

Fact Book
2006

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.

Currently, the Company is carrying out its 10th midterm management plan with a basic policy of "seeking global development using core technologies." By "global development," we mean not only expanding businesses globally but also establishing systems and technologies that have global currency. This is extremely important for a manufacturer to ensure continuing growth into the future. The Company is making unified efforts to establish the Topre brand worldwide by setting specific targets and strategies to ensure such growth, and achieving steady results on a continuous basis.

Notes to Financial Statements

Years ended March 31, 2006 and 2005

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.

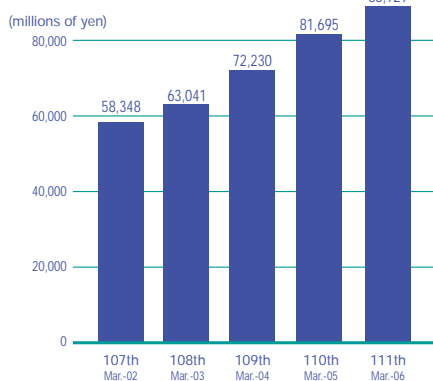
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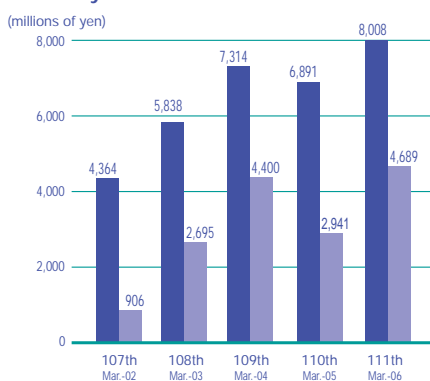
Consolidated Financial Highlights

		107th Mar.-02	108th Mar.-03	109th Mar.-04	110th Mar.-05	111th Mar.-06
Sales	(millions of yen)	58,348	63,041	72,230	81,695	88,929
Ordinary Profit	(millions of yen)	4,364	5,838	7,314	6,891	8,008
Net Income	(millions of yen)	906	2,695	4,400	2,941	4,689
Net Assets	(millions of yen)	39,498	41,789	46,239	48,752	54,871
Total Assets	(millions of yen)	66,171	70,102	76,271	78,741	86,955
Net Assets per Share	(yen)	771.982	797.45	882.86	927.35	1,037.78
Net Income per Share	(yen)	17.71	49.49	82.22	54.86	88.15
Equity Ratio	(%)	59.7	59.6	60.6	61.9	63.1
Return on Equity	(%)	2.3	6.4	9.5	6.0	9.1
Price-Earnings Ratio	(times)	23.43	8.85	9.35	15.91	15.22
Cash Flows from Operating Activities	(millions of yen)	7,480	7,512	8,598	5,169	9,307
Cash Flows from Investing Activities	(millions of yen)	(8,817)	(4,569)	(7,941)	(7,622)	(8,397)
Cash Flows from Financing Activities	(millions of yen)	695	(1,104)	(1,047)	(741)	930
Cash and Cash Equivalents at End of Year	(millions of yen)	8,410	10,236	10,768	7,573	9,533
Number of Employees	(persons)	1,713	1,688	1,728	1,918	2,066

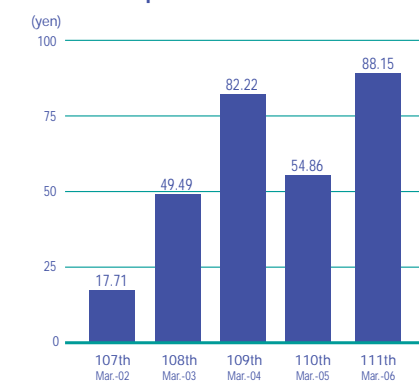
Sales



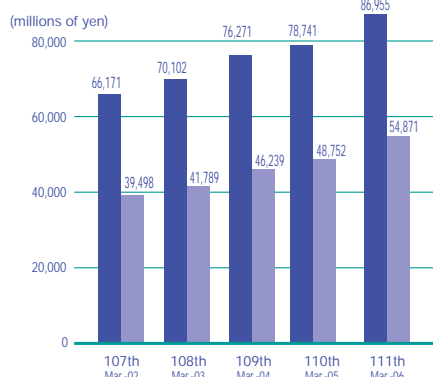
Ordinary Profit/Net Income



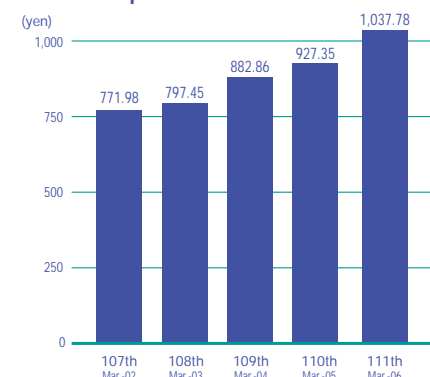
Net Income per Share



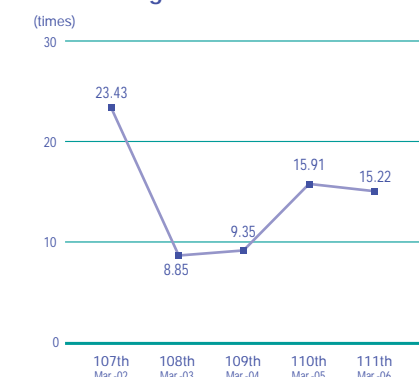
Total Assets/Net Assets



Net Assets per Share



Price-Earnings Ratio



Consolidated Balance Sheet

(Millions of yen)

(Millions of yen)

Account item	Mar.-06	Mar.-05	Account item	Mar.-06	Mar.-05
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	6,653	4,588	Notes payable from customer and trade accounts payable	18,175	17,919
Notes receivable and accounts receivable trade	23,503	23,436	Short-term borrowings	30	30
Marketable securities	3,751	4,067	Long-term borrowings current portion	470	430
Beneficial interest in trust included in receivables and others		159	Income taxes payable	1,913	1,577
Inventories	4,606	3,662	Deferred tax liabilities	0	1
Deferred income taxes	788	719	Reserve for bonuses	1,241	1,220
Other	2,082	2,401	Other	2,889	4,195
Allowance for doubtful accounts	(15)	(9)	Total current liabilities	24,720	25,374
Total current assets	41,369	39,025	Noncurrent liabilities		
Fixed assets			Long-term borrowings	1,297	259
Property, plant and equipment			Deferred tax liabilities	2,347	1,309
Buildings and structures	5,894	5,673	Other	55	56
Machinery, equipment and transportation equipment	8,527	8,856	Total noncurrent liabilities	3,700	1,625
Tools, furniture and fixtures	6,122	7,784	Total Liabilities	28,420	26,999
Land	2,525	2,659	Minority Interests		
Construction in progress	3,085	1,357	Minority interests	3,663	2,989
Total property, plant and equipment	26,155	26,330	Equity		
Intangible assets	142	145	Capital stock	5,610	5,610
Long-term Investments			Capital surplus	4,930	4,777
Investment securities	16,441	11,360	Earned surplus	41,739	37,581
Long-term loans	620	628	Appreciation by revaluation of investment securities	2,977	1,679
Deferred income taxes	349	51	Cumulative translation adjustment	48	(363)
Other	1,920	1,245	Treasury stock	(435)	(534)
Allowance for doubtful accounts	(43)	(45)	Total Equity	54,871	48,752
Total long-term Investments	19,288	13,240	Total Liabilities, Minority Interests and Equity	86,955	78,741
Total fixed assets	45,586	39,716			
Total Assets	86,955	78,741			

Points

1 **Current assets**
Cash and deposits increased about ¥2 billion, mostly due to the borrowing of ¥1.5 billion in funds to expand a Topre America Corporation factory.

2 **Fixed assets**
Total long-term investments rose around ¥6 billion, mainly owing to a gain from the revaluation of shares held.

Points

3 **Current liabilities**
Total current liabilities decreased about ¥700 million as a result of paying for the construction of a factory for Topre America Corporation.

4 **Noncurrent liabilities**
Total noncurrent liabilities increased around ¥2,100 million, reflecting the borrowings to fund capital investments and an increase in deferred tax liabilities.

5 **Equity**
Total equity increased around ¥6.1 billion, taking into account such factors as net income for the year under review and a gain from the revaluation of shares held.

Consolidated Statement of Income

(Millions of yen)

Account item	Mar.-06	Mar.-05
6 Sales	88,929	81,695
Cost of sales	73,415	67,146
Gross profit	15,513	14,549
Selling, general and administrative expenses	8,560	8,105
7 Operating profit	6,953	6,444
Nonoperating income	1,120	504
Interest income	118	127
Dividends income	109	70
Rental income on fixed assets	121	115
Foreign exchange gain	563	35
Other nonoperating income	208	155
Nonoperating expenses	65	57
Interest expense	4	13
Rental expense on fixed assets	46	25
Other nonoperating expenses	13	19
8 Ordinary profit	8,008	6,891
Extraordinary income	292	329
Gain from the prior-term adjustments		116
Gain on sale of fixed assets	2	5
Gain on sale of investment securities	289	171
Gain on recovery of write-offs		35
Extraordinary losses	403	403
Loss from prior-term adjustments	12	
Loss on disposal of fixed assets	94	123
Impairment loss	107	
Loss on sale of investment securities	31	
Loss on devaluation of investment securities	0	140
Officers' retirement benefits	157	139
Income before income taxes and minority interests	7,897	6,818
Income taxes including inhabitants' and enterprise taxes	2,828	2,768
Income taxes deferred	(216)	612
Minority interests	596	495
9 Net income	4,689	2,941

Points

- 6** Sales
Sales rose approximately ¥7.2 billion mainly due to increased revenue from sales of press products and refrigerated vehicles and the refrigerated cargo transportation service.
- 7** Operating profit
Operating profit increased about ¥500 million, as the ratio of selling, general and administrative expenses to sales improved 0.3 percentage point.
- 8** Ordinary profit
Ordinary profit grew around ¥1.1 billion, reflecting a considerable increase in the foreign exchange gain.
- 9** Net income
Net income for the year increased more than ¥1.7 billion primarily due to the adoption of tax-effect accounting by Topre America Corporation.

Consolidated Statement of Cash Flows

(Millions of yen)

Account item	Mar.-06	Mar.-05
10 Cash flows from operating activities	9,307	5,169
Cash flows from investing activities	(8,397)	(7,622)
Cash flows from financing activities	930	(741)
Effect of exchange rate changes on cash and cash equivalents	118	0
Net increase (decrease) in cash and cash equivalents	1,959	(3,194)
Cash and cash equivalents at beginning of year	7,573	10,768
Cash and cash equivalents at end of year	9,533	7,573

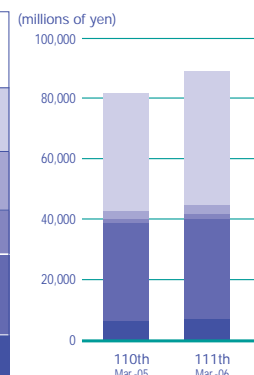
Point

- 10** Cash flow from operating activities
Net cash provided by operating activities jumped ¥4.1 billion to ¥9.3 billion, reflecting such factors as increased profit and a decline in installment payments in a pension fund.

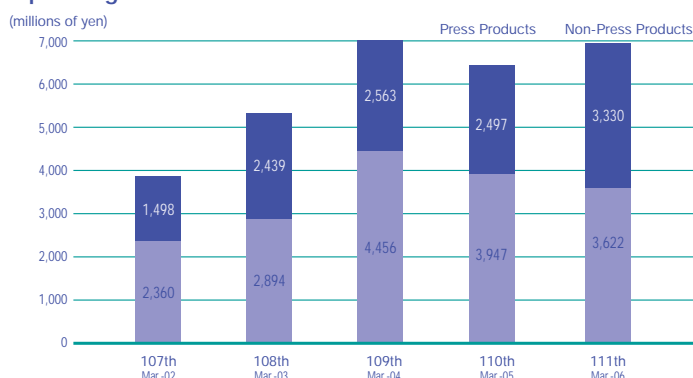
Segment Information (Consolidated)

Sales

	110th Mar.-05	111th Mar.-06
Automotive Press Products	38,748	44,219
Non-Automotive Press Products	2,849	2,933
Dies and Molds	1,270	1,702
Refrigeration Vehicles/Air-Conditioning Equipment	32,524	33,009
Other	6,302	7,063



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.-06	Mar.-05	Account item	Mar.-06	Mar.-05
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	2,453	2,199	Notes payable from customer	8,165	7,266
Notes receivable and accounts receivable trade	1,134	1,345	Trade accounts payable	7,908	8,850
Accounts receivable trade	22,092	20,324	Long-term borrowings current portion	455	430
Marketable securities	3,489	3,280	Accounts payable other	106	334
Beneficial interest in trust included in receivables and others		159	Income taxes payable	1,137	782
Finished goods	357	254	Consumption taxes payable	156	224
Raw materials	630	654	Accrued expenses	1,146	1,067
Work in process	1,722	1,400	Advance received	13	39
Supplies	65	62	Deposits received	6,049	5,715
Prepaid expenses	13	20	Reserve for bonuses	869	863
Deferred income taxes	513	485	Nonoperating notes payable	313	403
Accounts receivable other	1,835	2,070	3 Total current liabilities	26,320	25,978
Other	150	274			
1 Total current assets	34,459	32,532	Noncurrent liabilities		
Fixed assets			Long-term borrowings	1,200	155
Property, plant and equipment			Deferred tax liabilities	2,132	1,144
Buildings	2,137	2,231	Noncurrent deposits received	21	22
Structures	279	297	4 Total noncurrent liabilities	3,354	1,322
Machinery and equipment	2,791	2,808	Total Liabilities	29,675	27,301
Transportation equipment	63	62	Equity		
Tools, furniture and fixtures	4,391	5,704	Capital stock	5,610	5,610
Land	1,638	1,784	Capital surplus	4,707	4,707
Construction in progress	2,193	1,252	Capital reserve	4,705	4,705
Total property, plant and equipment	13,496	14,141	Other capital surplus	1	1
Intangible assets			Earned surplus	32,333	30,037
Lease holds rights	73	73	Legal reserve	1,197	1,197
Computer software costs	41	42	Revenue reserve	19,848	19,849
Right to use on property, plant and equipment	11	12	Dividend preparation reserve	400	400
Total intangible assets	126	128	Reserve for retirement allowances	200	200
Long-term investments			Reserve for land devaluation	332	332
Investment securities	14,454	9,886	Added depreciation reserve	2	3
Equity securities for nonconsolidated and affiliates	3,419	3,419	General reserve	18,914	18,914
Investment in partnership	1	1	Undistributed profit	11,287	8,990
Long-term loans	8,348	8,675	Appreciation by revaluation of investment securities	2,962	1,652
Long-term guarantee deposits	86	91	Treasury stock	(70)	(56)
Other	862	412	5 Total Equity	45,543	41,951
Allowance for doubtful accounts	(36)	(36)	Total Liabilities and Equity	75,218	69,252
Total investments and other assets	27,136	22,449			
2 Total fixed assets	40,759	36,720			
Total Assets	75,218	69,252			

Points

- 1 Current assets**
Total current assets increased about ¥1.9 billion, primarily reflecting an increase in accounts receivable—trade as a result of sales growth.
- 2 Fixed assets**
Total fixed assets rose around ¥4 billion, mainly owing to a gain from the revaluation of shares held.

Points

- 3 Current liabilities**
Total current liabilities increased about ¥300 million, reflecting increases in notes payable and income taxes payable.
- 4 Noncurrent liabilities**
Total noncurrent liabilities increased around ¥2 billion, reflecting increases in long-term borrowings and deferred tax liabilities.
- 5 Equity**
Total equity increased around ¥3.5 billion, primarily due to a gain from the revaluation of shares held.

Nonconsolidated Statement

(Millions of yen)

Account item	Mar.-06	Mar.-05
6 Sales	70,952	66,927
Cost of sales	62,713	58,170
Gross profit	8,239	8,757
Selling, general and administrative expenses	4,761	4,402
Operating profit	3,478	4,355
7 Nonoperating income	1,433	783
Interest and dividend income	501	374
Rental income on fixed assets	308	306
Foreign exchange gain	560	48
Other nonoperating income	63	53
Nonoperating expenses	96	107
Interest expense	3	9
Rental expense on fixed assets	80	80
Other nonoperating expenses	12	17
Ordinary profit	4,815	5,030
Extraordinary income	38	87
Gain on sales of fixed assets	1	5
Gain on sales of investment securities	37	55
Gain on recovery of write-offs		22
Reversal of allowance for doubtful accounts		4
Extraordinary losses	215	337
Loss on disposal of fixed assets	72	112
Impairment loss	107	
Loss on sale of investment securities	31	
Loss on devaluation of investment securities	0	0
Loss on devaluation of shares in affiliates		139
Officers' retirement benefits	4	85
Income before income taxes	4,639	4,780
Income taxes including inhabitants' and enterprise taxes	1,772	1,476
Income taxes deferred	49	397
Net income	2,817	2,906
Unappropriated retained earnings brought forward	8,712	6,326
Interim cash dividends	242	242
Unappropriated retained earnings, end of year	11,287	8,990

Points

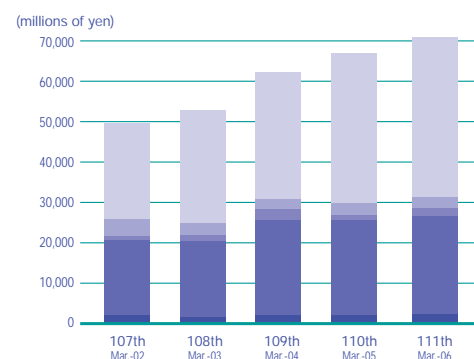
- 6 Sales**
Sales advanced about ¥4 billion, due to sales increases of ¥3 billion in press products and ¥1 billion in non-press products.
- 7 Nonoperating income**
Nonoperating income rose more than ¥600 million due to a considerable increase in foreign exchange gain.

Segment Information (Nonconsolidated)

Sales by Product Category

(Millions of yen)

	107th Mar.-02	108th Mar.-03	109th Mar.-04	110th Mar.-05	111th Mar.-06
Automotive Press Products	23,719	27,932	31,331	37,018	39,365
Non-Automotive Press Products	4,103	2,751	2,502	2,854	2,938
Dies and Molds	989	1,600	2,769	1,520	2,024
Refrigerating Vehicles and Air-Conditioning Equipment	18,535	18,758	23,499	23,290	24,026
Others	2,200	1,766	2,147	2,243	2,597



Sales of automotive press products grew in the first half of the year, reflecting the launch of popular car models in the domestic market. The second half saw an overall decline in the production of existing car models, but an increase in prototype production and orders for additional parts resulted in sales growth for the full year.

Sales of the cold-storage equipment segment reached record highs in value and amount, due to an increase in additional and replacement orders from leading parcel delivery firms and excellent business performance especially in the Chukyo and Kansai regions.

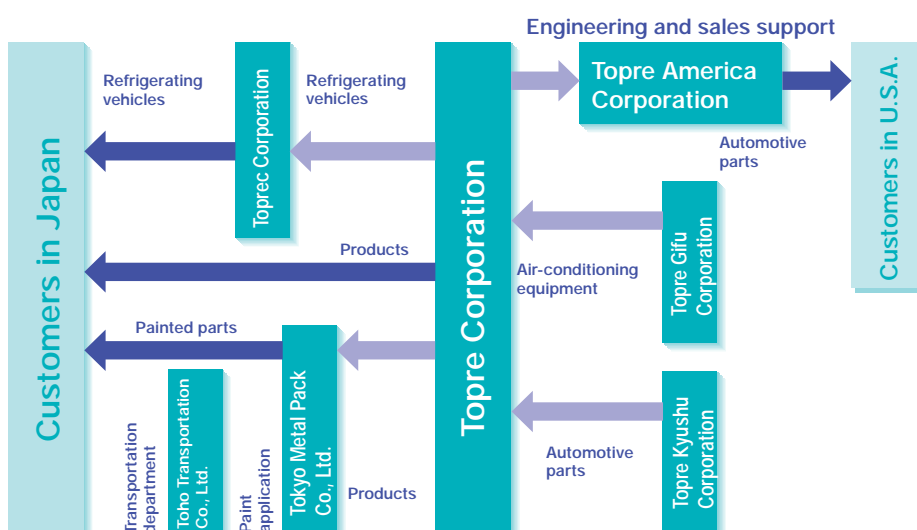
The air-conditioning equipment segment suffered a considerable decline in sales of air-conditioning equipment for clean rooms. Sales of ventilation systems for houses also decreased, reflecting a decrease in housing starts by housing providers.

Sales of the electronic equipment segment grew primarily due to orders for automatic teller machines for financial institutions to which our consistent development efforts from our accumulated experience have been extended.

Company Profile (as of June 30, 2006)

Name	Topre Corporation
Established	April 30, 1935
Capital:	¥5,610 million (as of March 2006)
Stock	Listed on the Tokyo Stock Exchange (First Section)
President	Ichiro Tamaru
Businesses	Manufacture and sale of press products, dies and molds, refrigerating vehicles, air-conditioning equipment and electronic equipment
Headquarters	Asahi Bldg., 12-2, Nihonbashi 3-chome, Chuo-ku, Tokyo 103-0027, Japan
Works	Sagamihara, Hiroshima, Tochigi and Chukyo
Sales Office	Osaka
Overseas	Los Angeles, California, U.S.A.

Corporate Group



Brief History

April 1935	Tokyo Press Kogyo Co. Ltd., was founded in Ohjima-cho, Koto-ku, Tokyo (capital stock of ¥300,000).
July 1960	A new plant was completed in Sagamihara, Kanagawa (Sagamihara Works).
August 1962	Our stock was listed on the Second Section of the Tokyo Stock Exchange.
October 1963	An assembly shop, a die shop and a press shop were expanded at the Sagamihara Works.
March 1964	A press shop and an assembly shop were newly completed in Higashi-Hiroshima, Hiroshima (Hiroshima Works).
July 1965	The Tokyo Plant was moved and incorporated into the Sagamihara Works.
January 1968	A press shop and a die shop were expanded at the Sagamihara Works.
September 1968	We penetrated the refrigerating/cold storage vehicle industry.
January 1970	We penetrated the air-conditioning equipment industry.
November 1971	A new plant was completed in Kawachi-gun, Tochigi (Tochigi Works).
February 1974	Our stock listing was transferred from the Second Section to the First Section of the Tokyo Stock Exchange.
August 1978	A U.S. liaison office was opened.
September 1979	An air-conditioning equipment plant was completed in Kamo-gun, Gifu (Topre Gifu).
October 1983	We penetrated the electronic equipment industry.
March 1985	An electronic equipment plant was completed in Sagamihara, Kanagawa.
October 1985	Tokyo Press Kogyo Co. Ltd., was renamed Topre Corporation.
October 1991	The sales department of the refrigerating/cold storage vehicles was spun off and the relevant business was transferred to Toprec Corporation.
October 1991	The manufacturing department of the refrigerating/cold storage vehicles was acquired from Top Kogyo Co. Ltd.
May 1993	A large refrigerating vehicle plant was expanded at the Hiroshima Works.
June 1995	We merged Celco Plastics Ltd. in Canada.
October 1996	A new refrigerating vehicle plant was expanded at the Tochigi Works.
August 2000	A container assembly shop for refrigerating vehicles was expanded at the Tochigi Works.
April 2001	A new automotive parts plant was completed in Kurume, Fukuoka (Topre Kyushu).
June 2004	A new automotive parts plant was completed in the State of Alabama in the United States (Topre America Corporation).