

Fact Book  
2007

*Topre*

***Topre Corporation***

## Our Challenges Ahead

Topre has adhered to thorough “manufacturing” since its formation. We aim to be the best in our industry for performance and quality by freely using our core technology and addressing the challenge to develop new products.

Topre continues to create products and services with our world-class technologies. Our mission is to contribute to society. We intend to become an essential global company that is truly trusted by society.

### Notes to Financial Statements

Years ended March 31, 2007 and 2006

### 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.

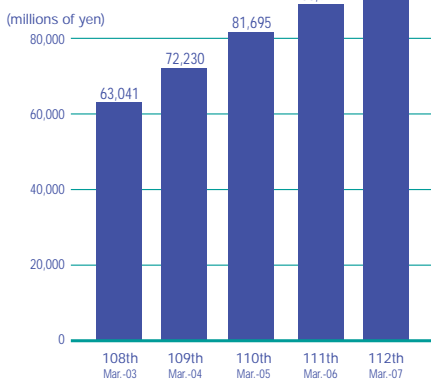
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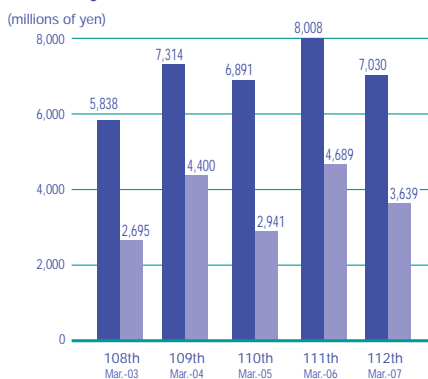
# Consolidated Financial Highlights

		108th Mar.-03	109th Mar.-04	110th Mar.-05	111th Mar.-06	112th Mar.-07
Sales	(millions of yen)	63,041	72,230	81,695	88,929	90,810
Ordinary Profit	(millions of yen)	5,838	7,314	6,891	8,008	7,030
Net Income	(millions of yen)	2,695	4,400	2,941	4,689	3,639
Net Assets	(millions of yen)	41,789	46,239	48,752	54,871	61,425
Total Assets	(millions of yen)	70,102	76,271	78,741	86,955	89,716
Net Assets per Share	(yen)	797.45	882.86	927.35	1,037.78	1,098.98
Net Income per Share	(yen)	49.49	82.22	54.86	88.15	68.78
Equity Ratio	(%)	59.6	60.6	61.9	63.1	63.8
Return on Equity	(%)	6.4	9.5	6.0	9.1	6.5
Price-Earnings Ratio	(times)	8.85	9.35	15.91	15.22	15.58
Cash Flows from Operating Activities	(millions of yen)	7,512	8,598	5,169	9,307	10,079
Cash Flows from Investing Activities	(millions of yen)	(4,569)	(7,941)	(7,622)	(8,397)	(7,928)
Cash Flows from Financing Activities	(millions of yen)	(1,104)	(1,047)	(741)	930	(1,279)
Cash and Cash Equivalents at End of Year	(millions of yen)	10,236	10,768	7,573	9,533	10,349
Number of Employees (persons)		1,688	1,728	1,918	2,066	2,218

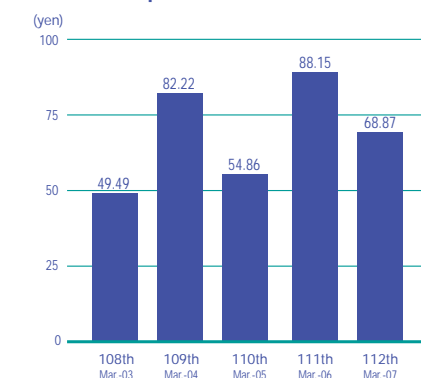
## Sales



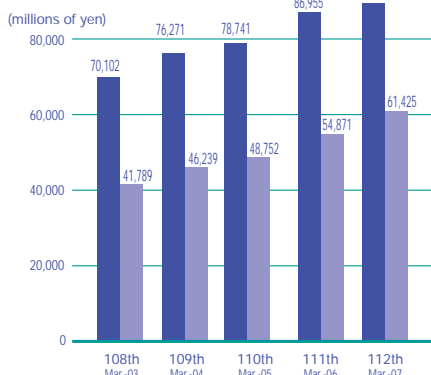
## Ordinary Profit/Net Income



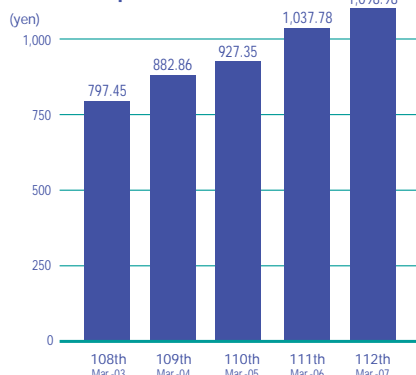
## Net Income per Share



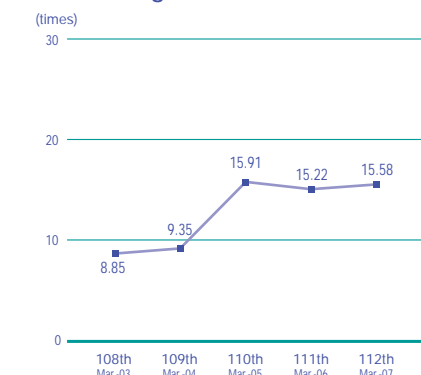
## Total Assets/Net Assets



## Net Assets per Share



## Price-Earnings Ratio



# Consolidated Balance Sheets

(Millions of yen)

(Millions of yen)

Account item	Mar.-07	Mar.-06	Account item	Mar.-07	Mar.-06
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>			<b>Current liabilities</b>		
Cash and deposits	11,869	6,653	Notes payable from customer and trade accounts payable	18,582	18,175
Notes receivable and accounts receivable trade	23,067	23,503	Short-term borrowings	30	30
Marketable securities	1,876	3,751	Long-term borrowings current portion	316	470
Inventories	4,926	4,606	Income taxes payable	1,235	1,913
Deferred income taxes	1,328	788	Deferred tax liabilities	—	0
Other	2,011	2,082	Reserve for bonuses	1,273	1,241
Allowance for doubtful accounts	(1)	(15)	Other	2,903	2,889
<b>Total current assets</b>	<b>45,079</b>	<b>41,369</b>	<b>Total current liabilities</b>	<b>24,479</b>	<b>24,720</b>
<b>Fixed assets</b>			<b>Noncurrent liabilities</b>		
<b>Property, plant and equipment</b>			Long-term borrowings	981	1,297
Buildings and structures	6,649	5,894	Deferred tax liabilities	2,780	2,347
Machinery, equipment and transportation equipment	9,437	8,527	Other	49	55
Tools, furniture and fixtures	5,826	6,122	<b>Total noncurrent liabilities</b>	<b>3,811</b>	<b>3,700</b>
Land	2,547	2,525	<b>Total Liabilities</b>	<b>28,291</b>	<b>28,420</b>
Construction in progress	3,622	3,085			
<b>Total property, plant and equipment</b>	<b>28,083</b>	<b>26,155</b>	<b>Minority Interests</b>		
<b>Intangible assets</b>	<b>172</b>	<b>142</b>	Minority interests	—	3,663
<b>Long-term Investments</b>			<b>Equity</b>		
Investment securities	13,661	16,441	<b>Capital stock</b>	—	5,610
Long-term loans	578	620	<b>Capital surplus</b>	—	4,930
Deferred income taxes	34	349	<b>Earned surplus</b>	—	41,739
Other	2,147	1,920	<b>Appreciation by revaluation of investment securities</b>	—	2,977
Allowance for doubtful accounts	(42)	(43)	<b>Cumulative translation adjustment</b>	—	48
<b>Total long-term Investments</b>	<b>16,380</b>	<b>19,288</b>	<b>Treasury stock</b>	—	(435)
<b>Total fixed assets</b>	<b>44,637</b>	<b>45,586</b>	<b>Total Equity</b>	—	54,871
<b>Total Assets</b>	<b>89,716</b>	<b>86,955</b>	<b>Total Liabilities, Minority Interests and Equity</b>	—	86,955
			<b>Net Assets</b>		
			<b>Shareholders' equity</b>	54,308	—
			<b>Capital stock</b>	5,610	—
			<b>Capital surplus</b>	4,841	—
			<b>Earned surplus</b>	44,701	—
			<b>Treasury stock</b>	(844)	—
			<b>Valuation, translation adjustments and others</b>	2,907	—
			<b>Appreciation by revaluation of investment securities</b>	2,794	—
			<b>Cumulative translation adjustment</b>	113	—
			<b>Minority interests</b>	4,208	—
			<b>Total Net Assets</b>	<b>61,425</b>	—
			<b>Total Liabilities and Net Assets</b>	<b>89,716</b>	—

## Points

- Current assets**  
Cash and deposits increased approximately ¥5.2 billion, mostly due to the holding of temporarily encashed securities.
- Fixed assets**  
Property, plant and equipment increased approximately ¥1.9 billion, mainly owing to an extension of the assembly factory facilities and installation of new production facilities at Topre America Corporation.

## Points

- Current liabilities**  
Total current liabilities decreased approximately ¥200 million, reflecting a decrease of approximately ¥600 million in income taxes payable, which was partly offset by an increase of approximately ¥400 million in notes payable from customer and trade accounts payable.
- Noncurrent liabilities**  
Total noncurrent liabilities increased approximately ¥100 million, reflecting a decrease of approximately ¥300 million in long-term borrowings and an increase of ¥400 million in deferred tax liabilities.
- Net Assets**  
Net Assets increased approximately ¥2.9 billion, principally due to the inclusion of increases in net income for the year and minority interests.

# Consolidated Statements of Income

(Millions of yen)

Account item	Mar.-07	Mar.-06
<b>6</b> Sales	90,810	88,929
Cost of sales	75,386	73,415
Gross profit	15,424	15,513
Selling, general and administrative expenses	8,907	8,560
<b>7</b> Operating profit	6,516	6,953
Nonoperating income	567	1,120
Interest income	138	118
Dividends income	155	109
Rental income on fixed assets	117	121
Foreign exchange gain	—	563
Other nonoperating income	156	208
Nonoperating expenses	53	65
Interest expense	26	4
Rental expense on fixed assets	22	46
Other nonoperating expenses	4	13
Ordinary profit	7,030	8,008
Extraordinary income	141	292
Gain on sale of fixed assets	9	2
Gain on sale of investment securities	115	289
Gain on recovery of write-offs	15	—
Extraordinary losses	338	403
Loss from prior-term adjustments	—	12
Loss on disposal of fixed assets	86	94
Impairment loss	—	107
Loss on sale of investment securities	56	31
Loss on devaluation of investment securities	—	0
Loss on devaluation of golf memberships	0	—
Officers' retirement benefits	195	157
<b>Income before income taxes and minority interests</b>	<b>6,833</b>	<b>7,897</b>
Income taxes including inhabitants' and enterprise taxes	2,507	2,828
Income taxes deferred	330	(216)
Minority interests	356	596
<b>Net income</b>	<b>3,639</b>	<b>4,689</b>

## Points

- 6** Sales rose approximately ¥1.8 billion mainly due to increased revenues from sales of press products, air-conditioning equipment and the transportation business under the "Other" business segment.
- 7** Operating profit decreased approximately ¥400 million, as a reserve for directors' bonuses was recorded due to a change in accounting standards effective from the fiscal year under review, thereby resulting in the ratio of selling, general and administrative expenses to sales being 0.2 percentage point lower than the previous fiscal year.

# Consolidated Statements of Cash Flows

(Millions of yen)

Account item	Mar.-07	Mar.-06
Cash flows from operating activities	10,079	9,307
Cash flows from investing activities	(7,928)	(8,397)
Cash flows from financing activities	(1,279)	930
<b>8</b> Effect of exchange rate changes on cash and cash equivalents	(54)	118
Net increase (decrease) in cash and cash equivalents	816	1,959
Cash and cash equivalents at beginning of year	9,533	7,5738
Cash and cash equivalents at end of year	10,349	9,533

## Point

- 8** Cash flows from financing activities  
Net cash used in financial activities amounted to ¥1,279 million, taking into account such factors as the repayment of long-term borrowings, cash dividends paid and the acquisition of treasury stock.

# Consolidated Statement of Changes in Shareholders' Equity etc.

Year ended March 31, 2007 (From April 1, 2006, to March 31, 2007) (Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	5,610	4,930	41,739	(435)	51,845
<b>Changes in the year:</b>					
Dividends from surplus (Note)			(311)		(311)
Dividends from surplus			(313)		(313)
Bonuses to directors and auditors (Note)			(53)		(53)
Net income			3,639		3,639
Acquisition of treasury stock				(436)	(436)
Disposition of treasury stock		(89)		26	(62)
Net changes in items other than those in shareholders' equity					
Total of changes in the year		(89)	2,961	(409)	2,463
<b>Total of changes in the year</b>		<b>(89)</b>	<b>2,961</b>	<b>(409)</b>	<b>2,463</b>
<b>Balance as of March 31, 2007</b>	<b>5,610</b>	<b>4,841</b>	<b>44,701</b>	<b>(844)</b>	<b>54,308</b>

	Valuation, translation adjustments and others			Minority interests	Total Net Assets
	Appreciation by revaluation of investment securities	Cumulative translation adjustment	Total Valuation, translation adjustments and others		
Balance as of March 31, 2006	2,977	48	3,025	3,663	58,535
<b>Changes in the year:</b>					
Dividends from surplus (Note)					(311)
Dividends from surplus					(313)
Bonuses to directors and auditors (Note)					(53)
Net income					3,639
Acquisition of treasury stock					(436)
Disposition of treasury stock					(62)
Net changes in items other than those in shareholders' equity					
Total of changes in the year	(182)	64	(118)	545	426
<b>Total of changes in the year</b>	<b>(182)</b>	<b>64</b>	<b>(118)</b>	<b>545</b>	<b>2,890</b>
<b>Balance as of March 31, 2007</b>	<b>2,794</b>	<b>113</b>	<b>2,907</b>	<b>4,208</b>	<b>61,425</b>

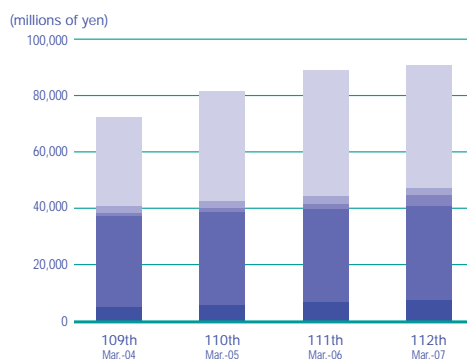
Note: Items subject to profit appropriation at the ordinary general meeting of shareholders held in June 2006.

# Segment Information (Consolidated)

## Sales

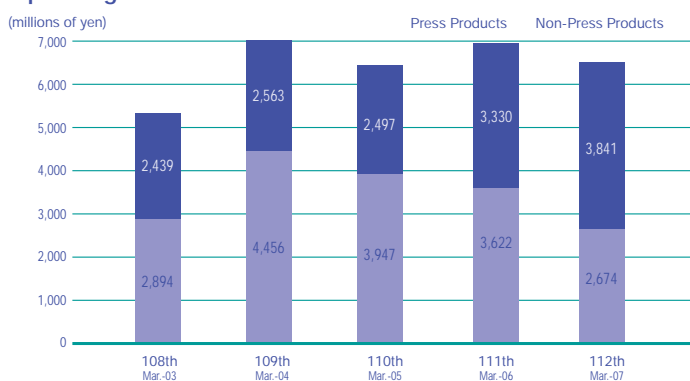
(Millions of yen)

	109th Mar.-04	110th Mar.-05	111th Mar.-06	112th Mar.-07
Automotive Press Products	31,115	38,748	44,219	43,332
Non-Automotive Press Products	2,500	2,849	2,933	2,650
Dies and Molds	1,214	1,270	1,702	3,785
Refrigeration Vehicles/ Air-Conditioning Equipment	31,937	32,524	33,009	32,970
Other	5,462	6,302	7,063	8,071



## Operating Profit

(millions of yen)



## 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, surface treatment business, keyboards, magnetic card reader/writer units, compact slip printers, sensors, touch panel screens

# Nonconsolidated Balance Sheets

(Millions of yen)

(Millions of yen)

Account item	Mar.-07	Mar.-06
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,616	2,453
Notes receivable	1,359	1,134
Accounts receivable trade	20,673	22,092
Marketable securities	1,497	3,489
Finished goods	427	357
Raw materials	562	630
Work in process	1,847	1,722
Supplies	55	65
Prepaid expenses	31	13
Deferred income taxes	516	513
Accounts receivable other	2,234	1,835
Other	135	150
<b>Total current assets</b>	<b>30,958</b>	<b>34,459</b>
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>		
Buildings	2,061	2,137
Structures	280	279
Machinery and equipment	2,731	2,791
Transportation equipment	70	63
Tools, furniture and fixtures	4,183	4,391
Land	1,659	1,638
Construction in progress	3,106	2,193
<b>Total property, plant and equipment</b>	<b>14,093</b>	<b>13,496</b>
<b>Intangible assets</b>		
Lease holds rights	73	73
Computer software costs	38	41
Right to use on property, plant and equipment	11	11
<b>Total intangible assets</b>	<b>123</b>	<b>126</b>
<b>Long-term Investments</b>		
Investment securities	11,650	14,454
Equity securities for nonconsolidated and affiliates	3,419	3,419
Investment in partnership	1	1
Long-term loans	8,317	8,348
Long-term guarantee deposits	83	86
Prepaid pension cost	814	—
Other	260	862
Allowance for doubtful accounts	(37)	(36)
<b>Total investments and other assets</b>	<b>24,510</b>	<b>27,136</b>
<b>Total fixed assets</b>	<b>38,727</b>	<b>40,759</b>
<b>Total Assets</b>	<b>69,685</b>	<b>75,218</b>

Account item	Mar.-07	Mar.-06
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable from customer	8,690	8,165
Trade accounts payable	7,026	7,908
Long-term borrowings current portion	300	455
Accounts payable other	178	106
Income taxes payable	580	1,137
Consumption taxes payable	175	156
Accrued expenses	1,206	1,146
Advance received	—	13
Deposits received	2,735	6,049
Reserve for bonuses	889	869
Reserve for directors' bonuses	42	—
Nonoperating notes payable	183	313
<b>Total current liabilities</b>	<b>22,007</b>	<b>26,320</b>
<b>Noncurrent liabilities</b>		
Long-term borrowings	900	1,200
Deferred tax liabilities	2,012	2,132
Noncurrent deposits received	21	21
<b>Total noncurrent liabilities</b>	<b>2,934</b>	<b>3,354</b>
<b>Total Liabilities</b>	<b>24,942</b>	<b>29,675</b>
<b>Equity</b>		
<b>Capital stock</b>	—	5,610
<b>Capital surplus</b>	—	4,707
Capital reserve	—	4,705
Other capital surplus	—	1
<b>Earned surplus</b>	—	32,333
Legal reserve	—	1,197
Revenue reserve	—	19,848
Dividend preparation reserve	—	400
Reserve for retirement allowances	—	200
Reserve for land devaluation	—	332
Added depreciation reserve	—	2
General reserve	—	18,914
Undistributed profit	—	11,287
<b>Appreciation by revaluation of investment securities</b>	—	2,962
<b>Treasury stock</b>	—	(70)
<b>Total Equity</b>	—	45,543
<b>Total Liabilities and Equity</b>	—	75,218
<b>Net Assets</b>		
<b>Shareholders' equity</b>	<b>41,977</b>	—
<b>Capital stock</b>	<b>5,610</b>	—
<b>Capital surplus</b>	<b>4,707</b>	—
Capital reserve	4,705	—
Other capital surplus	2	—
<b>Earned surplus</b>	<b>33,854</b>	—
Legal reserve	1,197	—
Revenue reserve	19,807	—
Dividend preparation reserve	400	—
Reserve for retirement allowances	200	—
Reserve for land devaluation	292	—
Added depreciation reserve	0	—
General reserve	18,914	—
Earned surplus carried forward	12,849	—
<b>Treasury stock</b>	<b>(2,195)</b>	—
Valuation, translation adjustments and others	2,766	—
<b>Appreciation by revaluation of investment securities</b>	<b>2,766</b>	—
<b>Total Net Assets</b>	<b>44,743</b>	—
<b>Total Liabilities and Net Assets</b>	<b>69,685</b>	—

## Points

- Current assets**  
Total current assets decreased approximately ¥3.5 billion, mainly due to a decrease in accounts receivable trade and marketable securities.
- Fixed assets**  
Total fixed assets decreased approximately ¥2.0 billion, mainly due to a decrease in investment securities.

## Points

- Current liabilities**  
Total current liabilities decreased approximately ¥4.3 billion, reflecting decreases in trade accounts payable, income taxes payable and deposits received.
- Noncurrent liabilities**  
Total noncurrent liabilities decreased approximately ¥400 million, mainly due to decreases in long-term borrowings and deferred tax liabilities.

# Nonconsolidated Statements of Income

(Millions of yen)

Account item	Mar.-07	Mar.-06
<b>5</b> Sales	68,277	70,952
Cost of sales	60,461	62,713
Gross profit	7,816	8,239
Selling, general and administrative expenses	4,781	4,761
Operating profit	3,035	3,478
Nonoperating income	979	1,433
Interest and dividend income	593	501
Rental income on fixed assets	307	308
Foreign exchange gain	—	560
Other nonoperating income	78	63
Nonoperating expenses	96	96
Interest expense	23	3
Rental expense on fixed assets	69	80
Other nonoperating expenses	3	12
Ordinary profit	3,918	4,815
Extraordinary income	1	38
Gain on sales of fixed assets	1	1
Gain on sales of investment securities	0	37
Extraordinary losses	323	215
Loss on disposal of fixed assets	75	72
Impairment loss	—	107
Loss on sale of investment securities	56	31
Loss on devaluation of investment securities	—	0
Loss on devaluation of golf memberships	0	—
Officers' retirement benefits	191	4
Income before income taxes	3,595	4,639
Income taxes including inhabitants' and enterprise taxes	1,362	1,772
Income taxes deferred	13	49
Net income	2,220	2,817

## Point

**5**

### Sales

Overall sales fell approximately ¥2.6 billion, primarily due to sales declines of ¥2.1 billion in press products and ¥500 million in non-press products.

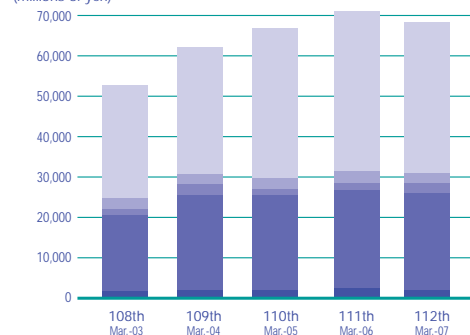
## Segment Information (Nonconsolidated)

### Sales by Product Category

(Millions of yen)

	108th Mar.-03	109th Mar.-04	110th Mar.-05	111th Mar.-06	112th Mar.-07
Automotive Press Products	27,932	31,331	37,018	39,365	36,933
Non-Automotive Press Products	2,751	2,502	2,854	2,938	2,655
Dies and Molds	1,600	2,769	1,520	2,024	2,547
Refrigerating Vehicles and Air-Conditioning Equipment	18,758	23,499	23,290	24,026	24,087
Others	1,766	2,147	2,243	2,597	2,053

(millions of yen)

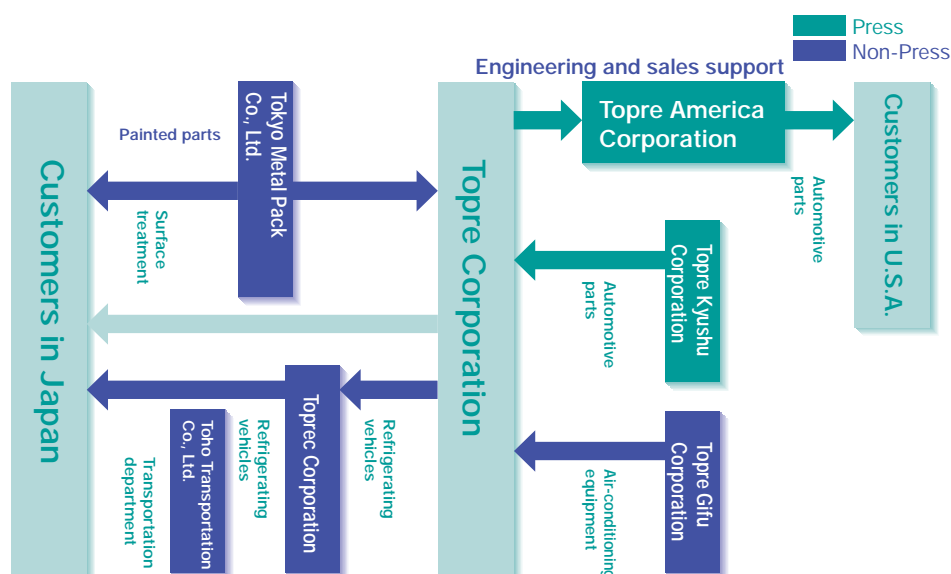


- Sales in the automotive press products segment decreased, affected by sluggish sales for mainstay car models in the domestic market.
- Sales in the refrigerating vehicles category performed well in the first half, reflecting an increase in the number of new vehicles purchased by leading parcel delivery firms and increased replacement sales. However, sales in this category decreased in the second half because the replacement need derived from the strengthened restrictions on emissions neared an end, and customers affected by the hike in fuel costs and the shortage of drivers in the Tokyo metropolitan area refrained from purchasing new vehicles.
- Sales in the air-conditioning equipment category increased throughout the year as equipment bound for clean rooms for the semiconductor and liquid crystal industries sold steadily, and sales of the mainstay ventilation systems for houses also performed well.

# Company Profile (as of June 30, 2007)

Name	Topre Corporation
Established	April 30, 1935
Capital:	¥5,610 million (as of March 2007)
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).