018)

Matters to be Voted on

- Proposal No. 1** Appropriation of Surplus
Proposal No. 2 Appointment of 12 Directors
Proposal No. 3 Appointment of one Auditor

- If you attend the Meeting in person, please present the enclosed Form for Exercising Voting Rights at the reception desk.
- If there are any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Financial Statements and the Consolidated Financial Statements, they will be posted on the Company’s website (<http://www.topre.co.jp/>).
- You are invited to attend the Business briefing session to be held in the same location after the General Meeting of Shareholders. Refreshments will be served.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal No. 1: Appropriation of Surplus

The Company proposes to appropriate surplus as follows.

Term-end dividends

Taking into account performance in the term under review and in recent years as well as business development going forward and the strengthening of our management structure, we propose to distribute the 123rd Term term-end dividends as follows:

- (1) Type of property to be distributed
Cash
- (2) Matters relating to allotment of dividends to shareholders; total amount
30 yen per one common share.
The total amount of dividends in this case will be 1,577,562,120 yen.
Annual dividends including interim dividends (28 yen per share) will be 58 yen per share.
- (3) The date dividends of surplus come into effect
June 28, 2018

Proposal No. 2: Appointment of 12 Directors

The term of the incumbent directors (14) will expire at the end of this General Meeting, and thus the Company would like to appoint 12 directors.

The director candidates are as follows.

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)	Number of Company shares held
1	Shinichiro Uchigasaki (March 27, 1954)	<p>April 1978 Joined the Company</p> <p>October 1999 Celco Plastics Ltd. (Canada), Representative Director and President</p> <p>September 2002 The Company, Foreign Operations Dept. North America Plant Preparatory Office Manager</p> <p>May 2003 Topre America Corporation, Representative Director and President</p> <p>April 2006 The Company, Foreign Operations Dept. Manager.</p> <p>June 2006 The Company, Director The Company, Operation and Planning Dept. Manager</p> <p>June 2007 The Company, R&D Headquarters General Manager and R&D General Manager</p> <p>January 2010 The Company, Executive Managing Director</p> <p>June 2011 The Company, Representative Director and President (present)</p> <p>June 2013 The Company, Product Business General Manager (present)</p>	36,300
	<p>Reasons for appointment: Mr. Shinichiro Uchigasaki has been Representative Director & President since June 2011; serving as the chairperson of the Board of Directors, he has demonstrated ability to direct and supervise management. With respect to the 13th Medium-Term Management Plan which started from FY 2014, he achieved the target for the final fiscal year one year ahead of the plan. With respect to the 14th Medium-Term Management Plan, which is currently in progress, he also has been a driving force in the management of the Company towards reaching the targets, and has achieved satisfactory results. The Company has determined that he is the appropriate person for sustained enhancement of the Company's corporate value, and thus would like him to continue as a director.</p>		

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)		Number of Company shares held
2	Kunikazu Matsuoka (May 30, 1954)	April 1978	Joined the Company	26,800
		April 2001	The Company, Human Resources Dept. Manager	
		April 2002	The Company, Information System Office Manager	
		July 2004	The Company, President Office Manager	
		April 2005	The Company, Operation and Planning Dept. Manager	
		June 2006	The Company, Director	
			The Company, Accounting Dept. Manager	
		April 2007	The Company, Information System Office Manager	
		May 2011	The Company, Information System Dept. Manager	
		June 2012	The Company, Executive Managing Director The Company, Administrative Headquarters General Manager (present)	
	June 2013	The Company, Representative Executive Managing Director (present)		
	Reasons for appointment: Mr. Kunikazu Matsuoka is well-versed in administrative fields such as human resources, accounting and information systems, and currently serves as the Company, Administrative Headquarters General Manager, properly executing administrative and supervisory functions across Company management overall. He has been a Representative Executive Managing Director since June 2013, and based on his wealth of experience in administrative fields, he has taken the role of leading discussions at Board of Directors meetings. For the foregoing reasons, the Company would like him to continue as a director.			

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)		Number of Company shares held
3	Takashi Sawa (July 24, 1958)	February 1985	Joined the Company	12,700
		April 2006	The Company, Auto Parts Engineering Div. Manager belonging to Sales Dept.	
		January 2008	The Company, Auto Parts Engineering Div. Sales Manager	
		June 2012	The Company, Director	
		April 2013	The Company, Auto Parts Headquarters Sales Manager (present)	
		October 2013	The Company, Auto Parts Headquarters Foreign Operations Dept. North America Manager	
		June 2016	The Company, Auto Parts Headquarters Deputy General Manager	
			The Company, Auto Parts Headquarters Foreign Operations Dept, Asia Manager (present)	
		April 2017	The Company, Executive Managing Director (present)	
			The Company, Auto Parts Headquarters General Manager (present)	
		October 2017	The Company, Auto Parts Headquarters Production Business Manager (present)	
	Reasons for appointment: Mr. Takashi Sawa is well-versed in administration of the sales divisions of the Auto Parts Headquarters, and has engaged in corporate management as a director since June 2012. Since April 2017 he has been leading the auto parts divisions of the Company as an Executive Managing Director and Auto Parts Headquarters General Manager. For the foregoing reasons, the Company would like him to continue as a director.			

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)		Number of Company shares held
4	Yutaka Yamamoto (March 10, 1962)	April 1984	Joined the Company	4,200
		May 2010	The Company, Auto Parts Engineering Div. Sagamihara Plant Manager and Hiroshima Plant Manager	
		July 2010	The Company, Auto Parts Engineering Div. Sagamihara Plant Manager	
		June 2011	The Company, Purchasing Headquarters Purchase Manager	
		June 2014	The Company, Director (present)	
		June 2015	Tokyo Metal Pack Co., Ltd., Representative Director and President	
		June 2016	The Company, Product Business Dept. Air- Conditioning Equipment Div. Manager (present) The Company, Product Business Dept., Electronic Equipment Div. Manager (present)	
Reasons for appointment: Mr. Yutaka Yamamoto is well-versed in plant administration in the Auto P arts Division, Purchasing Division administration, and air-conditioning equipment and electronic equipment and other administration in the Product Business Division, and since June 2014 has engaged in corporate management as a director. Since June 2016 he has been the General Manager of the Air- Conditioning Equipment Division and Electronic Equipment Div. Manager, and has contributed to improvement of the division’s performance. For the foregoing reasons, the Company would like him to continue as a director.				

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)		Number of Company shares held
5	Yoshinori Tsuyuki (June 9, 1960)	April 1984	Joined the Company	21,200
		April 2006	The Company, General Affairs Manager and Secretariat Office Manager	
		June 2010	Director, the Company (present)	
		June 2011	The Company, General Affairs and Human Resources Manager and Secretariat Office Manager	
			The Company, Foreign Operations Dept. Asia Manager	
		February 2012	TOPRE (XIANGYANG) AUTOPARTS CORPORATION, Chairman	
		April 2013	The Company, General Affairs and Human Resources Manager and Human Resource Development General Manager	
		June 2014	TOPRE (FOSHAN) AUTOPARTS CORPORATION, Chairman and President	
		October 2017	The Company, Purchasing Headquarters General Manager (present)	
	Reasons for appointment: Mr. Yoshinori Tsuyuki has held the positions General Affairs Manager and Secretariat Office Manager, and since June 2010 has engaged in corporate management as a director. In June 2014, he became the Chairman and President of TOPRE (FOSHAN) AUTOPARTS CORPORATION, a consolidated subsidiary, and gained experience and knowledge as a corporate manager. He is currently the Purchasing Headquarters General Manager, implementing global cost management through concentrated purchasing and contributing to improved performance at the Company and all Group companies. For the foregoing reasons, the Company would like him to continue as a director.			

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)		Number of Company shares held
6	Ryosuke Furusawa (February 25, 1957)	April 1980	Joined the Company	8,400
		April 2009	The Company, Auto Parts Engineering Div. Manager belonging to Engineering Div.	
		July 2012	The Company, Auto Parts Engineering Div. Technology General Manager	
		April 2013	The Company, Auto Parts Headquarters Engineering Div. Technology General Manager	
		June 2013	The Company, Director (present)	
		October 2013	The Company, Auto Parts Headquarters Foreign Operations Dept. Asia Manager	
		June 2016	The Company, Quality Headquarters General Manager	
			The Company, Auto Parts Headquarters Production Dept. Manager, and Quality Control Manager	
		January 2017	The Company, Quality Headquarters Quality Assurance Dept. 1 Manager and Quality Assurance Dept. 2 Manager	
		October 2017	The Company, Quality Headquarters General Manager (present)	
Reasons for appointment: Mr. Ryosuke Furusawa has served as Manager of the Technology Department in the auto parts division of the Company, and since June 2013 has engaged in corporate management as a director. He is currently the General Manager of Quality Headquarters, and with his wealth of technical experience and strong expertise which he gained in the auto parts division, he leads the quality improvement activities of the Company not only in the auto parts division, but also in the temperature-controlled logistics-related division, the air-conditioning equipment division and the electronic equipment division. For the foregoing reasons, the Company would like him to continue as a director.				

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)		Number of Company shares held
7	Kiminari Imaizumi (January 21, 1958)	April 1981 July 2006	Joined the Company The Company, Human Resources Dept. Manager	10,000
		November 2009 June 2010 June 2014 May 2015 June 2016 April 2017 October 2017 February 2018 (Important concurrent position)	The Company, Foreign Operations Dept. China Preparatory Office Manager TOPRE (FOSHAN) AUTOPARTS CORPORATION, Chairman and President The Company, Director (present) The Company, Administrative Headquarters Human Resource Development General Manager and Management Manager The Company, Administrative Headquarters Global Production Manager The Company, Administrative Headquarters Information System Dept. Manager (present) The Company, Administrative Headquarters Administrative Reform Promotion Dept. Manager (present) The Company, Administrative Headquarters Health and Safety Dept. Manager The Company, Auto Parts Headquarters Manager (in charge of Topre Tokai) (present) Topre Tokai Corporation, Representative Director and President (present) Topre Tokai Corporation, Representative Director and President (present)	
Reasons for appointment: Mr. Kiminari Imaizumi has served as the Human Resources Dept. Manager, Foreign Operations Dept. China Preparatory Office Manager and the Chairman and President of TOPRE (FOSHAN) AUTOPARTS CORPORATION, a consolidated subsidiary, and since June 2014 has engaged in corporate management as a director. He is currently the Company, Auto Parts Headquarters Manager and in charge of Topre Tokai Corporation, a consolidated subsidiary, and concurrently serves as the President of said company, implementing measures to improve its performance on the basis of experience as a corporate manager at the overseas subsidiary and his wealth of experience in the administrative division. For the foregoing reasons, the Company would like him to continue as a director.				

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)		Number of Company shares held
8	Katsuro Harata (May 31, 1958)	April 1977	Joined the Company	6,900
		July 2001	The Company, Cold Storage Equipment Div. Tochigi Plant Manager	
		June 2006	Tokyo Kinzoku Industry Co., Ltd., Representative Director and President (resigned December, 2011)	
		April 2007	The Company, Cold Storage Equipment Div. Tochigi Plant Manager	
		December 2011	The Company, Cold Storage Equipment Div. Hiroshima Plant Manager and Auto Parts Engineering Div. Hiroshima Plant Manager	
		April 2013	The Company, Merchandise Headquarters Cold Storage Equipment Div. Tochigi Plant Manager	
		June 2013	Tokyo Kinzoku Industry Co., Ltd., Representative Director and President (present)	
		June 2016	The Company, Director (present) The Company, Product Business Department Cold Storage Equipment Div., Deputy Manager	
		April 2017	The Company, Product Business Department Cold Storage Equipment Div. Manager (present)	
		(Important concurrent position)	Tokyo Kinzoku Industry Co., Ltd., Representative Director and President	
Reasons for appointment: Mr. Katsuro Harata has served as the Tochigi Plant Manager and Hiroshima Plant Manager for the cold storage equipment division of the Company, is well-versed in the reefer business of the Company, and since June 2016 has engaged in corporate management as a director. He is currently the General Manager of the Cold Storage Equipment Division of the Product Business Department, quickly responding to recent increasing demand in the reefer market, expanding and strengthening plant and production capacity, and contributing to improved performance enhancement of this business. For the foregoing reasons, the Company would like him to continue as a director.				

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)		Number of Company shares held
9	Masao Ohsaki (August 17, 1961)	April 1985	Joined the Company	5,100
		July 2012	The Company, Auto Parts Engineering Div. Manager belonging to Technology Dept.	
		April 2013	The Company, Auto Parts Headquarters Engineering Div. Manager belonging to Technology Dept.	
		June 2016	The Company, Director (present) The Company, Auto Parts Headquarters Engineering Div. Technology Dept. Manager (present)	
		April 2017	The Company, Auto Parts Headquarters Engineering Div. Manager (present)	
	Reasons for appointment: Mr. Masao Ohsaki has served as the Technology Department General Manager for the auto parts division, is well-versed in plastics processing technology, which is a core technology of the Company, and since June 2016 has engaged in corporate management as a director. He is currently Auto Parts Headquarters Engineering Division Manager and Technology Department Manager; through his efforts at further deepening the Company's core technologies, he has contributed to the Company's ability to respond reliably to customer needs and to improvement of the auto parts business. For the foregoing reasons, the Company would like him to continue as a director.			

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)		Number of Company shares held
10	Hideo Shimizu (July 16, 1963)	April 1986	Joined the Company	5,300
		July 2008	The Company, Auto Parts Engineering Div. Production and Management Manager	
		January 2010	The Company, Auto Parts Engineering Div. Manager belonging to Production and Management	
		April 2013	Topre America Corporation, Representative Director and President (present)	
		June 2016	The Company, Director (present) The Company, Auto Parts Headquarters, Foreign Operations Dept., North America Manager (present)	
		(Important concurrent position)	Topre America Corporation, Representative Director and President	
Reasons for appointment: Mr. Hideo Shimizu has served as the Company, Auto Parts Engineering Div. Production and Management Manager and as Topre America Corporation, a consolidated subsidiary, Representative Director and President, and since June 2016 has engaged in corporate management as a director. Currently, as Director and President of Topre America Corporation, he has made that company grow to be the largest production base in the Group; he has overseen further capital investment in the North American plants, including Topre Auto Parts Mexico, S.A. de C.V., a consolidated subsidiary which he leads, and has contributed to improved performance in the Company's auto parts division. For the foregoing reasons, the Company would like him to continue as a director.				

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)		Number of Company shares held
11	Tsuyoshi Takada (July 28, 1972)	April 2000	Admitted as an attorney Torikai Law Office	0
		May 2007	Maruetsu Inc., Outside Corporate Auditor (present)	
		June 2007	The Company, Corporate Auditor	
		June 2013	Doctors for Anti-Aging Support Corporation, Outside Corporate Auditor (present)	
		June 2015	The Company, Director (present)	
		January 2016	Established Wadakura Gate Law Office (present)	
		(Important concurrent positions)	Wadakura Gate Law Office, Attorney Maruetsu Inc., Outside Corporate Auditor Doctors for Anti-Aging Support Corporation, Outside Corporate Auditor	
	Reasons for appointment: Mr. Tsuyoshi Takada brings the professional perspectives as an attorney and has strong knowledge about corporate legal affairs; at Board of Directors meetings he serves to monitor management by expressing opinions from an objective and neutral standpoint, independent from the other executive officers of the Company. For the foregoing reasons, for the sustained enhancement of the corporate value of the Company, the Company has determined that he is an appropriate appointment and would like him to continue as a director.			

Candidate number	Name (Date of birth)	CV, positions, responsibilities and major concurrent position(s)	Number of Company shares held
12	Naoshi Ogasawara (August 19, 1965)	<p>April 1989 Joined The Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>December 1991 Joined Grant Thornton Taiyo Inc. (currently Grant Thornton Taiyo Accounting Service Inc.)</p> <p>August 1992 Registered as a certified public accountant</p> <p>April 2007 Grant Thornton Taiyo ASG Inc. Representative Member (currently Grant Thornton Taiyo Accounting Service Inc.)</p> <p>October 2008 Representative, Avantia GP. (present)</p> <p>April 2010 Director, Center for National University Finance and Management (currently National Institution for Academic Degrees and Quality Enhancement of Higher Education) (present)</p> <p>June 2016 Tsuzuki Denki Co., Ltd., Outside Corporate Auditor (present)</p> <p>(Important concurrent positions) The Company, Director (present)</p> <p>Representative, Avantia GP.</p> <p>Director, National Institution for Academic Degrees and Quality Enhancement of Higher Education</p>	0
Reasons for appointment: Mr. Naoshi Ogasawara has a wealth of experience and strong knowledge relating to finance and accounting, which he cultivated as a certified public accountant; at Board of Director meetings he serves to monitor management by expressing opinions from an objective and neutral standpoint independent from the other executive officers of the Company. For the foregoing reasons, for the sustained enhancement of the corporate value of the Company, the Company has determined that he is an appropriate appointment and would like him to continue as a director.			

Notes

1. There are no special interests between any of the director candidates and the Company.
2. Mr. Tsuyoshi Takada and Mr. Naoshi Ogasawara are candidates for outside director.
3. Mr. Takada is currently an outside director of the Company, and he will have served as an outside director for three years by the end of the General Meeting. He was an outside auditor of the Company before he took office as an outside director, serving as an outside auditor for eight years.
4. Mr. Ogasawara is currently an outside director of the Company, and he will have served as an outside director for two years by the end of the General Meeting.
5. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has executed agreements with Mr. Takada and Mr. Ogasawara under which their liability for damages under Article 423, Paragraph 1 of the same act is limited to the minimum liability amount set forth in Article 425, Paragraph 1 of the same act. If the reappointment of two candidates is approved, the Company intends to continue such agreements with them.
6. Mr. Takada and Mr. Ogasawara satisfy the requirements for independent officers pursuant to the regulations of the Tokyo Stock Exchange, and thus, the Company intends to file notifications to the effect that they will continue as independent officers.
7. The “Number of Company shares held” includes equity interests in the Officer Shareholders’ Association.

Proposal No. 3: Appointment of one Auditor

The term of Mr. Koichi Kitagawa as auditor will expire at the end of this General Meeting, and thus the Company wishes to appoint one auditor.

The submission of this proposal has been approved by the Board of Auditors.

The auditor candidate is as follows.

Name (Date of birth)	CV, positions and important concurrent positions		Number of Company shares held
Koichi Kitagawa (June 10, 1950)	February 1970	Joined the Company	15,600
	April 1996	The Company, CP Center Manager	
	October 2002	The Company, North America Plant Preparation Office Manager	
	October 2003	Topre America Corporation, Vice President	
	June 2010	The Company, General Affairs Department Associated Manager	
	June 2010	The Company, Full-time Auditor (present)	
Reasons for appointment: Since joining the Company, Mr. Koichi Kitagawa engaged primarily in the administration of the finance and profit-loss management division, and was the Vice President and Financial Manager of Topre America Corporation, a consolidated subsidiary. Putting such experience to use, he took office as auditor in June 2010, and has been striving to enhance the management supervision and audit functions and improve corporate governance. For the foregoing reasons, the Company has determined that he has a wealth of experience and knowledge about supervising and auditing the management of the Company, and wishes that he continue as an auditor.			

Note

There are no special interests between the auditor candidate and the Company.

End

(Attached Materials)

Business Report

(From April 1, 2017 to March 31, 2018)

1. Current Condition of the Business Group

(1) Business Developments and Results of Operations

Reviewing the consolidated operating results of the Topre Group (the “Group”) for the consolidated fiscal term, net sales were 191,189 million yen, an increase of 27,821 million yen (17.0% increase) over the preceding fiscal year, while operating income was 23,738 million yen, an increase of 3,307 million yen (16.2% increase) over the preceding fiscal year. Ordinary income was 24,665 million yen, an increase of 4,987 million yen (25.3% increase) from the preceding fiscal year. As a result, net income attributable to shareholders of the parent company was 16,887 million yen, an increase of 3,232 million yen (23.7% increase) over the preceding fiscal year.

Next, I would like to report on sales by business segment

< Press-related Products Business >

In the automotive field, domestic operations remained solid, while overseas, automobile production was strong in the U.S., Mexico and China, and mass production of parts for new models at Topre (Thailand) Co., Ltd. and elsewhere remained robust; accordingly, overall sales were up from the preceding fiscal year. As a result, net sales for press-related products business overall reached 130,106 million yen, an increase of 20,430 million yen (18.6% increase) over the preceding fiscal year. Segment operating income totaled 14,937 million yen, up 1,684 million yen (12.7% increase) compared to the prior fiscal year.

< Temperature Controlled Logistics-Related Business >

In the refrigerated vehicles area, due to strength in the delivery truck market and a last-minute increase in demand in anticipation of tighter emission regulations, midsize and large vehicles remained strong, and orders and output exceeded year-earlier levels. As a result, net sales for all of the temperature- controlled logistics-related business rose to 51,985 million yen, up 6,737 million yen (14.9% increase) year-on-year. Segment operating income grew to 7,773 million yen, an increase of 1,421 million yen (22.4% increase).

< Other Business >

In the air-conditioning equipment area and the electronic equipment area, industrial fans, residential ventilation systems, and RealForce keyboard products recorded strong sales. As a result, total net sales for Other Business was 9,097 million yen, up 653 million yen (7.7% increase) year-on-year, while segment operating income, reflecting the effects of the merger of subsidiaries in the air-conditioning equipment area and streamlining in the electronic equipment area, totaled 1.028 billion yen, a gain of 203 million yen (24.6% increase) year-on-year.

Looking ahead at the future business environment affecting the Group, in regard to the economy in Japan, with government policies aiming to facilitate both economic revitalization and fiscal health, a gradual recovery is expected to continue against a backdrop of improvement in employment and income. Nonetheless, due to uncertainty in overseas economies and fluctuations in financial and capital markets, the outlook remains unclear.

In this environment, in the press-related products business, although sales of automobiles in Japan have seen the effects of new vehicles run their course, a gradual economic expansion is expected to

keep domestic demand roughly flat, and we are seeing synergies in various areas from the partnership with Marujun Co., Ltd., with whom we signed a capital and business alliance on May 11, 2017; given these and other factors, sales are expected to exceed year-earlier levels.

In the North American region, financial institutions in the U.S. continue to have strict policies on auto loan lending and thus new-vehicle sales are unlikely to record a sharp increase; in Mexico, however, solid domestic demand for automobiles is keeping Topre Autoparts Mexico, S.A. de C.V. strong, and its sales are projected to top the level of a year earlier.

Turning to the Asian region, in China, personal consumption continues to show signs of recovery; although a decline in auto demand with the end of reduced taxes on small cars and tighter environmental regulations are expected to work to weaken the economy, increased exports, strong infrastructure investment and growing real estate sales are leading to a general rebounding trend in economic growth rates, and sales are expected to be somewhat stronger than a year before. With solid output of parts for new auto models, for which full-scale production began in 2017 and other factors, TOPRE (THAILAND) CO., Ltd. is expected to continue showing strong performance. With respect to income, depreciation of new equipment, which is expected to rise both in and outside Japan, and preparation expenses for new equipment slated to be installed, are expected to push operating income lower. Topre India Private Limited, which was formed in February 2017, will incur expenses related to its establishment but it is thought that this will have a limited impact on consolidated earnings.

Turning to the temperature-controlled logistics-related business, demand for small reefers for parcel delivery businesses is expected to remain solid; however, demand for replacing mid-to large vehicles ahead of the 2017 implementation of stricter emissions regulations has run its course, and thus orders and production are projected to fall below the year-earlier levels.

Looking at our other business, in the air conditioning equipment area, with respect to home ventilation systems, low interest rates, which have supported housing investment, are continuing; however, against the backdrop of the emerging problem of subleases and concerns about oversupply as shown in rising vacancy rates for rentals, housing business is somewhat weakening. Still, a pick-up in corporate capital expenditures is expected to continue, and thus the air conditioning equipment area as a whole is expected to show strength that exceeds the year-earlier level. In the electronic equipment area, RealForce keyboard products, which in fiscal 2017 underwent their first makeover in about 16 years, have gained an even more favorable reputation among high-end users, and sales are expected to remain strong.

Looking ahead, we will further strengthen the foundations of our production bases in Japan, and to meet the needs arising from overseas business, which is expected to expand at an increasing pace from this point forward, the Group will further build up its global manufacturing and sales structure, thereby expanding business and increasing profitability in future overseas markets.

In this way, we are working to earn the continued support and encouragement of our shareholders.

Net Sales by Business Segments

(Million yen)

Business Segment	Consolidated fiscal year under review			Prior consolidated fiscal year	
	Amount	Percent of sales (%)	Change (%)	Amount	Percent of sales (%)
Press-Related Products Business	130,106	68.1	18.6	109,676	67.1
Temperature Controlled Logistics-Related Business	51,985	27.2	14.9	45,248	27.7
Other Business	9,097	4.7	7.7	8,444	5.2
Total	191,189	100.0	17.0	163,368	100.0

(2) Capital Expenditures

During the consolidated fiscal year under review, the Group's capital expenditures totaled 25,454 million yen. Major capital expenditures are as follows:

① Major capital expenditures completed during the consolidated fiscal year under review

Press-related Products Business

- Dies and molds and assembly production equipment (Topre Corporation)
- Dies and molds and assembly production equipment (Topre Kyushu Corporation)
- Dies and molds and assembly production equipment (Topre Tokai Corporation)
- Dies and molds (TOPRE (THAILAND) CO., LTD.)
- Building and assembly production equipment (Topre America Corporation)
- Assembly production equipment (Topre Autoparts Mexico, S.A. de C.V.)

Temperature Controlled Logistics-Related Business

- Assembly production equipment (Topre Corporation)

② Major capital expenditures continuing during the consolidated fiscal year under review

Press-related Products Business

- Dies and molds and assembly production equipment (Topre Corporation)
- Building, dies and molds and assembly production equipment (Topre Kyushu Corporation)
- Building, dies and molds and assembly production equipment (Topre Tokai Corporation)
- Dies and molds and assembly production equipment (Topre(Foshan) Autoparts Corporation)
- Building and assembly production equipment (Topre America Corporation)
- Assembly production equipment (Topre Autoparts Mexico, S.A. de C.V.)

Temperature Controlled Logistics-Related Business

- Building (Topre Corporation)

(3) Financing

During the consolidated term under review, a short-term loan for 1,510 million yen and a long-term loan of 4,163 million yen were obtained from a financial institution as funding for the press-related products business.

(4) Acquisition or Disposition of Other Company Shares or Other Equity or Share Warrants

N/A

(5) Challenges

The Group unveiled its 14th Medium-Term Management Plan for the fiscal years 2017 to 2019, and is implementing its basic policies with the vision of “Continue to submit proposals that customer needs and make it as foundation for growth”. Under this plan, the numerical targets for fiscal year 2019, which is the final year of the plan, are consolidated sales of 200 billion yen, consolidated operating profit of 24 billion yen and ROE of 11.0%. While accelerating globalization and keeping an eye on market trends, the Group will respond flexibly to the rapidly changing external environment and continue with further growth and expansion of the Group’s business.

14th Medium-Term Management Plan Vision: Continue to submit proposals that customer needs and make it as foundation for growth.

14th Medium-Term Management Plan Policies:

- ① Have a customer perspective, continue to issue technological innovations and proposals to make customers competitive
- ② Establish standardization of plant management in preparation for entering the new base (Packaging)
- ③ Promote the growth of employee, develop human resource with anticipation on future management executive
- ④ Pursue quality No.1 in the industry

In Japan, we will build more plant buildings at Topre Tokai Corporation to accommodate new orders and strengthen our production capacity. We also foresee synergies in various fields through our collaboration with Marujun Co., Ltd., with which we entered into capital alliance on May 11, 2017. Overseas, Topre America Corporation and Topre Autoparts Mexico, S.A. de C.V. have decided to make additional capital expenditure for their respective bases towards a goal of operation in 2020; these measures are designed to expand and strengthen their manufacturing bases for press parts in order to respond to the steadily growing U.S. automobile market. In addition, Topre India Private Limited, which was established in February 2017, has decided to build a new plant in anticipation of future expansion of automobile production in India.

In the temperature controlled logistics-related business, although there may be a surge of last-minute demand before the on gas emission are introduced, we are working to expand our service network to enable maintenance and other services that respond to the solid market of delivery truck and the diverse requirements of our customers.

The Topre Group is working to strengthen the foundations of its production bases in Japan and, at the same time, is aiming to build the global manufacturing and sales organization needed to meet the requirements of overseas expansion, which in the future is projected to continue at an increasing pace, in order to accelerate business expansion and profitability in overseas markets.

(6) Changes in Assets and Income

Item	Unit	120 th Term ended March 2015	121 st Term ended March 2016	122 nd Term ended March 2017	123 rd Term ended March 2018 (Term under review)
Net Sales	Million yen	120,567	145,390	163,368	191,189
Ordinary Income	Million yen	16,576	15,391	19,678	24,665
Net Income of Shareholders of Parent Company	Million yen	10,347	10,428	13,655	16,887
Net Income Per Share	Yen	206.63	208.24	272.75	327.89
Net Assets	Million yen	105,062	113,284	126,111	148,695
Total Assets	Million yen	158,613	172,289	192,179	217,669

Note: Net income per share was calculated based on the average number of outstanding shares (number of shares less number of treasury shares) during the term under review. The “Officer Compensation BIP Trust” was introduced in the 122nd Term, and Company shares held by said trust are included in treasury shares for computation.

(7) Material Parent and Subsidiaries

- ① Parent company

N/A

② Material subsidiaries

	Company name	Capital	Company stake	Main business
Domestic	Tokyo Metal Pack Co., Ltd.	Million yen 50	% 100	Surface treatment of metal products
	Toprec Corporation	300	50	Sales of refrigerated vehicles
	Toho Transportation Co., Ltd.	282	50	Transport business
	Topre Kyushu Corporation	100	100	Manufacture of auto parts
	Topre Tokai Corporation	490	100	Manufacture of auto parts
North America	Topre America Corporation	25 (US\$ million)	100	Manufacture of auto parts
	Topre Autoparts Mexico, S.A. de C.V.	327 (Mex\$ million)	100	Manufacture of auto parts
Asia	TOPRE (FOSHAN) AUTOPARTS CORPORATION	2,000	100	Manufacture of auto parts
	TOPRE (XIANGYANG) AUTOPARTS CORPORATION	2,000	100	Manufacture of auto parts
	TOPRE (THAILAND) CO., LTD.	835 (THB million)	100	Manufacture of auto parts

Notes:

1. The Company has 12 consolidated subsidiaries, including the 10 above.
2. The Company conducted an absorption-type merger with Topre Saitama Corporation, a consolidated subsidiary of the Company, effective April 1, 2017, and with Topre Gifu Corporation, a consolidated subsidiary of the Company, effective October 1, 2017.

(8) Main Businesses (as of March 31, 2018)

Business segment	Sales category	Main products
Press-related products business	Automotive	Automotive press products
	Dies and Molds	Press dies and molds, resin dies and molds, tools
Temperature controlled logistics-related business	Refrigeration Equipment	Manufacture, sale and construction of reefer containers, refrigeration equipment, chillers and refrigerators, temperature controlled warehousing and logistic centers, etc.
	Refrigerated Transport	
Other business	Air-conditioning Equipment	Vavcon, fans, clean room equipment, residential ventilation systems
	Electronic Equipment	Keyboards, card readers, touch screens
	Other	Surface treatment business

(9) Major Offices and Plants (as of March 31, 2018)

Domestic	Topre Corporation	Head Office	Chuo-ku, Tokyo
		Sagamihara Office	Chuo-ku, Sagamihara-shi, Kanagawa
		Hiroshima Office	Higashi Hiroshima-shi, Hiroshima
		Tochigi Office	Kaminokawa-machi, Kawachi-gun, Tochigi
		Gifu Office	Kawabe-cho, Kamo-gun, Gifu
	Tokyo Metal Pack Co., Ltd.	Saitama Plant	Tokigawa-cho, Hiki-gun, Saitama
		Head Office Plant	Chuo-ku, Sagamihara-shi, Kanagawa
	Toprec Corporation	Head Office	Chuo-ku, Tokyo
		Saitama Service Center	Kawaguchi-shi, Saitama
		Atsugi Service Center	Isehara-shi, Kanagawa
		Osaka Service Center	Settsu-shi, Osaka
	Toho Transportation Co., Ltd.	Kyoto Service Center	Kyoto-shi, Kyoto
		Head Office	Chuo-ku, Sagamihara-shi, Kanagawa
	Topre Kyushu Corporation	Kaneda Logistics Center	Atsugi-shi, Kanagawa
		Head Office Plant	Kurume-shi, Fukuoka
North America	Topre Saitama Corporation	Engineering Center	Kurume-shi, Fukuoka
		Head Office Plant	Tokigawacho, Hikigun, Saitama
	Topre Tokai Corporation	Toin Head Office Plant	Toincho, Inabe-gun, Mie
		Yokkaichi Plant	Yokkaichi-shi, Mie
	Topre America Corporation	Suzuka Plant	Suzuka-shi, Mie
		Head Office Plant	Alabama, U.S. A.
	Topre Autoparts Mexico, S.A. de C.V.	Head Office Plant	Queretaro, Mexico
		Head Office Plant	Guangdong Prov, China
	Asia	TOPRE (FOSHAN) AUTOPARTS CORPORATION	Hubei Prov, China
		TOPRE (XIANGYANG) AUTOPARTS CORPORATION	Samut Prakarn, Thailand
		TOPRE (THAILAND) CO., LTD.	Banten, Indonesia
	PT. TOPRE REFRIGERATOR INDONESIA	Head Office Plant	
		Head Office Plant	

(10) Employees (as of March 31, 2018)

① Group employees

Business segment	Number of employees	Change from a year earlier
Press-related business	2,709	217
Temperature controlled logistics-related business	885	68
Other business	262	-3
Total	3,856	282

Notes:

Employee numbers do not include temporary employees or employees on probation.

② Company's employees

Number of employees		Change from a year earlier	Average age	Average length of service (years)
Male	1,369	234	37.9	15.1
Female	83	16	33.0	9.5
Total or average	1,452	250	37.6	14.8

Note: Employee numbers do not include temporary employees or employees on probation.

(11) Main Lenders (as of March 31, 2018)

Lender	Loan balance
Resona Bank, Ltd.	1,983 Million Yen 3 Million US Dollars
Mitsubishi UFJ Trust and Banking Corporation	1,775 Million Yen 3 Million US Dollars
Mizuho Bank, Ltd.	375 Million Yen 1.6 Million US Dollars 70 Million RMB

Note: The settlement date for overseas subsidiaries is Dec 31; accordingly, the loan balances are as of Dec 31.

(12) Other Important Matters Concerning the Current Situation of the Group

Absorption-type merger of consolidated subsidiary

The Company at a meeting of its Board of Directors held on July 14, 2017, resolved to implement an absorption-type merger whereby the Company would be the surviving company and Topre Gifu Corporation, a consolidated subsidiary of the Company, the disappearing company. The merger was carried out on October 1, 2017.

2. Company Shares (as of March 31, 2018)

- (1) **Total number of shares authorized to be issued** 81,240,000 shares
- (2) **Total number of outstanding shares** 52,585,404 shares (excluding 1,436,420 treasury shares)
- (3) **Number of shareholders** 4,145
- (4) **Major Shareholders**

Shareholder	Shares	Shareholding ratio
	Thousands of shares	%
Japan Trustee Services Bank, Ltd. (trust account)	2,900	5.51
Resona Bank, Ltd.	2,493	4.74
Mitsubishi UFJ Trust and Banking Corporation	2,491	4.73
The Master Trust Bank of Japan, Ltd. (trust account)	2,234	4.24
Nippon Life Insurance Company	2,135	4.06
Naoko Ishii	1,951	3.71
Sumitomo Life Insurance Company	1,429	2.71
Kyohei Ishii	1,418	2.69
Topre Corporation Client Stock Ownership	1,404	2.67
Mizuho Bank, Ltd. (trust account)	1,265	2.40

Note 1: The Company owns 1,436,420 treasury shares; however, because these treasury shares are without voting rights, the Company is excluded from the above list of major shareholders. The 1,436,420 treasury shares do not include the 106,850 Company shares owned by the Officer Compensation BIP Trust Account. The shareholding ratios are calculated without treasury shares.

Note 2: Mr. Kyohei Ishii (the Company, former Director and Supreme Adviser), one of the above-listed major shareholders, passed away on January 18, 2018, but because the procedures for change of name had not been completed as of March 31, 2018, his name is still listed in the shareholders' registry as of the date hereof.

(5) Other Important Matters Concerning Shares, etc.

N/A.

3. Matters Concerning the Company Share Warrants

Important matters concerning share warrants

With respect to the Series 2, 130% Call Option Unsecured Convertible Bonds with Share Warrants of Topre Corporation issued on October 1, 2014, requirements for the 130% call option provision pursuant to Paragraph 11, Item (5) in the Bond Terms were met on July 19, 2017 and the right to redeem the entire balance of the Bonds before maturity at 100 yen per 100 yen par value of a Bond has accrued with the Company. The Company decided to exercise such right on July 19, 2017, and redeemed the entire balance of the Bonds on October 2, 2017.

4. Company Officers

(1) Directors and Corporate Auditors (as of March 31, 2018)

Position	Name	Responsibilities at the Company, and major concurrent position(s)
President (Representative Director)	Shinichiro Uchigasaki	Product Business General Manager
Executive Managing Director (Representative Director)	Kunikazu Matsuoka	Administrative Headquarters General Manager
Executive Managing Director	Yoshiharu Yukawa	Auto Parts Headquarters General Manager and Domestic Affiliated Company Manager Topre Kyushu Corporation Representative Director and President Tokyo Multifastener Co., Ltd. Representative Director and Vice President
Executive Managing Director	Takashi Sawa	Auto Parts Headquarters General Manager, Sales Manager, Production Business Dept. Manager, and Foreign Operations Dept. Asia Manager
Director	Akinori Nushi	Development General Manager
Director	Yoshinori Tsuyuki	Purchasing General Manager
Director	Ryosuke Furusawa	Quality General Manager
Director	Kiminari Imaizumi	Auto Parts Headquarters (in charge of Topre Tokai) Administrative Headquarters Information System Dept. and Administrative Reform Promotion Dept. Manager Topre Tokai Corporation, Representative Director and President
Director	Yutaka Yamamoto	Product Business Dept. Air Conditioning Equipment Div. Manager, and Electronic Equipment Div. Manager
Director	Katsuro Harata	Product Business Dept. Cold Storage Equipment Div. Manager Tokyo Kinzoku Industry Co., Ltd. Representative Director and President
Director	Masao Ohsaki	Auto Parts Headquarters Engineering Div. Manager and Technology Manager
Director	Hideo Shimizu	Topre America Corporation Representative Director and President Auto Parts Headquarters Foreign Operations Dept. North America Manager
Director	Tsuyoshi Takada	Wadakura Gate Law Office, Representative Partner and Attorney Maruetsu Inc. Outside Corporate Auditor Doctors for Anti-Aging Support Corporation Outside Supervisor
Director	Naoshi Ogasawara	Avantia GP, Legal Representative National Institution for Academic Degrees and Quality Enhancement of Higher Education Part-Time Supervisor TSUZUKI DENKI CO., LTD. Outside Corporate Auditor
Full-time Corporate Auditor	Koichi Kitagawa	

Position	Name	Responsibilities at the Company, and major concurrent position(s)
Corporate Auditor	Jun Watanabe	Watanabe Law Office, Attorney
Corporate Auditor	Kazuaki Hosoi	Hosoi Accounting Office CPA, Certified Public Tax Accountant Fujikura Rubber Industry K. K. Outside Corporate Auditor Nippon Denko Co., Ltd. Outside Director

Notes:

1. Director and Supreme Adviser Kyohei Ishii passed away on January 18, 2018 and retired from the position. He did not have another important position.
2. Director Tsuyoshi Takada and Naoshi Ogasawara are outside directors.
3. Corporate Auditors Jun Watanabe and Kazuaki Hosoi are outside corporate auditors.
4. The Company has determined that Director Tsuyoshi Takada, Director Naoshi Ogasawara, Corporate Auditors Jun Watanabe and Kazuaki Hosoi do not have any conflicts of interest with general shareholders and are highly independent, and has appointed the four men as independent officers pursuant to the provisions of the Tokyo Stock Exchange and made notification with the TSE.
5. Corporate Auditor Kazuaki Hosoi is a certified public accountant and a certified public tax accountant, who possesses a considerable level of knowledge concerning finance and accounting.
6. In accordance with the stipulations of Paragraph 1, Article 427 of the Companies Act, the Company and all outside directors and corporate auditors have entered into agreements limiting their liability to compensate the Company for damage pursuant to Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as set forth in Article 425, Paragraph 1 of the Companies Act.

(2) Director and Corporate Auditor Compensation

Category	Number	Compensation	Note
Directors	15	276 million yen	(includes 2 outside director: 18 million yen)
Corporate Auditors	3	35 million yen	(includes 2 outside corporate auditors: 15 million yen)
Total	18	311 million yen	

Notes:

1. Director compensation includes bonuses pertaining to the fiscal year under review, and does not include the employee portion of salary for directors who also have employee positions.
2. The Company recorded 4 million yen in provision of reserves for two directors (directors who live overseas) for the term under review with respect to the performance-linked stock compensation approved by the 121st Ordinary General Meeting of Shareholders held June 28, 2016.
3. In addition to the foregoing, the Company recorded 4 million yen in provision of reserves for one director who retired during the term under review with respect to the performance-linked stock compensation approved by the 121st Ordinary General Meeting of Shareholders held June 28, 2016.
4. In addition to the foregoing, the Company recorded 22 million yen in provision of reserves for 12 directors (excluding outside directors and those who live overseas) for the term under review with respect to the performance-linked stock compensation approved by the 121st Ordinary General Meeting of Shareholders held June 28, 2016.

(3) Policy Regarding Decisions on Company Officer Compensation Amounts or Calculation Method

① Basic Policy

The Company has the following policies with respect to the determination of officer compensation amounts.

- (1) Compensation plan that enhances directors' work performance motivation
- (2) Compensation plan linked to corporate performance
- (3) Compensation plan that is commensurate with director roles and responsibilities

In accordance with these policies, director compensation is comprised of base compensation, compensation linked to short-term corporate performance and compensation linked to medium- to long-term corporate performance. Corporate auditor compensation consists only of base compensation.

② Director Compensation

Types of Compensation	Description
Base compensation	Monthly director compensation is determined through discussions by the Compensation Committee, which is a non-statutory decision-making body made up of representative directors and outside directors; an independent compensation amount is respectively determined for each individual.
Compensation linked to short-term corporate performance	Bonuses linked to performance in a fiscal year are determined through discussions by the Compensation Committee, which is a non-statutory decision-making body made up of representative directors and outside directors, taking into consideration each director's contribution to corporate performance and other factors; an independent compensation amount is respectively determined for each individual.
Compensation linked to medium- to long-term corporate performance	Company shares, etc. are issued based on the cumulative number of points rewarded according to the level of achievement of performance targets for each fiscal year.

Compensation for outside directors consists solely of base compensation, which is not linked to corporate performance, from the perspective of their performing the function of supervising management from a position independent from the execution of business.

③ Corporate Auditor Compensation

An independent compensation amount is respectively determined for each individual through consultations by Corporate Auditors. From the perspective of their performing the function of auditing the directors' execution of their duties, corporate auditors are not paid performance-linked compensation.

(4) Matters relating to Outside Officers, etc.

① Relationship between the Company and the companies at which outside corporate auditors have concurrent position(s).

Category	Name	Major concurrent position(s)
Director	Tsuyoshi Takada	Wadakura Gate Law Office, Representative Partner and Attorney Maruetsu Inc. Outside Corporate Auditor Doctors for Anti-Aging Support Corporation Outside Auditor
Director	Naoshi Ogasawara	Avantia GP, Legal Representative National Institution for Academic Degrees and Quality Enhancement of Higher Education Part-Time Auditor TSUZUKI DENKI CO., LTD. Outside Corporate Auditor
Corporate Auditor	Jun Watanabe	Watanabe Law Office, Attorney
Corporate Auditor	Kazuaki Hosoi	Hosoi Accounting Office CPA, Certified Public Tax Accountant Fujikura Rubber Industry K. K. Outside Corporate Auditor Nippon Denko Co., Ltd. Outside Director

Note: There are no important transactional or other relationships between the companies at which the outside corporate auditors hold concurrent positions and the Company.

② Relationship with major business partners and specified related businesses

N/A

③ Major activities in the term under review

Category	Name	Major activities
Director	Tsuyoshi Takada	Director Takada attended all of the Board of Directors Meetings held during the term under review, and on the basis of his professional knowledge and experience as an attorney, he expressed his opinion from the perspective of having no interests in the Company.
Director	Naoshi Ogasawara	Director Ogasawara attended all of the Board of Directors Meetings held during the term under review, and on the basis of the experience and knowledge that he has cultivated as a certified public accountant, he expressed his opinion from the perspective of having no interests in the Company.
Corporate Auditor	Jun Watanabe	Corporate Auditor Watanabe attended all of the Board of Directors Meetings and all of the Board of Auditors Meetings held during the term under review, and on the basis of his experience and knowledge as a legal expert that he has cultivated as prosecutor and attorney, he expressed his opinion from the perspective of having no interests in the Company.
Corporate Auditor	Kazuaki Hosoi	Corporate Auditor Hosoi attended all of the Board of Directors Meetings and all of the Board of Auditors Meetings held during the term under review, and on the basis of his experience and knowledge as a certified public accountant and tax accountant, he expressed his opinion from the perspective of having no interests in the Company.

5. Independent Auditor

(1) Name of independent auditor

Grant Thornton Taiyo LLC

(2) Summary of limitation on liability agreements

N/A

(3) Amount of compensation, etc. paid to the independent auditor during the term under review

	Payment
Amount of compensation, etc. paid to the independent auditor during the term under review	30 million yen
Total amount of money and other property interests payable to the independent auditor by the Company and its subsidiaries	30 million yen

Notes:

1. Because in the contract between the Company and the independent auditor no clear distinction is made between the amounts of compensation for auditing under the Companies Act and for auditing under the Financial Instruments and Exchange Act, and in actuality such a distinction is not possible, the amounts shown above are the total compensation for the two.
2. The Board of Corporate Auditors made the necessary verification of whether the content of the audit plan, status of performance of audit, and grounds for calculating compensation estimates were appropriate, and having done so, judged the amount of compensation for the independent auditor to be appropriate.
3. Some of the overseas subsidiaries of the Company are subject to audit by an independent auditor other than the Company's independent auditor.

(4) Policy regarding decisions on dismissal or non-reappointment of the independent auditor

If the independent auditor has not properly carried out its duties as an independent auditor or has otherwise been negligent in its duties or engaged in misconduct unsuitable as an independent auditor, and the Company believes that its remaining as the company's independent auditor would be a major obstacle for the Company, the Board of Corporate Auditors will dismiss the independent auditor in accordance with the provisions of Article 340 of the Companies Act pursuant to unanimous agreement by Corporate Auditors.

In addition to the case above, if the Board of Corporate Auditors believes the Company's

independent auditor is ill-qualified, the particulars of a proposal for dismissal or non-reappointment will be determined.

6. Company Systems and Policies

(1) Systems for ensuring compliance of the execution of duties by Directors with laws, regulations and the Articles of Incorporation and other systems for ensuring the propriety of business operations

The Company adopted a resolution regarding the said systems at the Board of Directors Meeting as follows.

① Fundamental Principles and Code of Conduct of the Topre Group

The Company has formulated the following Fundamental Principles and Code of Conduct as the basic guidelines to be followed by all officers and employees of the Topre Group in the performance of their duties.

Basic Principles

The Topre Group's mission is to create products and services by maximizing its technical expertise in order to contribute positively to the societies in which it conducts business.

The Group will not only pursue excellence in its economic performance, but also carry out business activities as a group of international companies with the highest ethical standards, which will promote a Topre Group image that will be acknowledged and respected.

This philosophy will guide The Topre Groups domestic and international business actions, while also continuously seeking to enhance the Group's long term prosperity and making positive contributions to the societies in which it is engaged.

Code of Conduct

1. Compliance with Laws, Company Rules, and the Moral Code

We will comply with relevant legislation and regulations when conducting our business. Our company rules have been established as a means of fulfilling our business activities with fairness and transparency. We will also continue to conduct our business in an ethical manner. We have in place an internal reporting system (hotline) to prevent and correct any act that breaches or is suspected of breaching the above.

The management are responsible for taking the initiative in complying with the Code of Conduct to establish a highly ethical corporate culture and for maintaining an internal system to prevent situations that breach the Code of Conduct.

2. Contribution to Society

We will contribute to a safe, convenient, and comfortable society through our products and services.

We respect the culture and values of the countries and communities in which our company is based, and actively involve ourselves in local activities and development.

3. Fair and Equal Relationships

We will continue to establish ethical relationships with our business partners.

We will maintain honest business practices with our partners, subcontractors, suppliers, etc. We will have no relationship whatsoever with anti-social forces, and systematically and firmly respond to any

unreasonable demands.

We will also disclose our corporate activities and operating information in a timely and proper manner so that our investors can make informed investment decisions.

In addition, we will not engage in any fraudulent, unfair or unjust act in the context of our relationship with politics and administration.

4. Respect for Human Rights and Diversity

We will continue to respect all human rights and will never permit any form of discrimination concerning race, beliefs, gender/sexuality, nationality, physical differences, or language or other various forms of harassment.

5. Environmental Protection and Health and Safety

We will continue to promote the “3Rs” (Reduce, Reuse, Recycle) and energy conservation in conducting our business as an environment-friendly corporation.

Also, we ensure the safety and health of our staff members, we have minimized on-the-job accidents and injuries, and we are committed to continuous improvement of working conditions.

6. Company Asset Protection

We will conduct our business ethically and prohibit any private use or misuse of company assets.

Also, we ensure that company-owned information or assets will neither be leaked without following specified procedures nor be used for unauthorized and improper purposes.

Company assets must be acquired, used, or released in a predefined manner and with full authorization. We will neither act for the benefit of a third party nor allow any staff member to act for the benefit of himself/herself or a third party.

In order to create a “compliant corporate culture” and “compliant structures” on the basis of the Group’s Fundamental Principals and Code of Conduct, we have established the following guidelines concerning internal control systems and will continue to endeavor to ensure proper and efficient execution of business.

② Basic Guidelines for the Establishment of Internal Control Systems

Preface

In accordance with the Companies Act and other relevant laws and regulations, the Company has established the following Basic Guidelines for Internal Controls (Basic Guidelines for Systems for Ensuring the Propriety of Business Operations) which it will continue to review and revise in keeping with future business developments and changes in relevant laws and regulations. The Board of Directors of the Company has promulgated these Basic Guidelines to all of the Group’s employees and will work to maintain a corporate environment conducive to the effective functioning of internal controls.

Basic Guidelines for Systems for Ensuring the Propriety of Business Operation

1. Systems to ensure compliance of execution of duties by officers and employees with laws and regulations and the Articles of Incorporation in the Group, including subsidiaries

- 1) The Group officers and employees will strive to understand and implement the Group Fundamental Principals and Code of Conduct.
- 2) The Internal Controls Committee will oversee the development and implementation of internal controls for Group companies and when required will create subcommittees for specific purposes in order to more effectively and smoothly carry out its activities.

- 3) The Audit Department will receive reports from the Compliance Committee on a regular basis and will audit the implementation of compliance procedures.
 - 4) If Group officers or employees know of any violations or potential violations of laws or regulations, they may report them to an “Internal Reporting Contact,” both inside and outside the Group.
 - 5) Every Group officer and employee will steadfastly ensure that any and all relationships with antisocial forces or organizations, which threaten the order and security of civil society, are blocked and eliminated.
- 2. Rules and systems regarding loss risk management etc. in the Group, including subsidiaries**
- 1) Group companies will classify risks associated with its business operations in accordance with its Risk Management Rules and establish units responsible for ongoing monitoring of those risks.
 - 2) In order to deal with risks involving the entire company or multiple units, the Risk Management Subcommittee will coordinate the roles and duties of all involved units.
 - 3) The Audit Department will receive reports on a regular basis from the Risk Management Subcommittee and audit the implementation of risk management at Group companies.
- 3. Systems for ensuring the efficient execution of duties by Directors at the Group including subsidiaries**
- 1) The Company will maintain a system to ensure that business operations are carried out efficiently, through division of duties, approval authority and other rules based on internal regulations at Group companies.
 - 2) The Company has established “Basic Policies” shared by all officers and employees of the Group, and every three years a new Medium-Term Management Plan is formulated in accordance with those policies.
 - 3) Performance targets by term for each business unit are established based on the Medium-Term Management Plan of the entire Group, with actual results reported to the Company’s Board of Directors on a monthly basis; when targets are not achieved, the relevant business unit makes a report analyzing the reasons why and proposing improvement measures.
- 4. Systems to preserve and manage information pertaining to the execution of duties by Directors**
- 1) Information pertaining to the execution of duties by Directors is filed together with related documents in accordance with the Document Management Regulations.
 - 2) If a request is made by a Director or Corporate Auditor to review documents, the relevant documents will be made available at the Head Office within three business days from when the request was made.
- 5. Systems to ensure the propriety of business operations conducted by the corporate group consisting of the Company and its subsidiaries**
- 1) Members of the Internal Control Committee are selected from Group companies and systems are in place to ensure that discussions and information about internal controls are shared and that the communication of directives and requests is done efficiently.
 - 2) The Company’s Directors will receive reports regarding the status of business operations at the board of directors of each subsidiary, and will report the content thereof to the Company’s Board of Directors.
- 6. Matters concerning Group employees when a Corporate Auditor requests Group employees to assist with duties, matters concerning the independence from Directors of such employees, and matters concerning ensuring the effectiveness of instructions by Corporate Auditors to**

such employees

- 1) If the Board of Corporate Auditors requests the placement of employees to assist in its duties, in principle such personnel will be placed within three months.
- 2) The appointment, transfer and performance review of Corporate Auditors' assistants requires a prior report from and consent of the full-time Corporate Auditor.
- 3) Corporate Auditors' assistants will perform their duties as instructed by Corporate Auditors.

7. Systems for Directors and employees to report to Corporate Auditors and other reporting systems to Corporate Auditors

Directors and employees of Group companies and corporate auditors of each subsidiary will report promptly to the Company's Corporate Auditors all matters stipulated in the Internal Control Regulations and other matters important from the standpoint of internal controls.

8. Systems for ensuring that persons who report to the Corporate Auditors are not subject to disadvantageous treatment as a result of such reporting

The companies of the Group do not engage in dismissal or other disadvantageous treatment of officers and employees on the grounds that a report was made to the Company's Corporate Auditors in accordance with the preceding item.

9. Matters relating to procedures for advance payment or reimbursement of expenses arising in relation to the performance of duties by the Corporate Auditors and other policies on processing expenses and debts arising in relation to the performance of those duties

The Company budgets in advance for expenses necessary for the performance of duties by the Company's corporate auditors and reimburses such expenses including expenses incurred on a provisional or emergency basis each time such expenses are incurred.

10. Systems to ensure effective audits by the Corporate Auditors

The Board of Corporate Auditors may at its own discretion engage lawyers, certified public accountants and other professionals in order to obtain advice in regard to its audit work.

11. Systems to ensure proper financial reporting

- 1) The Company prepares and revises as needed the rules etc. relating to its Accounting Regulations based on accounting rules and standards, and promotes their dissemination and understanding, and compliance therewith.
- 2) The Financial Report Oversight Committee, in order to promote proper disclosure of financial reports required by the Financial Instrument Exchanges Act, works to ensure the accuracy and uniformity of operations regarding the accounting, cost and finance operations at all Group companies.

Summary of Operational Status of Systems for Ensuring Propriety of Business Operation

1. Measures relating to compliance

- 1) In order to reinforce compliance by the entire Group, the Compliance Committee met twice during the fiscal year under review and took measures to further raise awareness of compliance by officers and employees. The Committee also investigated, reported on, and monitored the status of implementation of compliance procedures and made improvements when necessary.
- 2) Training and awareness-raising regarding compliance is conducted through periodic training prepared for individual ranks.
- 3) An internal reporting system and consultation hotline were established for Group companies,

and measures are taken to inform employees about these systems and to create an environment that facilitates their use.

- 4) Internal reports that are periodically distributed include information regarding compliance awareness, and measures are taken to inform personnel about laws and regulations as well as internal rules and so on.

2. Measures relating to risk management

- 1) The Risk Management Committee met twice during the fiscal year under review, investigated risks relating to natural disasters, accidents, and overseas business sites, and reviewed management systems concerning those risks.
- 2) Potential risks in each division of Group companies were re-identified and re-evaluated and countermeasures were taken.

3. Measures relating to increasing the appropriateness and efficiency of the execution of duties by directors

- 1) The Board of Directors met 17 times during the fiscal year under review, made decisions regarding matters specified by laws, regulations, and the Articles of Incorporation as well as significant matters such as business plans and profit plans, and monitored the appropriate performance of duties.
- 2) Directors that have operational duties reported to the Board of Directors concerning the status of the execution of duties in order to ensure the appropriateness of the execution of duties by directors.

4. Measures relating to ensuring the appropriateness of operations in the Group

- 1) The Financial Report Oversight Committee meets to conduct periodic evaluations of asset management and accounting of all Group companies and ensure the appropriateness of finances.
- 2) The Accounting Division Global Training Conference meets to ensure the appropriateness and uniformity of operations in relation to accounting, record keeping, book values, and finances of all Group companies.

5. Measures relating to Audit Systems

- 1) The corporate auditors conduct audits by engaging in close exchanges of information with the Audit Department, attending Board of Directors Meetings and other significant meetings, receiving reports from directors and employees, and conducting on-site investigations.
- 2) The Board of Corporate Auditors met 15 times during the fiscal year under review, requested reports and explanations from representative directors and others as necessary, and conducted audits concerning the execution of duties by directors.
- 3) The corporate auditors conducted financial audits by closely collaborating with the independent auditor, receiving quarterly reports from the independent auditor, receiving explanations as necessary, and exchanging information.

(2) Basic Policy Regarding Control of Stock Company

N/A

Note: With respect to amounts, the number of shares and the ratio of shareholding set forth in this business report, decimal numbers were rounded down and ratios were rounded off to the nearest whole number.

Consolidated Balance Sheet

(As of March 31, 2018)

(Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
I Current assets		I Current liabilities	
Cash and deposits	29,166	Notes payable and accounts payable	37,734
Notes receivable and accounts receivable	42,227	Short-term borrowings	1,058
Marketable securities	2,488	Long-term borrowings due within a year	1,955
Beneficiary rights to monetary claims	2,300	Corporate taxes payable	3,198
Products and goods	1,336	Bonus reserves	1,803
Works in progress	11,831	Bonus reserves for Officers	78
Raw materials and stored goods	2,632	Reserves for product warranties	150
Other	6,307	Other	12,123
Loan-loss reserves	-41		
		Total current liabilities	58,103
Total current assets	98,249	II Fixed liabilities	
II Fixed assets		Long-term borrowings	3,370
1 Tangible fixed assets		Long-term accounts payable	464
Buildings and structures	25,374	Tax deferred liabilities	4,555
Machinery, equipment, and vehicles	26,026	PCB processing reserves	116
		Reserves for stock grant to Officers	54
Tools, furniture, and fixtures	10,183	Retirement benefit liabilities	846
Land	9,316	Other	1,463
Lease assets	1,561		
Construction in progress	14,985	Total fixed liabilities	10,870
		Total liabilities	68,973
Total tangible fixed assets	87,448		
2 Intangible fixed assets	1,627	(Net assets)	
3 Investments and other assets		I Shareholders' equity	
Investment securities	28,995	1 Capital	5,610
Long-term loans	91	2 Capital surplus	8,251
Deferred tax assets	796	3 Earned surplus	116,461
Other	468	4 Treasury stock	-1,118
Loan-loss reserves	-8		
		Total shareholders' equity	129,204
Total investments and other assets	30,344	II Other accumulated comprehensive income	
		1 Valuation difference on available-for-sale securities	6,947
		2 Foreign currency translation adjustment accounts	4,374
		3 Accumulated retirement benefit adjustments	-669
		Total other accumulated comprehensive income	10,652
Total fixed assets	119,420	III Minority interest	8,839
Total assets	217,669	Total net assets	148,695
		Total liabilities and net assets	217,669

Note: Amounts less than 1 million yen were rounded down.

Consolidated Income Statement

(April 1, 2017-March 31, 2018)

(Million yen)

Item		Amount	
I	Net sales		191,189
II	Cost of goods sold		155,005
	Gross income		36,184
III	SG&A expenses		12,445
	Operating income		23,738
IV	Non-operating income		
	Interest income	252	
	Dividend income	383	
	Rent income on fixed assets	115	
	Dividend income from insurance	142	
	Income from subsidy	252	
	Investment return using equity method	308	
	Other non-operating income	112	
			1,567
V	Non-operating expenses		
	Interest expenses	102	
	Rent expenses on fixed assets	22	
	Currency translation losses	261	
	Waste disposal expenses	180	
	Other non-operating expenses	75	
			641
	Recurring income		24,665
VI	Extraordinary income		
	Capital gains on the sale of investment securities	251	
	Capital gains on the sale of fixed assets	31	
	Other extraordinary gains		
			283
VII	Extraordinary losses		
	Losses on the disposal of fixed assets	50	
	Impaired asset losses	0	
	Losses on stock valuations of subsidiary corporations	27	
	Loss on valuation of investment securities	16	
	Loss on valuation of golf club membership	3	
	Other extraordinary losses		
			96
	Net income before income taxes		24,851
	Corporate taxes, resident taxes, and business taxes	6,495	
	Corporate tax adjustments	60	
			6,555
	Net income		18,295
	Net income attributable to non-controlling shareholders		1,407
	Net income attributable to shareholders of the parent company		16,887

Note: Amounts less than 1 million yen were rounded down.

Consolidated Shareholders' Equity Statement

(April 1, 2017-March 31, 2018)

(Million yen)

	Shareholders' Equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Beginning-of-term balance	5,610	5,060	102,358	-2,495	110,534
Changes during the term under review					
Dividends on surpluses			-2,779		-2,779
Net income attributable to shareholders of the parent company			16,887		16,887
Buyback of own shares				-6	-6
Disposal of treasury shares		3,191		1,382	4,574
Reduction in earned surplus due to increase of consolidated subsidiaries			-5		-5
Beginning-of-term (net) change in items excluding shareholders' equity					—
Total change in the term under review	—	3,191	14,102	-1,376	18,670
End-of-term balance	5,610	8,251	116,461	-1,118	129,204

(Million yen)

	Total other accumulated comprehensive income				Non-controlling shareholders interest	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment accounts	Accumulated retirement benefit adjustments	Total other accumulated comprehensive income		
Beginning-of-term balance	5,788	3,512	-1,253	8,047	7,530	126,111
Changes during the term under review						
Dividends on surpluses						-2,779
Net income attributable to shareholders of the parent company						16,887
Buyback of own shares						-6
Disposal of treasury shares						4,574
Reduction in earned surplus due to increase of consolidated subsidiaries						-5
Beginning-of-term (net) change in items excluding shareholders' equity	1,158	862	583	2,605	1,308	3,914
Total change in the term under review	1,158	862	583	2,605	1,308	22,584
End-of-term balance	6,947	4,374	-669	10,652	8,839	148,695

Notes: Amounts less than 1 million yen were rounded down.

Notes to Consolidated Financial Statements

1 Notes on essential items which serve as the basis for creating these consolidated financial statements

1. Scope of consolidation

- (1) Number of consolidated subsidiaries: 12 Toprec Corporation
Toho Transportation Co., Ltd.
Tokyo Metal Pack Co., Ltd.
Top Kogyo Co., Ltd.
Topre Kyushu Corporation
Topre Tokai Corporation
Topre America Corporation
Topre Autoparts Mexico, S.A. de C.V.
TOPRE (FOSHAN) AUTOPARTS CORPORATION
TOPRE (XIANGYANG) AUTOPARTS CORPORATION
TOPRE (THAILAND) CO., LTD.
Topre India Private Limited

Among the foregoing, Topre India Private Limited was included in the scope of consolidated subsidiaries because its importance has increased. Please note that the Company conducted an absorption-type merger with Topre Saitama Corporation, a non-consolidated subsidiary of the Company, effective April 1, 2017, and with Topre Gifu Corporation, a consolidated subsidiary of the Company, effective October 1, 2017; both companies have been removed from the scope of consolidated subsidiaries.

- (2) Number of unconsolidated companies: 4

Information on unconsolidated companies has been omitted since each company is small in terms of total assets, sales, net profits (based on the Company's investment stake) and earned surpluses (based on the Company's investment stake) and since the unconsolidated companies together do not have a substantial influence on consolidated financial accounts.

2. Items related to the application of the equity method

- (1) The number of affiliates to which the equity method applied: 1 Marujun Co., Ltd.
Please note that because we have newly acquired shares in Marujun, Marujun is included in the affiliates to which the equity method applies starting from the consolidated fiscal year under review.
- (2) With regard to the investments in four unconsolidated subsidiaries and one affiliate which do not apply the equity method, the aggregate net profits and earned surpluses etc. corresponding to our equity in these companies will have only a negligible effect on the consolidated net profits and consolidated earned surpluses, etc., and are unimportant even when their figures are combined. Accordingly, we apply the cost method instead of the equity method.

3. Items related to the fiscal years of consolidated subsidiaries

Of the consolidated subsidiaries, Topre America Corporation, Topre Autoparts Mexico, S.A. de C.V., TOPRE (FOSHAN) AUTOPARTS CORPORATION, TOPRE (XIANYANG) AUTOPARTS CORPORATION, and TOPRE (THAILAND) CO., LTD. have fiscal years ending December 31. In creating our consolidated financial statements, we use the statements as of December 31 for the above subsidiaries but make consolidated adjustments, as necessary, for important transactions that occur between January 1 and the consolidated fiscal year-end of March 31.

4. Items related to accounting policy

(1) Valuation standards and valuation methods of important assets

① Marketable securities

Other marketable securities

Those with market value

Valued at market value based on the market price as of the fiscal year-end date (revaluation differences are all included as a component of shareholder equity while cost of sales is determined by the moving average method)

Those with no market value

Cost method or amortized cost method based on the moving average method

② Derivative transactions

Market value method

③ Inventory assets

Inventories owned for normal sales purposes

The cost method (in which book price is reduced as profitability declines) is used as the valuation method

Goods, products, and works in progress

Weighted average method, actual cost method

Raw materials and stored goods

FIFO method

(2) Depreciation method for important depreciable assets

① Tangible fixed assets (excluding lease assets)

Straight-line method

② Intangible fixed assets (excluding lease assets)

Straight-line method

However, software that the Company uses is depreciated using the straight-line method over the estimated in-house working life of five years.

③ Lease assets

Lease assets related to finance lease transactions in which ownership is transferred

The same depreciation method applied to fixed assets owned by the Company is applied.

Lease assets related to finance lease transactions in which ownership is not transferred

Useful life is based on the lease period duration, and straight-line depreciation is applied with an assumed residual value of zero.

(3) Standards for recording important reserves

① Loan-loss reserves

To prepare for losses due to bad debt claims, general claims are treated using the loan loss ratio. For specific loans such as those classified as loans with default possibility,

the likelihood of loan recovery is considered individually and an estimated unrecoverable amount is allocated.

② Bonus reserves

To pay employee bonuses, a bonus reserve is allocated based on the expected payment amount.

③ Bonus reserves for Officers

The Company and its domestic consolidated subsidiaries prepare for bonus payments to Officers by allocating bonus reserves for Officers based on the expected payment amount for the consolidated fiscal year.

④ Reserves for stock grant to Officers

The Company prepares for the grant of Company stock to Company Directors under the stock-granting plan by recording reserves for grant of stock based on the expected stock-granting obligations as of the end of the relevant consolidated fiscal year.

⑤ Reserves for product warranties

Estimated warranty costs based on past results are recorded as reserves to prepare for defect liability of products sold.

⑥ PCB processing reserves

To prepare for the payment of costs for processing PCBs and other waste that the Company stores, for expenses that can be reasonably estimated, the amounts expected to be incurred going forward are recorded.

(4) Other important items that form the basis for creating consolidated financial statements

Standards for recording of retirement benefit liabilities

In the calculation of employee retirement liabilities, when attributing an estimated amount of retirement benefits to the period up to the end of the consolidated fiscal year concerned, the estimated benefits method is mainly used.

Prior service costs are amortized using the straight-line method over a period based on a set number of years (10 years) equal to or less than the employees' average remaining service years. Actuarial differences are amortized using the straight-line method over a period (10 years) equal to or less than the average remaining service years of employees for the fiscal year in which the differences occurred, commencing with the following consolidated fiscal year.

Actuarial differences and prior service costs yet to be recognized are recorded under shareholders' equity under other accumulated comprehensive income with accumulated retirement benefit adjustments recorded after making tax effect adjustments.

(5) Important methods of account hedging

① Method of account hedging

Interest swap transactions meet the requirements of special processing of interest swap and are thus based on special processing.

② Hedging methods and transactions subject to hedging

Hedging methods

Interest swap transactions

Transactions subject to hedging

Interest payable on specific borrowings

③ Hedging policy

The purpose is to avoid potential losses on borrowings due to interest rate fluctuations

④ Method of evaluating effectiveness

Because it is envisioned that the notional principal of the hedging means and important conditions regarding hedge transactions will be the same and that when hedging begins and subsequently, cash flow fluctuations will be completely offset, evaluation of hedging effectiveness is omitted.

(6) Other important matters in preparing the consolidated financial statements

Accounting treatment of consumption taxes

Taxes are excluded.

2 Notes on changes in presentation method

Changes associated with the early application of “partial revision of ‘accounting standards relating to tax effect accounting’”

Because the “partial revision of ‘accounting standards relating to deferred tax effect accounting’” (Corporate Accounting Standards, Item 28, February 16, 2018, “Partial Revisions of Tax Effect Accounting Standards”) has become applicable from the consolidated financial statements relating to the end of the consolidated fiscal term under review, we have applied the Partial Revisions of Tax Effect Accounting Standards starting from the consolidated fiscal term under review, changing the presentation method in such a manner that the deferred tax assets and deferred tax liabilities are shown in the item for investments and other assets and the item for fixed liabilities, respectively.

3 Notes on the Consolidated Balance Sheet

1. Cumulative depreciation on tangible fixed assets 117,824 million yen

2. Treatment of bills due on the last day of the consolidated fiscal term

The bills due on the last day of the consolidated fiscal term are settled on their clearing days and payment days. Please note that because the last day of the consolidated fiscal term under review was a bank holiday, the following bills due on the last day of the consolidated fiscal term are included in the end-of-term balance.

Bills receivable and accounts receivable: 365 million yen

Bills payable and accounts payable: 3,174 million yen

3. Guarantee obligations

The Company provides guarantees for the accounts payable and loans from financial institutions for the following companies.

Accounts payable

PT. TOPRE REFRIGERATOR INDONESIA 6 million yen

Loans from financial institutions

PT. TOPRE REFRIGERATOR INDONESIA 82 million yen

Total 88 million yen

4. Fixed asset reduction entries

For tangible fixed assets acquired prior to the business year under review, the reduction entry

amount subtracted from the acquisition prices were 14 million yen for Buildings and 1 million yen for Machine Equipment.

4 Notes on the Consolidated Shareholders' Equity Statement

1. Type and number of outstanding shares at the end of the consolidated fiscal year

Common shares 54,021,824 shares

2. Dividends

(1) Dividends paid

Resolutions	Share type	Total dividends (Million yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders of June 28, 2017	Common shares	1,307	26.00	March 31, 2017	June 29, 2017
Board of Directors Meeting on October 31, 2017	Common shares	1,472	28.00	September 30, 2017	December 4, 2017
Total		2,779			

(Note)

(1) 1. The total dividend amount approved at the Ordinary General Meeting of Shareholders held on June 28, 2017, includes the 2 million yen in dividends on the 109,000 Company shares owned by the Officer Compensation BIP Trust Account.

2. The total dividend amount approved by the Board of Directors meeting held on October 31, 2017, includes the 3 million yen in dividends on the 109,000 Company shares owned by the Officer Compensation BIP Trust Account.

(2) Those dividends having a record date falling in the consolidated fiscal year under review and an effective date in the next term.

The following proposal for dividends on common shares will be proposed at the Ordinary General Meeting of Shareholders to be held on June 27, 2018.

Total dividends	1,577 million yen
Dividends per share	30.00 yen
Record date	March 31, 2018
Effective date	June 28, 2018

Dividends are to be sourced from earned surplus.

(Note) The total dividend amount above includes the 3 million yen in dividends on the 106,850 Company shares owned by the Officer Compensation BIP Trust Account.

5 Notes on financial products

1. Situation regarding financial products

(1) Handling of financial products

The Group invests its funds in highly safe financial assets and procures necessary funds from financial institutions in accordance with its capital investment plan. We make use of derivatives to avoid risks discussed later, but not for speculative purposes.

(2) Details of financial products and their risks

Notes and accounts receivable (trade receivables) are exposed to customers' credit risk.

Marketable securities and beneficiary rights to monetary claims are mainly bonds, etc., while investment securities are mainly equities and bonds, and both securities are exposed to market fluctuation risk.

Notes and accounts payable (trade payables) come due within a year.

Borrowings are mainly made for procuring funds for capital investments and the repayment date is four years from the settlement date at the latest.

Derivative transactions are interest rate swap transactions for hedging against interest rate fluctuation risk related to borrowings as well as currency forward transactions and currency swap transactions for hedging against forex fluctuation risk related to foreign currency-denominated borrowings. We engage in these transactions only to the extent of actual demand in accordance with each company's internal rules and accompanying regulations. Please see "Important methods of account hedging" under "Items related to accounting policy" mentioned earlier for hedging methods, transactions subject to hedging, hedging policy, and for the method of evaluating the effectiveness of hedging.

(3) Risk control systems related to financial products

Regarding trade receivables, sales control division of each business division regularly monitors the status of the transaction counterparty, manages the dates and balances for each counterparty, and takes steps as early as possible to detect and reduce the counterparty's collection risk due to deterioration in its financial situation. For marketable securities and beneficiary rights to monetary claims, credit risk is negligible since the bonds are mostly high-grade ones based on each company's internal company rules and accompanying regulations. The market prices of shares and bonds, which is one of the investment securities are regularly monitored and reported to the Board of Directors. Additionally, while trade payables and borrowings are exposed to liquidity risk, the division in charge manages them by drafting a funding plan as necessary based on the reports of each division.

(4) Supplementary explanation on financial product prices

The prices of financial products include the prices calculated based on market prices, and if there is no market price, a price reasonably calculated is used. Since the calculation of such prices include variables, prices may fluctuate from time to time due to the adoption of different assumptions. As for the contracted amount of derivatives as mentioned in the notes regarding derivatives transactions, the amount itself does not indicate the market risk of the derivative transaction.

2. Market prices of financial products, etc.

The following are amounts provided in the Consolidated Balance Sheet as of March 31, 2018, market prices, and the differences between the two. Those for which it is extremely difficult to obtain market prices are not included in the table (please see Note 2).

(Million yen)

	Amount recorded on the Consolidated Balance Sheet	Market price	Difference
(1) Cash and deposits	29,166	29,166	—
(2) Notes receivable and accounts receivable	42,227		—
Loan-loss reserves (*1)	-0		
	42,227	42,227	—
(3) Short-term loans	86		
Loan-loss reserves (*2)	-41		
	45	45	—
(4) Marketable securities and investment securities			
Other marketable securities	29,509	29,509	—
Affiliate shares	1,567	2,174	606
(5) Beneficiary rights to monetary claims	2,300	2,300	—
(6) Long-term loans	91	91	—
Total assets	104,908	105,515	606
(1) Notes payable and accounts payable	37,734	37,734	—
(2) Short-term borrowings	1,058	1,058	—
(3) Corporate taxes payable	3,198	3,198	—
(4) Long-term borrowings	5,326	5,323	-3
(6) Long-term accounts payable			
Long-term accounts payable (installment)	720	692	-28
Long-term accounts payable (other long-term accounts payable)	459	459	0
Total liabilities	48,497	48,465	-31
Derivatives transactions (*3)	(270)	(270)	—

(*1) Loan-loss reserves recorded in the bills receivable and accounts receivable have been deducted.

(*2) Loan-loss reserves recorded in the short-term loans have been deducted.

(*3) Receivables and payables recorded in derivatives transactions are shown on a net basis, and those which are net payable overall are shown in parentheses.

Note 1: Methods for calculating the market price of financial products, as well as items related to marketable securities and derivatives transactions

Assets

(1) Cash and deposits, (2) notes receivable and accounts receivable and (3) short-term loans

Since these are settled over the short term and market prices are close to the book price, the book prices themselves are used.

(4) Marketable securities, investment securities, and (5) beneficiary rights to monetary claims

The prices of these are based on share prices of the stock exchange, while those for bonds and beneficiary rights are based on the price provided by the financial institution with which the transaction is made.

(6) Long-term loans

For long-term loans, loans to employees are regularly updated based on variable interest rates and thus the market value is very similar to the book value. Accordingly, the book value is used.

Liabilities

(1) Notes payable and accounts payable and (2) short-term borrowings, (3) corporate taxes payable

Since these are settled over the short term and the market price is close to the book price, the book prices themselves are used.

(4) Long-term borrowings and (5) Long-term accounts payable (installment)

The price of these is the present value of total principal and interest discounted by the interest rate assumed if similar borrowings, etc. were to take place again. Long-term borrowings based on variable interest rates are subject to special processing via interest rate swaps (please see derivatives transactions below), and are calculated by discounting the total amount of principal and interest processed as part of the interest rate swap concerned by the interest rate reasonably estimated if a similar borrowing was to take place.

(5) Long-term accounts payable (other long-term accounts payable)

The price of long-term accounts payable is the present value calculated by discounting the government bond interest rate based on the payment date which is reasonably estimated.

Derivatives transactions

Please see “6 Derivatives transactions”.

Note 2: Financial products for which ascertaining the market price is recognized as extremely difficult

(Million yen)

Category	Amount recorded on consolidated balance sheet
Non-listed shares	406

We recognize that ascertaining the price of the above securities is extremely difficult since there is no market price. We therefore have not included these under (4) Marketable securities and investment securities.

7 Derivatives transactions

1. Derivatives transactions for which hedge accounting is not applicable

Currency related

Category	Transaction type	Contract amount (Million yen)	Those exceeding one year (Million yen)	Market price (Million yen)	Valuation gains/losses (Million yen)
Non-market transactions	Currency forward transactions				
	Short Commitment				
	USD	701	—	52	52
	THB	922	680	-87	-87
	Long Commitment				
	Yen	1,640	1,448	-234	-234
Total		3,263	2,128	-270	-270

Notes: Method for calculating price

The price is calculated based on the price, etc. provided by the financial institution with which the transaction took place.

2. Derivatives transactions for which hedge accounting is applicable

Interest-rate related Special treatment of interest rate swaps

Hedge Accounting Method	Transaction type	Main transactions subject to hedging	Contract amount, etc. (Million yen)	Contracts exceeding one year (Million yen)	Market price (Million yen)
Special treatment of interest rate swaps	Interest rate swap (Paid/fixed and received/floating)	Long-term borrowings	618	464	-2

Notes: Method for calculating price

The price is calculated based on the price, etc. provided by the counterparty financial institution.

8 Notes regarding per share information

- Net assets per share 2,665.03 yen
- EPS 327.89 yen

Note: The Company shares remaining in the Officer Compensation BIP Trust Account and recorded as treasury stock under net assets are included in treasury stock, which is deducted from the total number of issued shares as of the end of a fiscal year, for the purpose of calculating net assets per share, and are likewise included in treasury stock, which is deducted from the average number of issued shares during a fiscal year, for the purpose of calculating EPS.

The number of such shares of treasury stock as of the end of the fiscal year deducted for the purpose of calculating net assets per share was 106,850, and the average number of such shares during the fiscal year deducted for the purpose of calculating EPS was 108,688.

9 Notes concerning significant subsequent events

N/A

10 Other notes

Amounts less than 1 million yen were rounded down.

Balance Sheet
(As of March 31, 2018)

(Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
I Current assets		I Current liabilities	
Cash and deposits	10,820	Notes payable	13,844
Notes receivable	3,507	Accounts payable	10,912
Accounts receivable	32,447	Long-term borrowings due within a year	1,292
Marketable securities	1,705	Lease obligations	14
Beneficiary rights to monetary claims	300	Accounts payable	571
Goods	530	Accrued expenses	1,733
Works in progress	3,602	Corporate taxes payable	1,588
Raw materials	907	Consumption taxes payable	441
Stored goods	93		
Prepaid expenses	122	Deposits received	9,289
		Bonus reserves	1,203
Accrued revenues	5,439	Bonus reserves for Officers	39
Short-term loans receivable	2,829	Reserves for product warranties	144
Other current assets	160	Equipment-related notes payable	1,178
Loan-loss reserves	-41	Total current liabilities	42,258
Total current assets	62,426	II Fixed liabilities	
II Fixed assets		Long-term borrowings	3,014
1 Tangible fixed assets		Lease obligations	19
Buildings	4,539	Long-term account payables	8
Structures	473	Tax-deferred liabilities	2,417
		PCB processing reserves	115
Machinery and equipment	3,306	Reserves for stock grant to Officers	54
Vehicles	97	Long-term deposits received	348
Tools, furniture, and fixtures	2,444	Total fixed liabilities	5,977
Land	2,805		
Lease assets	31	Total liabilities	48,235
Construction in progress	2,364		
Total tangible fixed assets	16,062		
2 Intangible fixed assets		(Net assets)	
Software	101	I Shareholders' equity	
Right of utilization	11	1 Capital	5,610
Total intangible fixed assets	112	2 Capital surplus	
		Capital reserves	4,705
3 Investments and other assets		Other capital surpluses	2,552
Investment securities	22,903	Total capital surplus	7,258
Stocks of subsidiaries and affiliates	14,828	3 Earned surplus	
Investments	1	Retained earnings	1,197
Long-term loans	24,297	Dividend reserves	400
		Reserves for land reduction	730
Guarantee deposits	54	Reserves for reduction entry of replaced assets	194
Prepaid pension expenses	217	Reserves for reduction entry of replaced assets special subaccount	35
Other investments	127	Special reserves	18,914
Loan-loss reserves	-2	Earned surplus carried over	53,165
Total investments and other assets	62,429	Total earned surplus	74,637
		4 Treasury stock	-1,609
		Total shareholders' equity	85,896
		II Valuation and translation adjustments	
		Valuation difference on available-for-	6,899

		sale securities	
		Total valuation and translation differences	6,899
Total fixed assets	78,605	Total net assets	92,796
Total assets	141,031	Total liabilities and net assets	141,031

Note: Amounts less than 1 million yen were rounded down.

Income Statement
(April 1, 2017-March 31, 2018)

(Million yen)

Item		Amount	
I	Net sales		109,975
II	Cost of goods sold		93,064
	Gross income		16,911
III	SG&A expenses		5,675
	Operating income		11,236
IV	Non-operating income		
	Interest income	549	
	Dividend income	1,367	
	Rent income on fixed assets	206	
	Dividend income from insurance	105	
	Other non-operating income	137	2,366
V	Non-operating expenses		
	Interest expenses	1	
	Rent expenses on fixed assets	42	
	Currency translation losses	1,186	
	Waste disposal expenses	180	
	Other non-operating expenses	42	1,453
	Recurring income		12,149
VI	Extraordinary income		
	Capital gains on the sale of investment securities	163	
	Capital gains on the sale of fixed assets	26	
	Gain on extinguishment of tie-in shares	4,012	4,203
VIII	Extraordinary losses		
	Losses on the disposal of fixed assets	21	
	Impaired asset losses	0	
	Subsidiary stock valuation losses	27	
	Loss on valuation of golf club membership	3	51
	Net income before income taxes		16,300
	Corporate taxes, resident taxes, and business taxes	3,227	
	Corporate tax adjustments	-16	3,210
	Net income		13,090

Note: Amounts less than 1 million yen were rounded down.

Shareholders' Equity Statement

(April 1, 2017-March 31, 2018)

(Million yen)

	Shareholders' Equity				
	Capital	Capital surplus			Earned surplus
		Capital reserves	Other capital surplus	Total capital surplus	Legal retained earnings
Beginning-of-term balance	5,610	4,705	220	4,926	1,197
Changes during the current term					
Dividends on surpluses					
Net income					
Reserves for reduction entry of replaced property					
Reversals of replaced property reduction entry reserves					
Reversals of replaced property reduction entry special subaccount					
Buyback of own shares					
Disposal of treasury shares			2,331	2,331	
Increase due to merger					
(Net) change in items excluding shareholders' equity in the consolidated fiscal year					
Total change in the current term	—	—	2,331	2,331	—
End-of-term balance	5,610	4,705	2,552	7,258	1,197

(Million yen)

	Shareholders' Equity					
	Earned surplus					
	Other earned surplus					
	Dividend reserves	Reserves for land price reduction	Reserves for replaced asset reduction	Replaced asset reduction entry special subaccount	Reserves for fixed asset reduction	Special reserves
Beginning-of-term balance	400	730	140	62	-	18,914
Changes during the current term						
Dividends on surpluses						
Net income						
Reserves for reduction entry of replaced property			62			
Reversals of replaced property reduction entry reserves			-7			
Reversals for replaced property reduction entry special subaccount				-62		
Reserves for advanced depreciation of noncurrent assets					36	
Reversals of advanced depreciation of noncurrent assets					-1	
Buyback of own shares						
Disposal of treasury shares						
Increase due to merger						
(Net) change in items excluding shareholders' equity in the fiscal year						
Total change in the current term	—	—	54	-62	35	—
End-of-term balance	400	730	194	—	35	18,914

(Million yen)

	Shareholders' Equity				Valuation and translation differences		Total net assets
	Retained earnings		Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation differences	
	Retained earnings brought forward	Total retained earnings					
Beginning-of-term balance	42,883	64,326	-3,845	71,018	5,734	5,734	76,753
Changes during the current term							
Dividends on surpluses	-2,779	-2,779		-2,779			-2,779
Net income	13,090	13,090		13,090			13,090
Reserves for reduction entry of replaced property	-62	—		—			—
Reversals of replaced property reduction entry reserves	7	—		—			—
Reversals for replaced property reduction entry special subaccount	62	—		—			—
Reserves for fixed property reduction entry	-36	—		—			—
Reversals of fixed property reduction entry reserves	1	—		—			—
Buyback of own shares		—	-6	-6			-6
Disposal of treasury shares		—	2,242	4,574			4,574
(Net) change in items excluding shareholders' equity in the fiscal year					1,165	1,165	1,165
Total change in the current term	10,282	10,310	2,235	14,878	1,165	1,165	16,043
End-of-term balance	53,165	74,637	-1,609	85,896	6,899	6,899	92,796

Note: Amounts less than 1 million yen were rounded down.

Notes to Standalone Financial Statements

1 Notes to matters relating to important accounting standards

1. Valuation standards and valuation methods of assets

(1) Marketable securities

① Shares in subsidiaries and affiliates

Cost method based on the moving average method

② Other marketable securities

Those with market value

Valued at market value based on the market price as of the business year-end date (revaluation differences are all included as a component of shareholders' equity while cost of sales is determined by the moving average method)

Those with no market value

Cost method or amortized cost method based on the moving average method

(2) Inventory assets

Inventory owned for normal sales purposes

The cost method (in which book price is reduced as profitability declines) is used as the valuation method

Goods, products, and works in progress

Weighted average method, actual cost method

Raw materials and stored goods

FIFO method

2. Depreciation method for important fixed assets

(1) Tangible fixed assets (excluding lease assets)

Straight-line method

(2) Intangible fixed assets (excluding lease assets)

Straight-line method

Software that the Company uses is depreciated using the straight-line method over the estimated in-house working life of five years.

(3) Lease assets

Lease assets related to finance lease transactions in which ownership is not transferred

Useful life is based on the lease period duration, and straight-line depreciation is applied with an assumed residual value of zero.

3. Standards for recording reserves

(1) Loan-loss reserves

To prepare for losses due to bad debt claims, general claims are treated using the loan loss ratio. For specific loans such as those classified as loans with default possibility, the likelihood of loan recovery is considered individually and the estimated unrecoverable amount is recorded.

(2) Bonus reserves

To pay employee bonuses, a bonus reserve is allocated based on the expected payment

amount.

(3) Bonus reserves for Officers

The Company prepares for bonus payments to Officers by allocating bonus reserves for Officers based on the expected payment amount for the business year.

(4) Reserves for stock grant to Officers

The Company prepares for the grant of Company stock to Company Directors under the stock-granting plan by recording reserves for grant of stock based on the expected stock-granting obligations as of the end of the consolidated fiscal year under review.

(5) Reserves for product warranties

Estimated guarantee costs based on past results are recorded as reserves to prepare for defect liability of products sold.

(6) Retirement benefit reserves

To prepare for employee retirement benefits, reserves are recorded based on estimated retirement benefit liabilities and pension assets as of the end of the business year concerned. If the estimated pension assets amount exceeds the estimated retirement benefits liabilities amount at the end of the fiscal year, the surplus amount is recorded as prepaid pension expenses.

Prior service costs are amortized using the straight-line method over a period based on a set number of years (10 years) equal to or less than the employees' average remaining service years. Actuarial differences are amortized using the straight-line method over a period (10 years) equal to or less than the average remaining service years of employees for the business year in which the differences occurred, commencing with the following business year.

(7) PCB processing reserves

To prepare for payment of costs for processing PCBs and other waste that the Company stores, reasonably estimated funds expected to be accessed in the future are allocated.

4. Methods of account hedging

(1) Method of account hedging

Currency forward transactions meeting the requirements for deferral hedge accounting are accounted for by deferral hedge accounting, and interest swap transactions meeting the requirements for special processing are accounted for using special processing.

(2) Hedging methods and transactions subject to hedging

Hedging methods

Currency forward transactions, Interest rate swaps

Transactions subject to hedging

Foreign currency loans, Interest payable on specific borrowings

(3) Hedging policy

Pursuant to internal rules relating to derivative transactions, currency fluctuation risk and interest fluctuation risk are hedged to a certain extent.

(4) Method of evaluating hedging effectiveness

Because it is envisioned that the notional principal of the hedging methods and important conditions regarding hedge transactions will be the same and that when hedging begins and subsequently, cash flow fluctuations will be completely offset, evaluation of hedging effectiveness is omitted.

5. Other important matters in preparing the financial statements

Accounting treatment of consumption taxes
Taxes are excluded.

2 Notes on changes in presentation method

Changes associated with the early application of “partial revision of ‘accounting standards relating to tax effect accounting’”

Because the “partial revision of ‘accounting standards relating to deferred tax effect accounting’” (Corporate Accounting Standards, Item 28, February 16, 2018, “Partial Revisions of Tax Effect Accounting Standards”) has become applicable from the consolidated financial statements relating to the end of the consolidated fiscal term under review, we have applied the Partial Revisions of Tax Effect Accounting Standards starting from the consolidated fiscal term under review, changing the presentation method in such a manner that the deferred tax assets and deferred tax liabilities are shown in the item for investments and other assets and the item for fixed liabilities, respectively.

3 Notes on the Balance Sheet

1. Cumulative depreciation on tangible fixed assets	62,337 million yen
2. Short-term claims against affiliates	29,352 million yen
Long-term claims against affiliates	24,225 million yen
Short-term debts owed to affiliates	13,705 million yen
Long-term debts owed to affiliates	3 million yen

3. Guarantee obligations

The Company provides guarantees for accounts payable and loans from financial institutions for the following companies.

Accounts payable	
TOPRE (XIANGYANG) AUTOPARTS CORPORATION	434 million yen
PT.TOPRE REFRIGERATOR INDONESIA	6 million yen
Loans from financial institutions	
Topre Tokai Corporation	346 million yen
Topre America Corporation	1,445 million yen
TOPRE (FOSHAN) AUTOPARTS CORPORATION	165 million yen
PT.TOPRE REFRIGERATOR INDONESIA	82 million yen
Total	2,479 million yen

4. Fixed asset reduction entries

For tangible fixed assets acquired up to the business year under review, the reduction entry amount subtracted from the acquisition price was 14 million yen for Buildings.

5. Treatment of bills due on the last day of the consolidated fiscal term

The bills due on the last day of the consolidated fiscal term are settled on their clearing days and payment days. Please note that because the last day of the consolidated fiscal term under review was a bank holiday, the following bills due on the last day of the consolidated fiscal term are included in the end-of-term balance.

Bills receivable and accounts receivable: 3,088 million yen
 Bills payable and accounts payable: 2,064 million yen

4 Notes on Income Statement

Trade volume with affiliates	
Sales	43,165 million yen
Purchases	41,979 million yen
Trade volume other than business trades	2,033 million yen

5 Notes on Shareholders' Equity Statement

1. Type and number of outstanding shares at the end of the business year under review

Common shares	54,021,824 shares
---------------	-------------------

2. Type and number of treasury shares at end of the business year under review

Common shares	1,543,270 shares
---------------	------------------

6 Notes relating to deferred tax assets and liabilities

(Breakdown of the major causes of deferred tax assets and deferred tax liabilities)

- (1) Deferred tax assets

Current assets		
Bonus reserves	424	million yen
Unpaid business taxes	112	
Inventory asset impairment loss	40	
Reserves for product warranties	44	
Loan-loss reserves	12	
Accounts payable	140	
Impairment loss	24	
Evaluation loss on investment securities	182	
Over depreciation	11	
PCB processing reserves	35	
Reserves for stock grant to Officers	16	
Subsidiary corporation impairment loss	19	
Other	50	
Total	1,114	
Deferred tax asset total	1,114	

(2) Deferred tax liabilities

Fixed liabilities

Land reduction entry reserves	321 million yen
Reserves for replaced property reduction entry special subaccount	85
Reserves for advanced depreciation of noncurrent assets	15
Valuation difference on available-for-sale securities	3,042
Prepaid pension expenses	66
Total	3,532
Deferred tax liability total	3,532
Net deferred tax assets (liabilities)	-2,417

7 Notes on transactions with related parties
(Subsidiaries, etc.)

Type	Name of company, etc.	% of voting rights owned (owned by)	Relationship with related party	Transaction	Transaction amount (million yen)	Category	Balance at end of term (million yen)
Subsidiary	Toprec Corporation	Directly own 50%	Purchaser of goods Concurrent officers	Product sale	32,546	Accounts receivable	17,171
Subsidiary	Toho Transportation Co., Ltd.	Directly own 50%	Outsourcing of transport services	Outsourcing of transport services, etc.	1,486	Accounts payable	4
			Entrustment of operating funds Sale of fixed assets	Entrustment of funds Waste dies and molds sales Sale price Sales proceeds	400 21 21	Notes payable Unpaid expenses Deposits	1 198 3,400
Subsidiary	Topre Gifu Corporation	Directly own 100%	Company supplier Investment fund management Concurrent officers	Product purchase Entrustment of funds Return of funds	2,029 120 150	— —	— —
Subsidiary	Topre Kyushu Corporation	Directly own 100%	Equipment arrangements, etc. Company supplier Investment fund management Concurrent officers	Equipment arrangements, supply of parts, etc. Component purchase Entrustment of funds	6,146 21,884 1,200	Accounts receivable Accounts payable Notes payable Deposits	626 1,871 896 3,400

Subsidiary	Topre Tokai Corporation	Directly own 100%	Equipment arrangements, etc.	Supply of parts, etc.	11,232	Accounts receivable	3,366
			Company supplier	Component purchase	13,417	Accounts payable	1,245
			Financial assistance	Lending of funds	2,395	Short-term loans	300
				Collection of funds	320	Long-term loans	1,774
			Concurrent officers	Guarantee of obligations	346	—	—
Subsidiary	Topre America Corporation	Directly own 100%	Purchaser of goods	Component, dies and molds, equipment sales	6,930	Accounts receivable	4,089
			Financial assistance	Lending of funds	5,109	Short-term loans	1,912
				Collection of funds	1,490	Long-term loans	4,091
				Guarantee of obligations	1,445	—	—
			Concurrent officers				
Subsidiary	Topre Autoparts Mexico, S.A. de C.V.	Directly own 100%	Purchaser of goods	Component, dies and molds, equipment sales	1,457	Accounts receivable	364
			Financial assistance	Lending of funds	5,605	—	—
				Collection of funds	2,818	Long-term loans	9,453
			Concurrent officers				
Subsidiary	TOPRE (FOSHAN) AUTOPARTS CORPORATION	Directly own 100%	Financial assistance	Lending of funds	300	Long-term loans	776
				Collection of funds	155	—	—
				Guarantee of obligations	165	—	—
			Concurrent officers				
Subsidiary	TOPRE (XIANGYANG) AUTOPARTS CORPORATION	Directly own 100%	Financial assistance	Lending of funds	1,280	Short-term loans	531
				Collection of funds	735	Long-term loans	3,018
				Guarantee of obligations	434	—	—
			Concurrent officers				
Subsidiary	TOPRE (THAILAND) CO., LTD	Directly own 100%	Purchaser of goods	Component, dies and molds, equipment sales	335	Accounts receivable	28
			Financial Assistance	Collection of funds	1,407	Long-term loans	5,092
			Concurrent officers				
Affiliate	MARUJUN Co., Ltd.	Directly own 19.9%	Company supplier	Component purchase	950	Accounts payable	194
			Concurrent officers			Notes payable	144

Note 1: Of the foregoing amounts, the transaction amount does not include consumption taxes, whereas the balance at the end of term does include consumption taxes.

Note 2: Transaction terms and a policy etc. for deciding the transaction terms

(1) Decisions on the arrangement of equipment, supply etc. of materials, purchase of components and products are

made by presenting the Company's desired price taking in the market price and the total costs into consideration and through negotiation.

- (2) Decisions on the sale of components, dies and molds and equipment, sales of products are made by presenting the Company's desired price taking the market price and the total costs into consideration and through negotiation.
- (3) The interest rate for loans is reasonably decided by taking the market interest rate into consideration.

8 Note regarding per share information

1. Net assets per share 1,768.27 yen
2. EPS 254.16 yen

Note: The Company shares remaining in the Officer Compensation BIP Trust Account and recorded as treasury stock under net assets are included in treasury stock, which is deducted from the total number of issued shares as of the end of a fiscal year, for the purpose of calculating net assets per share, and are likewise included in treasury stock, which is deducted from the average number of issued shares during a fiscal year, for the purpose of calculating EPS.

The number of such shares of treasury stock as of the end of the fiscal year deducted for the purpose of calculating net assets per share was 106,850, and the average number of such shares during the fiscal year deducted for the purpose of calculating EPS was 108,688.

9 Notes concerning significant subsequent events

N/A

10 Other notes

Amounts less than 1 million yen were rounded down.