

Fact Book
2005

Topre

Topre Corporation

To Become the World Renowned with the No. 1 Global Technologies

Topre has focused on manufacturing since its establishment. For more than half a century, the Company has expanded its activities in cold storage equipment, air-conditioning equipment, precision equipment and electronic equipment, as well as automotive equipment. Topre has consistently addressed its customers' needs and has differentiated itself from other companies through creative proposals and quality improvements in its core technologies. As a result, Topre has achieved high praise from various customers in all of its fields.

Given the rapid changes in social and economic structures, the company's operating environment is increasingly severe. The Company is striving to establish the Topre brand worldwide by optimizing its established core technologies under a basic policy of deploying its businesses globally.

Notes to Financial Statements

Years ended March 31, 2005 and 2004

Basis of Presenting the Financial Statements

Topre Corporation, a Japanese corporation, maintains its records and prepares its financial statements in Japanese yen in accordance with generally accepted accounting principles in Japan.

The accompanying financial statements have been translated from the financial statements that are prepared for Japanese domestic purposes, in accordance with the provisions of the Security and Exchange Law of Japan, and filed with the Ministry of Finance of Japan and the Tokyo Stock Exchange in Japan.

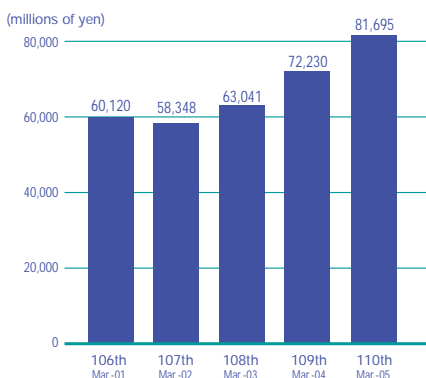
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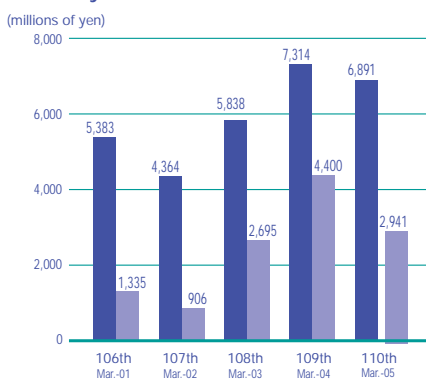
Consolidated Financial Highlights

		106th Mar.-01	107th Mar.-02	108th Mar.-03	109th Mar.-04	110th Mar.-05
Sales	(millions of yen)	60,120	58,348	63,041	72,230	81,695
Ordinary Profit	(millions of yen)	5,383	4,364	5,838	7,314	6,891
Net Income	(millions of yen)	1,335	906	2,695	4,400	2,941
Net Assets	(millions of yen)	39,002	39,498	41,789	46,239	48,752
Total Assets	(millions of yen)	67,223	66,171	70,102	76,271	78,741
Net Assets per Share	(yen)	762.12	771.98	797.45	882.86	927.35
Net Income per Share	(yen)	25.99	17.71	49.49	82.22	54.86
Equity Ratio	(%)	58.0	59.7	59.6	60.6	61.9
Return on Equity	(%)	3.5	2.3	6.4	9.5	6.0
Price-Earnings Ratio	(times)	13.70	23.43	8.85	9.35	15.91
Cash Flows from Operating Activities	(millions of yen)	7,642	7,480	7,512	8,598	5,169
Cash Flows from Investing Activities	(millions of yen)	(6,140)	(8,817)	(4,569)	(7,941)	(7,622)
Cash Flows from Financing Activities	(millions of yen)	399	695	(1,104)	(1,047)	(741)
Cash and Cash Equivalents at End of Year	(millions of yen)	9,051	8,410	10,236	10,768	7,573
Number of Employees	(persons)	1,737	1,713	1,688	1,728	1,918

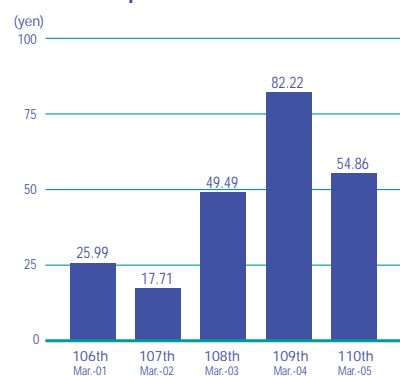
Sales



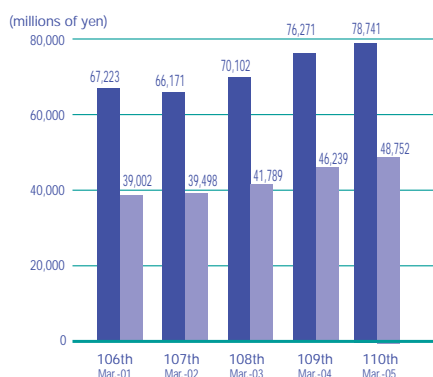
Ordinary Profit/Net Income



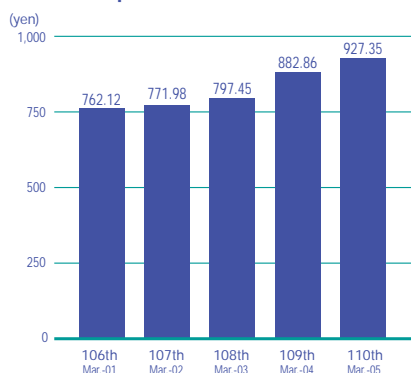
Net Income per Share



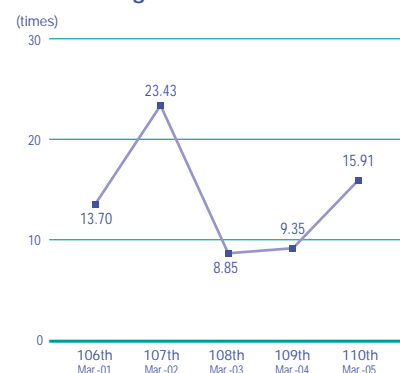
Total Assets/Net Assets



Net Assets per Share



Price-Earnings Ratio



Consolidated Balance Sheet

(Millions of yen)

(Millions of yen)

Account item	Mar.-05	Mar.-04	Account item	Mar.-05	Mar.-04
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	4,588	4,792	Notes payable from customer and trade accounts payable	17,919	16,005
Notes receivable and accounts receivable trade	23,436	18,618	Short-term borrowings	30	30
Marketable securities	4,067	7,959	Long-term borrowings current portion	430	550
Beneficial interest in trust included in receivables and others	159	500	Income taxes payable	1,577	1,385
Inventories	3,662	3,439	Deferred tax liabilities	1	
Deferred income taxes	719	690	Reserve for bonuses	1,220	1,157
Other	2,401	2,075	Other	4,195	5,816
Allowance for doubtful accounts	(9)	(3)	Total current liabilities	25,374	24,944
1 Total current assets	39,025	38,103	Noncurrent liabilities		
Fixed assets			Long-term borrowings	259	585
Property, plant and equipment			Liability for retirement benefits		1,528
Buildings and structures	5,673	3,758	Deferred tax liabilities	1,309	486
Machinery, equipment and transportation equipment	8,856	5,151	Other	56	33
Tools, furniture and fixtures	7,784	4,403	4 Total noncurrent liabilities	1,625	2,633
Land	2,659	2,661	Total Liabilities	26,999	27,577
Construction in progress	1,357	8,255	Minority Interests		
Total property, plant and equipment	26,330	24,231	Minority interests	2,989	2,454
Intangible assets	145	133	Equity		
Long-term Investments			Capital stock	5,610	5,610
Investment securities	11,360	11,662	Capital surplus	4,777	4,706
Long-term loans	628	649	Earned surplus	37,581	35,203
Deferred income taxes	51		Appreciation by revaluation of investment securities	1,679	1,493
Other	1,245	1,551	Cumulative translation adjustment	(363)	(171)
Allowance for doubtful accounts	(45)	(60)	Treasury stock	(534)	(603)
Total long-term Investments	13,240	13,802	5 Total Equity	48,752	46,239
2 Total fixed assets	39,716	38,167	Total Liabilities, Minority Interests and Equity	78,741	76,271
Total Assets	78,741	76,271			

Points

1 Current assets
Total current assets increased approximately ¥900 million year over year mainly due to rises in notes receivable and accounts receivable trade, along with a jump in sales, although marketable securities decreased as a result of investments in tooling and Topre America Corporation.

2 Fixed assets
Total fixed assets increased approximately ¥1.6 billion year over year, owing to the capital investment in Topre America Corporation and the building of a new press line at Topre Kyushu Corporation.

Points

3 Current liabilities
Expanded purchases caused an increase of about ¥1.9 billion year over year in notes payable from customer and trade accounts payable.

4 Noncurrent liabilities
Total noncurrent liabilities decreased approximately ¥1.0 billion year over year due to the partial repayment of borrowings and a decrease in liability for retirement benefits caused by installment payments in a new pension fund

5 Equity
Total equity increased about ¥2.5 billion, taking into account such factors as net income for the year and a gain from the revaluation of securities held.

Consolidated Statement of Income

(Millions of yen)

Account item	Mar.-05	Mar.-04
6 Sales	81,695	72,230
Cost of sales	67,146	57,955
Gross profit	14,549	14,274
Selling, general and administrative expenses	8,105	7,255
7 Operating profit	6,444	7,019
Nonoperating income	504	479
Interest income	127	202
Dividends income	70	35
Rental income on fixed assets	115	108
Foreign exchange gain	35	
Other nonoperating income	155	132
Nonoperating expenses	57	184
Interest expense	13	15
Rental expense on fixed assets	25	22
Foreign exchange loss		139
Other nonoperating expenses	19	7
Ordinary profit	6,891	7,314
Extraordinary income	329	1,486
Gain from the prior-term adjustments	116	
Gain on sale of fixed assets	5	16
Gain on sale of investment securities	171	0
Gain on recovery of write-offs	35	
Gain on the release from the substitutional portion of the Employees' Pension Fund	—	1,470
Extraordinary losses	403	156
Loss on disposal of fixed assets	123	90
8 Loss on devaluation of investment securities	140	50
Loss on devaluation of other investments		16
Officers retirement benefits	139	
Income before income taxes and minority interests	6,818	8,643
Income taxes including inhabitants' and enterprise taxes	2,768	2,718
Income taxes deferred	612	971
Minority interests	495	553
Net income	2,941	4,400

Points

- 6** Sales rose approximately ¥9.5 billion mainly due to sales increases in press products, air-conditioning equipment and refrigeration vehicles.
- 7** Operating profit decreased about ¥600 million, affected by the initial cost of Topre America Corporation and an increased depreciation burden.
- 8** Extraordinary losses
A loss on the devaluation of shares in subsidiaries is included.

Consolidated Statement of Cash Flows

(Millions of yen)

Account item	Mar.-05	Mar.-04
9 Cash flows from operating activities	5,169	8,598
Cash flows from investing activities	(7,622)	(7,941)
Cash flows from financing activities	(741)	(1,047)
Effect of exchange rate changes on cash and cash equivalents	0	(144)
Net increase (decrease) in cash and cash equivalents	(3,194)	(535)
Cash and cash equivalents at beginning of year	10,768	10,236
Increase in cash and cash equivalents due to change in scope of consolidation	—	1,067
Cash and cash equivalents at end of year	7,573	10,768

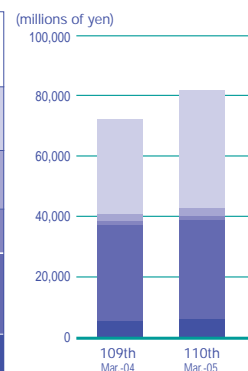
Point

- 9** Cash flow from operating activities
Net cash provided by operating activities decreased ¥3.4 billion to ¥5.1 billion from a year earlier, reflecting an increased balance of accounts receivable due to expanded sales.

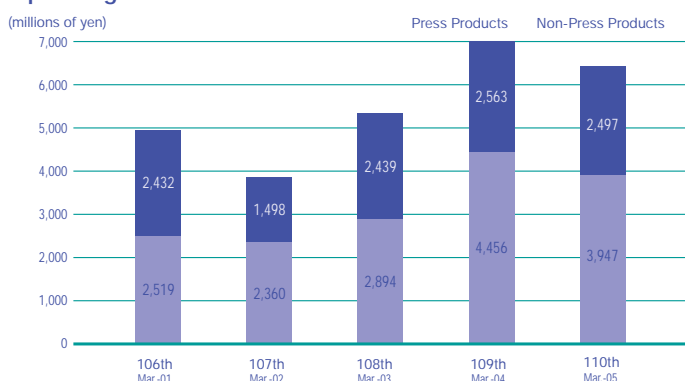
Segment Information (Consolidated)

Sales

	109th Mar.-04	110th Mar.-05
Automotive Press Products	31,115	38,748
Non-Automotive Press Products	2,500	2,849
Dies and Molds	1,214	1,270
Refrigeration Vehicles/Air-Conditioning Equipment	31,937	32,524
Other	5,462	6,302



Operating Profit



Main Products by Business Segment

Business Segment	Sales Segmentation	Main Products
Press Products	Automotive Press Products	Automotive press parts
	Non-Automotive Press Products	Office machine parts, etc.
	Die, molds	Press dies, resin molds, jigs
Non-Press Products	Refrigerating Vehicles, Air-Conditioning Equipment	Reefer containers, refrigeration equipment, VAVCON, fans, air dryers, clean-room equipment, ventilation systems for houses, direct expansion air handling units
	Other	Transportation business, keyboards, magnetic card reader/writer units, compact slip printers, sensors, touch panel screens

Nonconsolidated Balance Sheet

(Millions of yen)

(Millions of yen)

Account item	Mar.-05	Mar.-04	Account item	Mar.-05	Mar.-04
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	2,199	2,257	Notes payable from customer	7,266	7,850
Notes receivable and accounts receivable trade	1,345	1,374	Trade accounts payable	8,850	6,673
Accounts receivable trade	20,324	18,681	Long-term borrowings current portion	430	550
Marketable securities	3,280	7,400	Accounts payable other	334	535
Beneficial interest in trust included in receivables and others	159	500	Income taxes payable	782	601
Finished goods	254	262	Consumption taxes payable	224	177
Raw materials	654	378	Accrued expenses	1,067	1,831
Work in process	1,400	1,201	Advance received	39	28
Supplies	62	71	Deposits received	5,715	5,884
Prepaid expenses	20	11	Reserve for bonuses	863	818
Deferred income taxes	485	455	Nonoperating notes payable	403	1,146
Accounts receivable other	2,070	1,648	Total current liabilities	25,978	26,097
Other	274	203			
Allowance for doubtful accounts		(4)	Noncurrent liabilities		
Total current assets	32,532	34,444	Long-term borrowings	155	585
			Deferred tax liabilities	1,144	594
Fixed assets			Liability for retirement benefits		1,310
Property, plant and equipment			Noncurrent deposits received	22	20
Buildings	2,231	2,123	Total noncurrent liabilities	1,322	2,509
Structures	297	314	Total Liabilities	27,301	28,607
Machinery and equipment	2,808	2,635			
Transportation equipment	62	59	Equity		
Tools, furniture and fixtures	5,704	3,923	Capital stock	5,610	5,610
Land	1,784	1,784	Capital surplus	4,707	4,706
Construction in progress	1,252	3,299	Capital reserve	4,705	4,705
Total property, plant and equipment	14,141	14,141	Other capital surplus	1	1
Intangible assets			Earned surplus	30,037	27,653
Lease holds rights	73	73	Legal reserve	1,197	1,197
Computer software costs	42	34	Revenue reserve	19,849	19,851
Right to use on property, plant and equipment	12	12	Dividend preparation reserve	400	400
Total intangible assets	128	121	Reserve for retirement allowances	200	200
Long-term investments			Reserve for land devaluation	332	332
Investment securities	9,886	9,983	Added depreciation reserve	3	4
Equity securities for nonconsolidated and affiliates	3,419	3,559	General reserve	18,914	18,914
Investment in partnership	1	1	Undistributed profit	8,990	6,605
Long-term loans	8,675	4,843	Appreciation by revaluation of investment securities	1,652	1,476
Deferred income taxes			Treasury stock	(56)	(37)
Long-term guarantee deposits	91	99	Total Equity	41,951	39,408
Other	412	859	Total Liabilities and Equity	69,252	68,016
Allowance for doubtful accounts	(36)	(36)			
Total investments and other assets	22,449	19,309			
Total fixed assets	36,720	33,572			
Total Assets	69,252	68,016			

Points

1 Current assets
Total current assets decreased approximately ¥1.9 billion year over year, reflecting a decline in marketable securities caused by investments in tooling and Topre America Corporation, although there was an increase in notes receivable and accounts receivable trade, owing to expanded sales.

2 Fixed assets
Total fixed assets rose approximately ¥3.1 billion year over year, owing to an increase in long-term loans to Topre Kyushu Corporation.

Points

3 Current liabilities
Current liabilities decreased about ¥100 million year over year, reflecting declines in accrued expenses and nonoperating notes payable, although increased purchases caused a rise of about ¥2.2 billion in trade accounts payable.

4 Noncurrent liabilities
Total noncurrent liabilities decreased approximately ¥1.2 billion year over year due to the partial repayment of borrowings and a decrease in liability for retirement benefits caused by installment payments in a new pension fund.

5 Equity
Total equity increased approximately ¥2.5 billion, taking into account such factors as net income for the year and a gain from the revaluation of securities held.

Nonconsolidated Statement of Income

(Millions of yen)

Account item	Mar.-05	Mar.-04
Sales	66,927	62,249
Cost of sales	58,170	54,064
Gross profit	8,757	8,184
Selling, general and administrative expenses	4,402	4,199
Operating profit	4,355	3,985
Nonoperating income	783	617
Interest and dividend income	374	269
Rental income on fixed assets	306	310
Foreign exchange gain	48	
Other nonoperating income	53	37
Nonoperating expenses	107	238
Interest expense	9	14
Rental expense on fixed assets	80	78
Foreign exchange loss		139
Other nonoperating expenses	17	6
Ordinary profit	5,030	4,363
Extraordinary income	87	1,116
Gain on sales of fixed assets	5	0
Gain on sales of investment securities	55	0
Gain on recovery of write-offs	22	
Reversal of allowance for doubtful accounts	4	27
Gain on the release from the substitutional portion of the Employees' Pension Fund	—	1,088
Extraordinary losses	337	42
Loss on disposal of fixed assets	112	41
Loss on devaluation of investment securities	0	
Loss on devaluation of shares in affiliates	139	
Loss on devaluation of other investments		0
Officers retirement benefits	85	
Income before income taxes	4,780	5,437
Income taxes including inhabitants' and enterprise taxes	1,476	1,483
Income taxes deferred	397	732
Net income	2,906	3,222
Unappropriated retained earnings brought forward	6,326	3,625
Interim cash dividends	242	242
Unappropriated retained earnings, end of year	8,990	6,605

Points

- 6** **Ordinary profit**
Ordinary profit advanced about ¥700 million due to higher profit from the increase in sales.
- 7** **Extraordinary losses**
A loss on the devaluation of shares in subsidiaries is included.

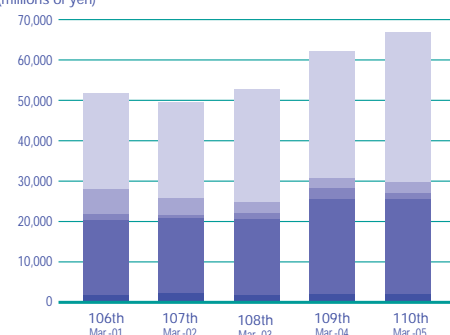
Segment Information (Nonconsolidated)

Sales by Product Category

(Millions of yen)

	106th Mar.-01	107th Mar.-02	108th Mar.-03	109th Mar.-04	110th Mar.-05
Automotive Press Products	23,660	23,719	27,932	31,331	37,018
Non-Automotive Press Products	6,301	4,103	2,751	2,502	2,854
Dies and Molds	1,459	989	1,600	2,769	1,520
Refrigerating Vehicles and Air-Conditioning Equipment	18,525	18,535	18,758	23,499	23,290
Others	1,912	2,200	1,766	2,147	2,243

(millions of yen)



Sales of automotive press products grew considerably, reflecting the expansion of domestic automotive production due to our major customers' active launch of new car models and favorable exports of new and existing car models. Sales of refrigeration vehicles decreased from a year earlier, affected by significantly worsened market conditions as a reaction against the previous year's special procurement demand before emission-gas regulations were tightened. In the air-conditioning equipment segment, sales of clean rooms for liquid crystal plants expanded in Asia and sales of ventilation systems for houses increased, favorably influenced by a revision to the standards concerning house ventilation.

