

Fact Book
2010

Topre

Topre Corporation

Topre Group

The mission of the Topre Group (the Group) is to contribute to society through the creation of products and services with our world-class technologies. We do not simply pursue economical results but execute corporate activities with high ethics and common sense to be an international company that is needed and respected by society. The Group's employees all over the world share this philosophy and engage in business activities that aim to contribute to society and the Group's sustainable prosperity.

The 11th Medium-Term Management Plan (FY2008-FY2010) “Challenges to Address Changes 11”

To address the increasingly severe management environment, the Group strays from status quo management methods by striving to tackle “challenges” to improve itself through “appropriate changes.” We undertake such challenges through groupwide efforts, thereby innovating our existing businesses and creating new value.

Basic Policy

1) Reinforce existing businesses

- Automotive segment: Reinforce overseas and domestic manufacturing bases; reinforce development and *monozukuri* (manufacturing value-added products)
- Refrigerating equipment segment: Reinforce quality and development of new products

2) Newly create

- New customers in the air-conditioning equipment, electronic equipment and development segments to make these segments a third core business; enter such markets and strive for rapid progress

3) Reinforce the corporate structure

- Enhance the quality of management to strongly support our businesses

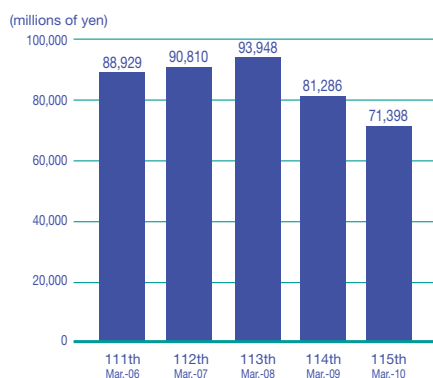
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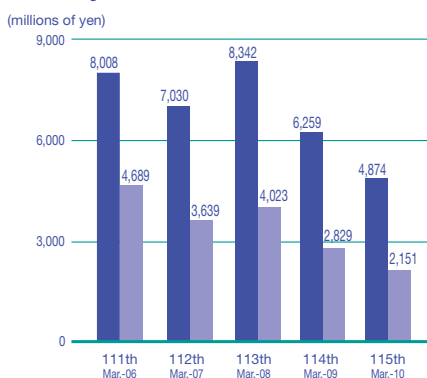
Consolidated Financial Highlights

		111th Mar.-06	112th Mar.-07	113th Mar.-08	114th Mar.-09	115th Mar.-10
Sales	(millions of yen)	88,929	90,810	93,948	81,286	71,398
Ordinary Profit	(millions of yen)	8,008	7,030	8,342	6,259	4,874
Net Income	(millions of yen)	4,689	3,639	4,023	2,829	2,151
Net Assets	(millions of yen)	54,871	61,425	62,633	61,811	65,352
Total Assets	(millions of yen)	86,955	89,716	87,404	81,505	89,288
Net Assets per Share	(yen)	1,037.78	1,098.98	1,135.38	1,124.72	1,189.99
Net Income per Share	(yen)	88.15	68.87	77.60	55.14	42.11
Equity Ratio	(%)	63.1	63.8	66.8	70.5	68.1
Return on Equity	(%)	9.1	6.5	7.0	4.9	3.6
Price-Earnings Ratio	(times)	15.22	15.58	11.52	12.53	17.64
Cash Flows from Operating Activities	(millions of yen)	9,307	10,079	12,779	13,307	10,548
Cash Flows from Investing Activities	(millions of yen)	(8,397)	(7,928)	(7,650)	(7,904)	(15,698)
Cash Flows from Financing Activities	(millions of yen)	930	(1,279)	(1,722)	(1,347)	383
Cash and Cash Equivalents at End of Year	(millions of yen)	9,533	10,349	13,632	17,426	12,785
Number of Employees	(persons)	2,066	2,218	2,320	2,356	2,302

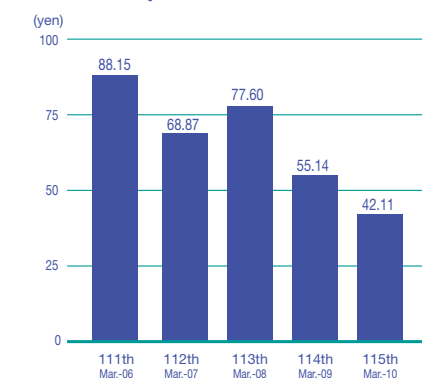
Sales



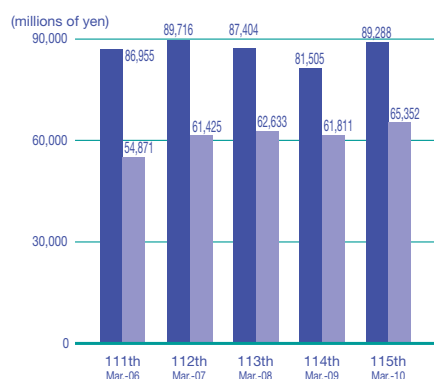
Ordinary Profit/Net Income



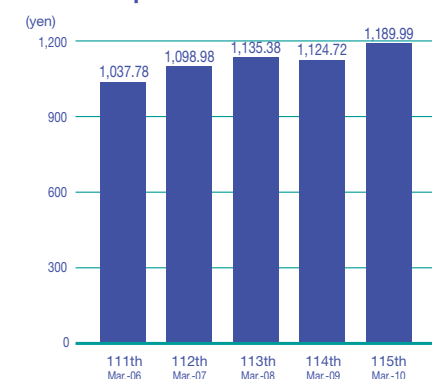
Net Income per Share



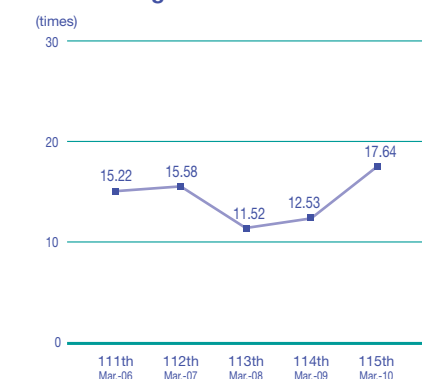
Total Assets/Net Assets



Net Assets per Share



Price-Earnings Ratio



Consolidated Balance Sheets

(Millions of yen)

(Millions of yen)

Account item	Mar.-10	Mar.-09	Account item	Mar.-10	Mar.-09
Assets			Liabilities		
1 Current assets	44,551	42,103	3 Current liabilities	18,775	17,093
Cash and deposits	7,956	8,832	Notes payable from customer and trade accounts payable	12,893	11,021
Notes receivable and accounts receivable trade	17,791	15,213	Short-term borrowings	30	30
Marketable securities	7,329	7,385	Long-term borrowings current portion	313	313
Beneficiary right of accounts receivable in trust	4,900	—	Income taxes payable	1,433	252
Merchandise and finished goods	467	1,022	Reserve for bonuses	1,012	1,219
Work in process	2,107	2,314	Reserve for officers' bonuses	77	57
Raw materials and supplies	1,153	1,174	Reserve for product warranty	174	182
Deferred income taxes	808	899	Other	2,840	4,017
Other	2,050	5,275	4 Noncurrent liabilities	5,159	2,599
Allowance for doubtful accounts	(14)	(13)	Long-term borrowings	1,523	336
			Long-term accounts payable other	961	961
2 Fixed assets	44,736	39,401	Deferred tax liabilities	2,492	1,187
Property, plant and equipment	30,032	24,835	Reserve for PCB wastes	38	—
Buildings and structures	8,538	5,769	Other	143	113
Machinery, equipment and transportation equipment	9,399	7,343	Total Liabilities	23,935	19,693
Tools, furniture and fixtures	4,229	3,110			
Land	3,697	3,670	Net Assets		
Lease assets	120	75	Shareholders' equity	60,256	58,822
Construction in progress	4,045	4,867	Capital stock	5,610	5,610
Intangible assets	136	155	Capital surplus	4,840	4,840
Long-term Investments	14,567	14,410	Earned surplus	51,648	50,212
Investment securities	12,832	10,856	Treasury stock	(1,843)	(1,842)
Long-term loans	285	1,579	Valuation, translation adjustments and others	549	(1,336)
Deferred income taxes	117	204	Appreciation by revaluation of investment securities	1,715	202
Other	1,391	1,833	Cumulative translation adjustment	(1,166)	(1,539)
Allowance for doubtful accounts	(59)	(63)	Minority interests	4,547	4,326
Total Assets	89,288	81,505	5 Total Net Assets	65,352	61,811
			Total Liabilities and Net Assets	89,288	81,505

Points

1 Current assets
Current assets increased approximately ¥2.4 billion primarily due to an increase in notes receivable and accounts receivable trade as a result of an increase in sales toward the end of the year.

2 Fixed assets
Fixed assets increased approximately ¥5.3 billion primarily due to a decline in long-term loans in association with the conversion of Topre Saitama Corporation into a consolidated subsidiary, although property, plant and equipment increased mainly due to the capital investment in Topre America Corporation and Topre Saitama Corporation and investment securities increased due to a rise in the valuation of stocks held by the Company.

Points

3 Current liabilities
Current liabilities increased approximately ¥1.6 billion primarily due to an increase in notes payable from customer and trade accounts payable as a result of an increase in purchases toward the end of the year.

4 Noncurrent liabilities
Noncurrent liabilities increased approximately ¥2.5 billion, reflecting an increase of approximately ¥1.1 billion in long-term borrowings due to the capital investment in Topre Saitama Corporation and an increase of approximately ¥1.3 billion in deferred tax liabilities due to a rise in the valuation of stocks held by the Company.

5 Net assets
Total net assets increased approximately ¥3.5 billion after taking into account such factors as a ¥1.5 billion increase in appreciation by revaluation of investment securities and an approximately ¥0.3 billion reduction in the negative amount of cumulative translation adjustment due to the effect of exchange rate fluctuations, which were partly offset by an approximately ¥1.4 billion increase in the earned surplus.

Consolidated Statements of Income

Consolidated Statements of Cash Flows

(Millions of yen)

Account item	Mar.-10	Mar.-09
6 Sales	71,398	81,286
Cost of sales	59,006	67,174
Gross profit	12,392	14,112
Selling, general and administrative expenses	7,762	8,510
7 Operating profit	4,629	5,601
Nonoperating income	648	733
Interest income	153	192
Dividends income	138	230
Rental income on fixed assets	111	106
Dividends income of group term insurance	87	92
Other nonoperating income	158	112
Nonoperating expenses	403	75
Interest expense	10	15
Rental expense on fixed assets	20	20
8 Foreign exchange loss	365	25
Other nonoperating expenses	7	13
Ordinary profit	4,874	6,259
Extraordinary income	27	379
Gain on sale of fixed assets	16	377
Gain on sale of investment securities	10	1
Other extraordinary income	1	0
Extraordinary losses	499	1,755
Loss on disposal of fixed assets	66	100
Impairment loss	4	3
Loss on devaluation of investment securities	370	1,650
Provision of reserve for PCB wastes	38	—
Other extraordinary losses	20	1
Income before income taxes and minority interests	4,403	4,883
Income taxes including inhabitants' and enterprise taxes	1,676	1,619
Income taxes deferred	380	238
Minority interests	194	195
Net income	2,151	2,829

Points

- 6 Sales**
Affected by stock adjustments, a restriction in capital investment and a slowdown in spending, overall sales fell approximately ¥9.8 billion, consisting of a ¥6.8 billion decline in the press products segment and a ¥3.0 billion decrease in the non-press products segment.
- 7 Operating profit**
Operating profit declined in both the press and non-press products segments due to the considerable decrease in sales, with a profit decline of approximately ¥0.9 billion.
- 8 Foreign exchange loss**
Affected by the appreciation of the yen compared with the end of the previous fiscal year, a ¥0.3 billion foreign exchange loss was recorded relative to the loans to overseas subsidiaries.

(Millions of yen)

Account item	Mar.-10	Mar.-09
9 Cash flows from operating activities	10,548	13,307
10 Cash flows from investing activities	(15,698)	(7,904)
Cash flows from financing activities	383	(1,347)
Effect of exchange rate changes on cash and cash equivalents	27	(260)
Net increase (decrease) in cash and cash equivalents	(4,738)	3,794
Cash and cash equivalents at beginning of year	17,426	13,632
Cash and cash equivalents at end of year	12,785	17,426

Point

9 Cash flows from operating activities
The major cash-increasing factors of cash flows from operating activities were ¥4.4 billion in income before income taxes and minority interests; ¥6.5 billion in depreciation, which is not a monetary transaction; and a ¥1.8 billion increase in notes payable from customer and trade accounts payable. The main decreasing factor was a ¥2.7 billion increase in accounts receivable trade.

10 Cash flows from investing activities
The major cash-decreasing factors of cash flows from investing activities were ¥11.4 billion in expenditures for purchases of property, plant and equipment and ¥3.7 billion for purchases of marketable securities.

Consolidated Statement of Changes in Shareholders' Equity etc.

Year ended March 31, 2010 (From April 1, 2009, to March 31, 2010) (Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholder's equity
Balance as of March 31, 2009	5,610	4,840	50,212	(1,842)	58,822
Changes in the year:					
Dividends from surplus			(714)		(714)
Net income			2,151		2,151
Acquisition of treasury stock				(1)	(1)
Disposition of treasury stock		0		0	0
Decrease in earned surplus resulting from increase of consolidated subsidiaries			(1)		(1)
Net changes in items other than those in shareholders' equity					
Total of changes in the year	—	0	1,435	(1)	1,434
Balance as of March 31, 2010	5,610	4,840	51,648	(1,843)	60,256

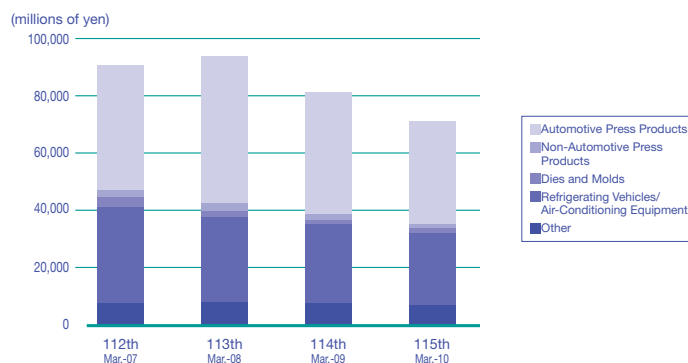
	Valuation, translation adjustments and others			Minority interests	Total Net Assets
	Appreciation by revaluation of investment securities	Cumulative translation adjustment	Total Valuation, translation adjustments and others		
Balance as of March 31, 2009	202	(1,539)	(1,336)	4,326	61,811
Changes in the year:					
Dividends from surplus					(714)
Net income					2,151
Acquisition of treasury stock					(1)
Disposition of treasury stock					0
Decrease in earned surplus resulting from increase of consolidated subsidiaries					(1)
Net changes in items other than those in shareholders' equity	1,513	372	1,885	221	2,106
Total of changes in the year	1,513	372	1,885	221	3,541
Balance as of March 31, 2010	1,715	(1,166)	549	4,547	65,352

Segment Information (Consolidated)

Sales

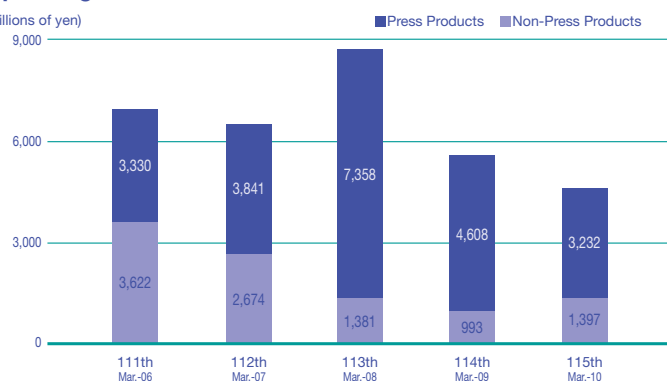
(Millions of yen)

Segment	112th Mar-07	113th Mar-08	114th Mar-09	115th Mar-10
Automotive Press Products	43,332	51,117	42,434	35,817
Non-Automotive Press Products	2,650	2,660	2,206	1,716
Dies and Molds	3,785	2,405	1,292	1,537
Refrigerating Vehicles/Air-Conditioning Equipment	32,970	29,292	27,422	25,110
Other	8,071	8,472	7,930	7,216



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, clean-room equipment, ventilation systems for houses
	Other	Transportation business, surface treatment business, keyboards, magnetic card reader/writer units, compact slip printers, touch panel screens

Nonconsolidated Balance Sheets

(Millions of yen)

(Millions of yen)

Account item	Mar.-10	Mar.-09	Account item	Mar.-10	Mar.-09
Assets			Liabilities		
1 Current assets	30,760	27,642	3 Current liabilities	17,558	15,485
Cash and deposits	2,525	2,477	Notes payable from customer	5,055	4,991
Notes receivable	434	649	Trade accounts payable	5,706	3,647
Accounts receivable trade	15,591	13,724	Long-term borrowings current portion	300	300
Marketable securities	5,594	5,185	Accounts payable other	92	172
Beneficiary right of accounts receivable in trust	1,900	1,500	Lease obligations	8	4
Finished goods	198	215	Income taxes payable	987	26
Raw materials	586	631	Consumption taxes payable	175	129
Work in process	1,052	1,030	Accrued expenses	956	950
Supplies	79	71	Advance received	102	43
Prepaid expenses	36	35	Deposits received	3,115	3,097
Deferred income taxes	529	583	Reserve for bonuses	676	859
Accounts receivable other	1,560	1,037	Reserve for officers' bonuses	33	13
Other current assets	672	499	Reserve for product warranty	165	170
			Nonoperating notes payable	183	1,079
2 Fixed assets	33,651	31,654	4 Noncurrent liabilities	1,961	1,322
Property, plant and equipment	12,529	12,705	Long-term borrowings	—	300
Buildings	1,867	1,962	Long-term accounts payable other	376	376
Structures	243	256	Lease obligations	21	13
Machinery and equipment	2,610	2,591	Deferred tax liabilities	1,495	607
Transportation equipment	46	62	Reserve for PCB wastes	38	—
Tools, furniture and fixtures	2,784	2,362	Noncurrent deposits received	28	24
Land	2,429	2,402	Total Liabilities	19,519	16,808
Lease assets	28	17			
Construction in progress	2,519	3,050	Net Assets		
Intangible assets	110	117	Shareholders' equity	43,166	42,183
Lease holds rights	73	73	Capital stock	5,610	5,610
Computer software costs	23	33	Capital surplus	4,707	4,707
Right to use on property, plant and equipment	12	10	Capital reserve	4,705	4,705
Long-term Investments	21,012	18,830	Other capital surplus	1	1
Investment securities	10,116	8,162	Earned surplus	36,042	35,058
Equity securities for nonconsolidated and affiliates	3,683	3,355	Legal reserve	1,197	1,197
Investment in partnership	1	1	Dividend preparation reserve	400	400
Long-term loans	6,423	6,172	Reserve for land devaluation	458	458
Long-term guarantee deposits	63	64	General reserve	18,914	18,914
Prepaid pension cost	560	903	Earned surplus carried forward	15,072	14,088
Other investments	210	219	Treasury stock	(3,193)	(3,192)
Allowance for doubtful accounts	(47)	(48)	Valuation, translation adjustments and others	1,726	304
Total Assets	64,412	59,296	5 Appreciation by revaluation of investment securities	1,726	304
			Total Net Assets	44,892	42,488
			Total Liabilities and Net Assets	64,412	59,296

Points

1 Current assets
Current assets increased approximately ¥3.1 billion. This increase was attributable to increases in accounts receivable trade and accounts receivable other mainly due to the paid provision of raw materials as a result of an increase in sales toward the end of the year, as well as increases in marketable securities and beneficiary right of accounts receivable in trust.

2 Fixed assets
Fixed assets increased approximately ¥1.9 billion principally due to an increase in investment securities resulting from a rise in the valuation of stocks held by the Company.

Points

3 Current liabilities
Current liabilities increased approximately ¥2.0 billion primarily due to an increase in trade accounts payable as a result of an increase in purchases toward the end of the year.

4 Noncurrent liabilities
Noncurrent liabilities increased approximately ¥0.6 billion, reflecting an increase in deferred tax liabilities resulting from a rise in the valuation of stocks held by the Company.

5 Valuation, translation adjustments and others
Appreciation by revaluation of investment securities increased approximately ¥1.4 billion resulting from a rise in the valuation of stocks held by the Company.

Nonconsolidated Statements of Income

(Millions of yen)

Account item	Mar.-10	Mar.-09
6 Sales	51,400	57,709
Cost of sales	44,786	51,461
Gross profit	6,614	6,247
Selling, general and administrative expenses	3,969	4,520
7 Operating profit	2,644	1,727
Nonoperating income	1,058	1,022
Interest income	303	270
Dividends income	352	308
Rental income on fixed assets	268	300
Foreign exchange gain	—	7
Dividends income of group term insurance	69	75
Other nonoperating income	63	58
Nonoperating expenses	441	91
Interest expense	8	13
Rental expense on fixed assets	64	70
Foreign exchange loss	361	—
Other nonoperating expenses	7	7
Ordinary profit	3,261	2,658
Extraordinary income	2	364
Gain on sales of fixed assets	1	364
Reversal of allowance for doubtful accounts	1	—
Extraordinary losses	437	1,460
Loss on disposal of fixed assets	55	76
Impairment loss	4	3
Loss on devaluation of investment securities	335	1,380
Provision of reserve for PCB wastes	38	—
Other extraordinary losses	3	—
Income before income taxes	2,827	1,561
Income taxes including inhabitants' and enterprise taxes	1,173	413
Income taxes deferred	(45)	119
Net income	1,699	1,028

Point

6 Sales

Affected by the reduction in production at automobile manufacturers in the first half of the year under review, sales for the press products segment decreased. The refrigerating vehicles and air-conditioning equipment segments also experienced declines in sales. Consequently, overall sales decreased approximately ¥6.3 billion year over year.

7 Operating profit

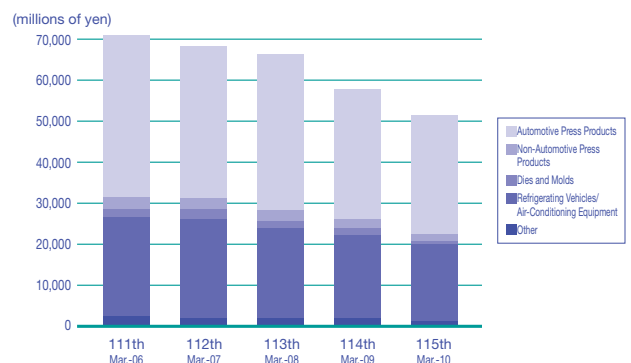
Operating profit increased, reflecting increased plant productivity resulting from the rally of sales in the press products segment and the improved profitability of the refrigerating vehicles category in the non-press products segment due to the fall in raw material prices.

Segment Information (Nonconsolidated)

Sales by Business Category

(Millions of yen)

	111th Mar.-06	112th Mar.-07	113th Mar.-08	114th Mar.-09	115th Mar.-10
Automotive Press Products	39,365	36,933	37,816	31,505	28,924
Non-Automotive Press Products	2,938	2,655	2,666	2,129	1,717
Dies and Molds	2,024	2,547	1,905	1,878	828
Refrigerating Vehicles and Air-Conditioning Equipment	24,026	24,087	21,846	20,249	18,558
Others	2,597	2,053	2,079	1,946	1,370



Press Products:

- Sales in the automotive press products segment decreased considerably, affected by the reduction in production and stock adjustments at automobile manufacturers in Japan and North America in the first half of the year under review. In the second half, the number of vehicles sold in the Japanese market gradually rallied thanks to such favorable effects as a tax reduction and remained relatively firm thereafter. Nevertheless, this upward trend could not offset the decrease in sales in the first half.

Non-Press Products:

- Sales in the refrigerating vehicles category decreased due to the decline in the number of vehicles sold as a result of persistent weak demand for truck transportation services, reflecting sluggish logistics demand mainly due to the slowdown in spending.
- Sales of the mainstay ventilating systems for houses declined due to the impact of the continuing low number of housing starts, affected by the deteriorated income and employment environments. Sales of other products including equipment bound for clean rooms also declined due to the weak corporate capital expenditures.

