Securities code: 5975
June 12, 2015

To our shareholders

Shinichiro Uchigasaki,
President & Representative Director
Topre Corporation
12-2, Nihonbashi 3-chome, Chuo-ku, Tokyo

NOTICE OF CONVOCATION OF THE 120TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 120th 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 Wednesday, June 24, 2015.

Thank you

1. Date and time 10:00 a.m., Thursday, June 25, 2015

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 120th Term (from April 1, 2014 to March 31, 2015) and Audit Reports by the Independent Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements
2. The Financial Statements for the 120th Term (from April 1, 2014 to March 31, 2015)

Matters to be Voted on

Proposal No. 1 Appropriation of Surplus
Proposal No. 2 Partial Amendment of Articles of Incorporation
Proposal No. 3 Appointment of One Director
Proposal No. 4 Appointment of Two Corporate Auditors and One Substitute Corporate Auditor
Proposal No. 5 Revision of Amount of Director Compensation

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/).

(Attached Materials)

Business Report

(From April 1, 2014 to March 31, 2015)

1. Current Condition of the Business Group

(1) Business Developments and Results of Operations

Reviewing the business environment in the consolidated fiscal term under review, in Japan, a distinct feeling of economic recovery began to take hold in some sectors, illustrated by a rise in stock prices as a result of the government's economic and fiscal policies. However, negative factors, including the impact of the increase in the consumption tax rate and the rise in the cost of raw materials due to the weakening yen still give cause for concern and have moderated the extent of the overall recovery, so that it is it still too early to declare that there has been a full-fledged recovery in consumption.

Looking at the situation overseas, in the U.S. consumer demand remains firm, buoyed particularly by the automotive sector. In China, while it has become clearer that there has been a slowdown in the rate of economic growth, it is still at a high level and we continue to view China as a large market. In Thailand, the situation of political instability is showing signs of improvement and the economic trends, led by exports, are positive. Although various risk factors including the slowdown in the economies of newly emerging countries and the economic and political uncertainties in Europe are evident, overall it can be said that overall, global economic trends are positive.

In this environment, looking at the operating results of the Topre Group ("Group"), net sales were 120,567 million yen, an increase of 8,937 million yen (8.0% increase) over the preceding fiscal year, while operating income, impacted by the damage from the heavy snowfall in February of 2014, was 13,305 million yen, a decrease of 300 million yen (2.2% decrease) over the preceding fiscal year. Ordinary income, including foreign exchange gains of 2,628 million yen due to the depreciation of the yen, was 16,576 million yen, an increase of 900 million yen (5.7% increase) over the preceding fiscal year. As a result, net income was 10,347 million yen, a decrease of 1,230 million yen (10.6% decrease) over the preceding fiscal year. This was because in the prior fiscal year, agreement was reached in bilateral discussions between the U.S. and Japan tax authorities regarding transfer pricing corrections, 1,787 million yen was recorded under income tax etc. for prior fiscal years and interest on refund of income taxes.

Report on sales by business segment

＜Press-related Products Business＞

In the automotive field, recovery in auto production and sales in Japan is quite slow as a counter-reaction to the last-minute spike in demand prior to the increase of the consumption tax. Some concerns are even being felt about the momentum of light k-car and compact car sales, which had been very strong during the first half of the fiscal year, as sales are moving at a pace below the levels for the same periods last year. Nevertheless, in addition to favorable conditions in the U.S., as result of the start of operations at Topre Autoparts Mexico, S. A. de C. V. in January 2014 and at TOPRE (XIANGYANG) AUTOPARTS CORPORATION in April 2014, overseas sales for the Group surpassed the prior fiscal year. As a result, net sales for Press-related Products Business overall reached 77,365 million yen, an increase of 6,749 million yen (9.6% increase) over the preceding fiscal year. Although orders for products were strong, especially at overseas locations, due largely to the adverse impact from snow damage and the startup costs for the new overseas plants, segment operating income fell 1,132 million yen (10.6% decrease) compared to the prior fiscal year, to 9,538 million yen.

＜Temperature Controlled Logistics-related Business＞

In the refrigerated vehicles area, the truck market, particularly for mid-size vehicles, continued on a firm basis with sales on an upward trajectory. Replacement demand for higher quality products was also strong and the level of both orders and production for the Group was up year-on-year. Net sales for all of the temperature controlled logistics-related business rose to 34,992 million yen, up 1,710 million yen (5.1%

increase) year-on-year, and due to the growth in sales and to a large improvement in productivity resulting from the implementation of the rationalization plan, segment operating income grew to 2,933 million yen, an increase of 621 million yen (26.8% increase)

＜Other Business＞

In the air-conditioning equipment area, recovery from the counter reaction to the increase in the consumption tax is progressing slowly and market conditions for sales of home ventilation systems continue to be challenging; demand for industrial ventilators, however, remained strong throughout the fiscal year. In the electronic equipment area, sales of RealForce keyboards and touch panels remained firm. Total net sales for other business was 8,210 million yen, up 479 million yen (6.2% increase) year-on-year, while segment operating income, reflecting the growth in sales, was also up by 211 million yen (33.9% increase) year-on-year, to 833 million yen.

Looking ahead at the future economic environment affecting the Group, in Japan the government's continuing large-scale monetary easing policy is aimed at producing a "virtuous economic cycle", and due to the continuing downward trend of the yen and higher share prices, a sense of real recovery has made itself felt in some areas of the economy. In the automobile industry, due to the depreciation of the yen, a return to increased reliance on domestic production after a long period of strong emphasis on the localization of production continues. However, recovery from the counter reaction to the increase in the consumption tax is progressing very slowly, and demand, particularly in the auto and housing sectors, remains quite sluggish. Overseas, the U.S. market, particularly for automobiles, remains on a firm footing and growth is continuing in China as well, but at the same time uncertainty about financial conditions in Europe and the political instability affecting several of the newly emerging countries, among other factors, continues to give cause for concern. In this environment, the Group will strive to expand and accelerate production in regions where demand is strong and will strive to enhance its overall global manufacturing and sales structure.

Looking at the environment for the press-related products business, although as a result of the Abenomics growth strategy, a sense of real recovery has made itself felt in some areas of the domestic economy, real recovery from the counter reaction to the increase in the consumption tax is progressing very slowly. Even light k-cars and compact vehicles, whose strong performance had buoyed new car sales, are now seeing a slowdown in the number of vehicles sold, and we expect that overall the level will be at about the same as in the prior fiscal year. On the other hand, the automobile market in the U.S. remains on a strong footing and, in addition, Topre Autoparts Mexico, S. A. de C. V., which began operations in January 2014 as key export production base for the Group in North America, has gotten off to a strong start and increased production and sales are projected. In China, although there has been a tapering off of the rate of economic growth, TOPRE (XIANGYANG) AUTOPARTS CORPORATION, which began operation in April 2014 as the Group's second production base in that country, has also gotten off to a sound start, and increases in production and sales are expected. In Thailand, internal conditions are showing signs of a return to stability, and the Group's manufacturing plant in that country is scheduled to start operations in July 2015, and its steady growth is anticipated.

Turning to the temperature controlled logistics-related business, the overall truck market, particularly for mid-size vehicles, continues to hold firm. Also replacement demand for greater precision of temperature control and other higher grade products is projected, so that overall we are forecasting levels of orders and production exceeding the prior fiscal year.

Looking at our other business, in the air conditioning equipment area, expenditure for property, plant and equipment is up in all sectors of the economy and orders for industrial ventilators are showing a strong trend; however, because recovery from the impact of the increase in the consumer tax is slow, sales of home ventilation systems appear to be holding at about the same level year-on-year. In the electronic equipment area, RealForce keyboards continue to enjoy a strong 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 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	77,365	64.2	9.6	70,616	63.3
Temperature Controlled Logistics-Related Business	34,992	29.0	5.1	33,282	29.8
Other Business	8,210	6. 8	6.2	7,731	6.9
Total	120,567	100. 0	8.0	111,630	100. 0

Note: Starting from the fiscal year under review, for Press-Related Products Business sales, comparison is made using the combined figures.

(2) Capital Expenditures

During the consolidated fiscal year under review, the Group's capital expenditures totaled 14,491 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 (TOPRE (FOSHAN) AUTOPARTS CORPORATION)
- Assembly production equipment (Topre America Corporation)
- Assembly production equipment (TOPRE (XIANGYANG) AUTOPARTS CORPORATION)
- Assembly production equipment (Topre Autoparts Mexico, S. A. de C. V.)

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 and assembly production equipment (TOPRE (THAILAND) CO., LTD.)
- Assembly production equipment (Topre America Corporation)
- Assembly production equipment (TOPRE (XIANGYANG) AUTOPARTS CORPORATION)
- Assembly production equipment (Topre Autoparts Mexico, S. A. de C. V.)

Temperature Controlled Logistics-Related Business

- Kyoto Service Center Building (Toprec Corporation)

(3) Financing

During the consolidated term under review a long-term loan for 1,000 million yen was obtained from a financial institution as funding for the press-related products business.

On October 1,2014,5,000 million yen of Series 2 130% Call Option Unsecured Convertible Bonds with Share Warrants were issued.

(4) Challenges

The Group is operating under its 13th Medium-Term Management Plan, for the period from April 2014 to March 2016. Under this plan, the target for net sales for the Group's 2016 fiscal year, the final year under the plan, is 142,000 million yen and globalization will be accelerated and, while 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.

13th Medium-Term Management Plan Vision

Unite all our capabilities! Enhance on-site strength, technical strength, product strength, and take a new stride forward.

13th Medium-Term Management Plan Policies

① Strengthen adaptability to market changes
② Promote development and sales of new products
③ Re-evaluate existing business in a new light and reconstruct
④ Seek to provide the best quality in the industry
⑤ Promote development of human resources by encouraging people to take on new challenges

In Japan we are completing construction of a new plant at the Group's wholly owned subsidiary, Topre Kyushu Corporation, and making the final preparations for its scheduled start of operation in October 2015 as our second die and mold plant in Japan. Overseas, in Indonesia, we are creating the infrastructure for the same type of integrated production system for refrigeration units and reefer containers and their sale as we have in Japan. We have also formed a joint venture in May 2015 with a local corporation to create a manufacturing base for refrigerated vehicles in Asia. In addition, the start of operation of a new plant in Thailand to serve as the Group's production base in Asia for automotive parts is scheduled for July 2015.

The Topre Group will continue to strive to further develop, refine and expand its core technologies, pursue cost reduction, expand globally and accelerate production in regions where demand is strong in order to more fully respond to our customers' evolving needs.

(5) Changes in Assets and Income

Item	Unit	117th Term ended March 2012	118th Term ended March 2013	119th Term ended March 2014	120th Term ended March (Term under review) 2015
Net Sales	Million yen	86,109	91,534	111,630	120,567
Ordinary Income	Million yen	9,619	10,303	15,676	16,576
Net Income	Million yen	5,166	5,849	11,577	10,347
Net Income Per Share	Yen	103.13	116.79	231.17	206.63
Net Assets	Million yen	68,940	75,826	90,507	105,062
Total Assets	Million yen	102,098	114,278	138,113	158,613

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.

(6) Material Parent and Subsidiaries

① Parent company

N/A

② Material subsidiaries

Company name	Capital	Company's stake	Main business
	Million yen	%	
Tokyo Metal Pack Co. , Ltd.	50	100	Surface treatment of metal products
Topre Gifu Corporation	20	100	Manufacture of air-conditioning equipment
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 America Corporation	25 (US$ million)	100	Manufacture of auto parts
Topre Saitama Corporation	100	100	Manufacture of auto parts
TOPRE (FOSHAN) AUTOPARTS CORPORATION	2,000	100	Manufacture of auto parts
TOPRE (THAILAND) CO. , LTD.	835 (THB million)	100	Manufacture of auto parts
TOPRE (XIANGYANG) AUTOPARTS CORPORATION	2,000	100	Manufacture of auto parts
Topre Autoparts Mexico, S. A. de C. V.	327 (Mex$ million)	100	Manufacture of auto parts

Notes:
1. The Company has 12 consolidated subsidiaries, including the 11 above.
2. TOPRE (THAILAND) CO., LTD. increased its capital during the term under review.

(7) Main Business (as of March 31, 2015)

Business segment	Sales category	Main products
Press-related Products Business	Automotive Non-automotive	Automotive press products Office machine parts
	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, voucher printers
	Other	Surface treatment business

(8) Major Offices and Plants (as of March 31, 2015)

Topre Corporation	Head Office Sagamihara Office Hiroshima Office Tochigi Office Suzuka Plant	Chuo-ku, Tokyo Chuo-ku, Sagamihara-shi, Kanagawa Higashi Hiroshima-shi, Hiroshima Kaminokawa-machi, Kawachi-gun, Tochigi Suzuka-shi, Mie
Tokyo Metal Pack Co. , Ltd.	Head Office Plant	Chuo-ku, Sagamihara-shi, Kanagawa
Topre Gifu Corporation	Head Office Plant	Kawabe-cho, Kamo-gun, Gifu
Toprec Corporation	Head Office Atsugi Service Center Osaka Service Center	Chuo-ku, Tokyo Isehara-shi, Kanagawa Settsu-shi, Osaka
Toho Transportation Co., Ltd.	Head Office Kaneda Logistics Center	Chuo-ku, Sagamihara-shi, Kanagawa Atsugi-shi, Kanagawa
Topre Kyushu Corporation	Head Office Plant	Tanushimaru-machi, Kurume-shi, Fukuoka
Topre America Corporation	Head Office Plant	Cullman, Alabama, U.S. A.
Toprec Saitama Corporation	Head Office Plant	Tokigawa-machi, Hiki-gun, Saitama
TOPRE (FOSHAN) AUTOPARTS CORPORATION	Head Office Plant	Foshan City, Guangdong Prov, China
TOPRE（THAILAND）CO., LTD.	Head Office	Bangkok, Thailand
TOPRE (XIANGYANG) AUTOPARTS CORPORATION	Head Office Plant	Xiangyang City, Hubei Prov, China
Topre Autoparts Mexico, S.A. de C.V.	Head Office Plant	San Juan del Rio, Queretaro, Mexico

(9) Employees (as of March 31, 2015)

① Group employees

Business segment	Number of employees	Change from a year earlier
Press-Related Business	1,908	134
Temperature Controlled Logistics-Related Business	756	-27
Other Business	260	-10
Total	2,924	97

Notes:
1. Employee numbers do not include temporary employees or employees on probation.
2. The increase in the press-related business is due to commencement of full-scale mass production at a new plant.

② Company's employees

Number of employees		Change from a year earlier	Average age	Average length of service (years)
Male	1,051	10	40. 5	18. 3
Female	58	-1	34. 6	10. 7
Total or average	1,109	9	40. 2	17. 9

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

(10) Main Lenders (as of March 31, 2015)

Lender	Loan balance
Resona Bank, Ltd.	742 Million yen 525 Million Yen
Mizuho Bank, Ltd.	640 Million US Dollar 32 Million Yuan
Mizuho Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation	455 Million Yen 1,770 Million US Dollar

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

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

To build a unified production and sales structure for refrigeration equipment and reefer containers in Indonesia, the Company established PT. TOPRE REFRIGERATOR INDONESIA, a joint venture with PT.

MITRA TOYOTAKA INDONESIA, the Indonesian unit of Toyotaka Sangyo Co., Ltd. in May 2015.

<Overview of the joint venture>

1. Trade name: PT. TOPRE REFRIGERATOR INDONESIA
2. Address: Jl. Raya Serang Km. 24, Desa Balaraja, Kec. Balaraja Tangerang 15610 Banten, Indonesia
3. Business: Manufacture and sale of refrigeration equipment and reefer containers
4. Capital: US$500,000
5. Stakes: Company: 60%, PT. MITRA TOYOTAKA INDONESIA: 40%

2. Company Shares (as of March 31, 2015)

(1) Total number of shares authorized to be issued 81,240,000 shares

(2) Total number of outstanding shares 50,075,822 shares (excluding 3,946,002 treasury shares)

(3) Number of shareholders 3,902

(4) Major Shareholders

Shareholder	Shares	Shareholding ratio
	Thousands of shares	%
Resona Bank, Ltd.	2,493	4. 98
Mitsubishi UFJ Trust and Banking Corporation	2,492	4. 98
Nippon Life Insurance Company	2,135	4. 26
Naoko Ishii	1,951	3. 90
Topre Business Partners' Shareholding Association	1,490	2. 98
Aikawa Co. , Ltd.	1,439	2. 88
Kyohei Ishii	1,418	2. 83
Sumitomo Life Insurance Company	1,335	2. 67
Mizuho Bank, Ltd.	1,265	2. 53
Japan Trustee Services Bank, Ltd. (trust account)	1,034	2. 07

Note: The Company owns 3,946,002 treasury shares; however, because these treasury shares are without voting rights, the Company is excluded from the above list of major shareholders. The shareholding ratios are calculated without treasury shares.

(5) Other Important Matters Concerning Shares etc.

N/A.

3. Matters Concerning the Company Share Warrants

Important matters concerning share warrants

Outline of share warrants attached to the Series 2, 130% Call Option Unsecured Convertible Bonds with Share Warrants issued pursuant to a resolution of the September 12, 2014 Board of Directors Meeting

Total amount of bonds with share warrants	5 billion yen
Denominations of bonds with share warrants	1 million yen
Interest rate on bonds with share warrants	The bonds do not bear interest.
Issue date	October 1, 2014
Number of share warrants attached to the bonds	5,000 units
Type of underlying shares	Common shares
Number of underlying shares	Total amount of the bonds for which conversion is exercised *divided by* conversion price
Conversion price	2,013 yen (however, to be adjusted under certain conditions)

Assets to be contributed upon exercise of share warrants; their value	When share warrants are exercised, contribution will be in the form of the bonds associated with the share warrants, and the value of such bonds shall be the same as their pay-in amount.
Exercise period for share warrants	From November 4, 2014 to September 26, 2019

4. Company Officers

(1) Directors and Corporate Auditors (as of March 31, 2015)

Position	Name	Responsibilities at the Company, and major concurrent position(s)
Director and Supreme Adviser	Kyohei Ishii	
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 Engineering Business Manager Quality General Manager Topre Kyushu Corporation Representative Director and President Tokyo Multifastener Co., Ltd. Representative Director and Vice President
Director	Toshio Hashimoto	Air Conditioning Div. General Manager Topre Gifu Corporation Representative Director and President
Director	Hiroshi Chiba	R&D Headquarters General Manager Electronic Equipment Div. General Manager
Director	Akihiko Nushi	Cold Storage Equipment Div. General Manager and Quality Control Manager
Director	Yoshinori Tsuyuki	TOPRE (FOSHAN) AUTOPARTS CORPORATION (China) Chairman and President TOPRE (XIANGYANG) AUTOPARTS CORPORATION (China) Chairman
Director	Tomokatsu Kubo	Auto Parts Headquarters Engineering Div. Global Production Manager and Production Business Manager Tokyo Metal Pack Co., Ltd. Representative Director and President Topre Saitama Corporation Representative Director and President
Director	Takashi Sawa	Auto Parts Headquarters Sales Manager and Foreign Operations Dept. North America Manager
Director	Ryosuke Furusawa	Auto Parts Headquarters Engineering Business Technology General Manager and Foreign Operations Dept. Asia Manager
Director	Kiminari Imaizumi	Administrative Headquarters Human Resources Development Dept. Manager and Management Dept. Manager
Director	Yutaka Yamamoto	Purchasing Headquarters General Manager
Full-time Corporate Auditor	Koichi Kitagawa	
Full-time Corporate Auditor	Takuji Saito	
Corporate Auditor	Atsushi 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 Corporate Auditor
Corporate Auditor	Tsuyoshi Takada	Torikai Law Office Partner Attorney Maruetsu Inc. Outside Corporate Auditor Doctors for Anti-Aging Support Corporation Outside Director

Notes:
1. Corporate Auditors Atsushi Watanabe, Kazuaki Hosoi and Tsuyoshi Takada are outside corporate auditors.
2. The Company has determined that the three outside corporate auditors do not have any conflicts of interest with general shareholders and are highly independent, and has appointed the three men as independent officers pursuant to the provisions of the Tokyo Stock Exchange and made notification with the TSE.

3. 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.
4. Officer changes during the term under review
   (1) Mr. Kiminari Imaizumi and Mr. Yutaka Yamamoto were newly appointed as directors at the 119th Ordinary General Meeting of Shareholders held June 26, 2014 and assumed their respective positions.
   (2) Directors Jiro Hiramoto and Toshihiko Imai retired upon expiration of their terms of office as of the close of the 119th Ordinary General Meeting of Shareholders held June 26, 2014.

(2) Director and Corporate Auditor Compensation

	Number	Compensation	Note
Directors	15	260 million yen	
Corporate Auditors	5	54 million yen	(includes 3 outside corporate auditors: 19 million yen)
Total	20	314 million yen	

Notes:
1. The above includes fixed compensation for the two directors who retired as of the conclusion of the 119th Ordinary General Meeting of Shareholders held June 26, 2014.
2. 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.

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

The Company has the following policies in determining the amounts of officer compensation.

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

Monthly director compensation is determined through discussions by representative directors, and monthly corporate auditor compensation is determined through discussions by the board of corporate auditors, and a different compensation amount is determined for each individual. A portion of monthly director compensation is contributed to the Company's officer shareholdings association for purchase of the Company shares, and during their terms, directors are to hold the Company shares thus acquired.

Director bonuses are determined through discussion by the representative directors, taking into consideration each director's contribution to corporate performance and other factors. No bonuses are paid to corporate auditors.

(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)
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 Corporate Auditor
Corporate Auditor	Tsuyoshi Takada	Torikai Law Office Partner Attorney Maruetsu Inc. Outside Corporate Auditor Doctors for Anti-Aging Support Corporation 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
Corporate Auditor	Jun Watanabe	Of the 17 Board of Directors Meetings held during the term under review, Corporate Auditor Watanabe attended 16 meetings (94%) and of the 14 meetings of the Board of Auditors, he attended 12 (86%), and on the basis of his experience and knowledge as a legal expert that he has cultivated as a prosecutor and attorney, he expressed his opinion from the perspective of having no interests with the Company.
Corporate Auditor	Kazuaki Hosoi	Of the 17 Board of Directors Meetings held during the term under review, Corporate Auditor Hosoi attended all meetings and of the 14 meetings of the Board of Auditors, he attended all meetings, 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 with the Company.
Corporate Auditor	Tsuyoshi Takada	Of the 17 Board of Directors Meetings held during the term under review, Corporate Auditor Hosoi attended all meetings and of the 14 meetings of the Board of Auditors, he attended all meetings, and on the basis of his professional knowledge and practice as an attorney, he expressed his opinion from the perspective of having no interests with the Company.

④ Overview of limitation of liability agreements

In accordance with the stipulations of Paragraph 1, Article 427 of the Companies Act, the Company and all outside corporate auditors have entered into agreements limiting their liability to compensate the Company for damage pursuant to Paragraph 1, Article 423 of the Companies Act.

(5) Reasons it is not appropriate to have an outside director

The Company has long thought that a person who is well-versed in the Company's business and has insight into corporate management and the ability to appropriately direct the Company's executive officers would be appropriate as the Company's outside director, but until an appropriate candidate emerged, the Company believed that selecting an outside corporate auditor in haste could be counterproductive and be to the Company's disadvantage; for this reason, at the end of the business year under review, the Company had no outside director.

However, in light of the revisions to the Companies Act and other changes in the corporate landscape, the Company again gave vigorous consideration to outside director candidates, and as a result, the Company decided that Mr. Tsuyoshi Takada, who up to now, for roughly 8 years, has served as the Company's outside corporate auditor, would be appropriate to serve as the Company's outside director, because, given his long experience as the Company's outside corporate auditor and his experience as an attorney specializing in corporate law, he is well-versed in the Company's business and has insights regarding corporate management and the ability to appropriately direct executives of the Company; accordingly, for the 120th Ordinary General Meeting of Shareholders to be held on June 25, 2015, the Company has put on the agenda a proposal to appoint Mr. Takada as outside director.

5. Independent Auditor

(1) Name of independent auditor

Grant Thornton Taiyo LLC
Note: The name Taiyo ASG LLC was changed to Taiyo LLC on October 1, 2014.

(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	26 million yen
Total amount of money and other property interests payable to the independent auditor by the Company and its subsidiaries	27 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. Some of the overseas subsidiaries of the Company are subject to audit by an independent auditor other than the Company's independent auditor.

(4) Non-audit services

The Company pays to the independent auditor the consideration for the documentation of the comfort letter regarding Series 2, 130% Call Option Unsecured Convertible Bonds with Share Warrants, which is the service other than services stipulated under Paragraph 1, Article 2 of the Certified Public Accountants Act.

(5) 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. If for other reasons the Company believes its remaining as the company's independent auditor would be an obstacle, a proposal for dismissal or non-reappointment will be put before a General Meeting of Shareholders.

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's Board of Directors has adopted resolutions as follows regarding these systems.

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.

Fundamental Principles of the Topre Group

The mission of the Topre Group is to contribute to society through the creation of products and services that fully harness our advanced technology. We are not solely interested in the pursuit of financial gain. We conduct our business ethically and conscientiously as a sincere and respectable global corporation. Topre Group's employees across the world share this principle in their conduct, both for contribution to society and the company's prosperity.

Code of Conduct

1. Compliance with Laws, Company Rules, and Ethics

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, and we will comply with them. We will also continue to conduct our business in an ethical and normative manner as a member of society.

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 fair, equitable and ethical relationships with our business partners.

We will maintain honest business practices with our partners, subcontractors, suppliers and others, and will not provide or receive entertainment or gifts deviating from sound commercial practices and social standards.

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

4. Respect for Human Rights and Diversity

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

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 environmentally-friendly corporation. We ensure the safety and health of our employees, we have minimized on-the-job accidents and injuries, and we are committed to continuous improvement of working conditions, and we strive to establish a safe and healthy work environment.

6. Company Asset Protection

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

We do not permit the removal of company-owned information or assets without following specified procedures. No leakage or misuse of such information is permitted. Company assets must be acquired, used, or released in a predefined manner and with full authorization. No employee shall act for the benefit of 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.

1. Systems to ensure compliance of execution of duties by officers and employees with laws and regulations and the Articles of Incorporation

1) Topre Group officers and employees will strive to understand and implement the Topre Group Fundamental Principals and Code of Conduct.
2) The Internal Controls Committee will oversee the development and implementation of internal controls for all Group enterprises 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 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.

1) The Company 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.

3. Systems for ensuring the efficient execution of duties by Directors

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.
2) The Company has established "Basic Policies" shared by all officers and employees at all companies, 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, with actual results reported to the 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

Members of the Internal Control Committee are selected from each company in the Topre Group 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.

6. Matters concerning Group employees when a Corporate Auditor requests Group employees to assist with duties and matters concerning the independence from Directors of 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.

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

Directors and employees of the Company will report promptly all matters stipulated in the Internal Control Regulations and other matters important from the standpoint of internal controls.

8. 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.

9. 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.

(2) Basic Policy Regarding Control of Stock Company

N/A

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

Consolidated Balance Sheet

(As of March 31, 2015)

(Million yen)

Item	Amount	Item	Amount
(Assets)		**(Liabilities)**	
I Current assets		**I Current liabilities**	
Cash and deposits	19,862	Notes payable and accounts payable	21,215
Notes receivable and accounts receivable	27,989	Short-term borrowings	177
Marketable securities	6,020	Long-term borrowings due within a year	1,896
Beneficiary rights to monetary claims	7,500	Corporate taxes payable	3,808
Products and goods	3,611	Bonus reserves	1,317
Works in progress	7,568	Bonus reserves for Officers	71
Raw materials and stored goods	2,174	Reserves for product warranties	185
Deferred tax assets	1,616	Other	6,865
Other	3,365		
Loan-loss reserves	–0	**Total current liabilities**	**35,537**
Total current assets	79,706	**II Fixed liabilities**	
		Convertible bonds	5,000
II Fixed assets		Long-term borrowings	4,618
1 Tangible fixed assets		Long-term accounts payable	474
Buildings and structures	17,012	Tax deferred liabilities	5,300
Machinery, equipment, and vehicles	20,507	PCB processing reserves	38
Tools, furniture, and fixtures	5,590	Retirement benefit liabilities	580
Land	7,142	Other	2,001
Lease assets	1,764		
Construction in progress	5,715	**Total fixed liabilities**	**18,013**
Total tangible fixed assets	57,733	**Total liabilities**	**53,551**
2 Intangible fixed assets	1,378	**(Net assets)**	
		I Shareholders' equity	
3 Investments and other assets		**1 Capital**	**5,610**
Investment securities	19,227	**2 Capital surplus**	**4,840**
Long-term loans	95	**3 Earned surplus**	**81,841**
Deferred tax assets	46	**4 Treasury stock**	**-2,480**
Other	439		
Loan-loss reserves	-13	**Total shareholders' equity**	**89,812**
Total investments and other assets	**19,795**	**II Other accumulated comprehensive income**	
		1 Valuation difference on available-for-sale securities	**5,583**
Total fixed assets	**78,906**	**2 Foreign currency translation adjustment accounts**	**4,645**
		3 Accumulated retirement benefit adjustments	**-859**
		Total other accumulated comprehensive income	**9,369**
		III Minority interest	**5,880**
		Total net assets	**105,062**
Total assets	**158,613**	**Total liabilities and net assets**	**158,613**

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

Consolidated Income Statement

(April 1, 2014-March 31, 2015)

(Million yen)

Item		Amount	
I	**Net sales**		**120,567**
II	**Cost of goods sold**		**97,494**
	Gross income		**23,073**
III	**SG&A expenses**		**9,767**
	Operating income		**13,305**
IV	**Non-operating income**		
	Interest income	157	
	Dividend income	272	
	Rent income on fixed assets	101	
	Dividend income from insurance	111	
	Currency translation gains	2,628	
	Other non-operating income	303	**3,575**
V	**Non-operating expenses**		
	Interest expenses	188	
	Rent expenses on fixed assets	19	
	Other non-operating expenses	96	**303**
	Recurring income		**16,576**
VI	Extraordinary income		
	Capital gains on the sale of investment securities	13	
	Capital gains on the sale of fixed assets	352	
	Other extraordinary losses	0	366
VII	Extraordinary losses		
	Losses on the disposal of fixed assets	98	
	Impaired asset losses	0	
	Other extraordinary losses	3	103
	Net income before income taxes		**16,840**
	Corporate taxes, resident taxes, and business taxes	6,141	
	Corporate tax adjustments	-152	**5,989**
	Net income before minority interest		**10,851**
	Minority interest		**503**
	Net income		**10,347**

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

Consolidated Shareholders' Equity Statement

(April 1, 2014-March 31, 2015)

(Million yen)

	Shareholders' Equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Beginning-of-term balance	5,610	4,840	72,285	–2,475	80,260
Cumulative effects due to changes in accounting policies			109		109
Beginning-of-term balance reflecting changes in accounting policies	5,610	4,840	72,394	–2,475	80,369
Changes during the term under review					
Dividends on surpluses			–899		–899
Net income			10,347		10,347
Purchase of own shares				–5	–5
Beginning-of-term (net) change in items excluding shareholders' equity					
Total change in the term under review	—	—	9,447	–5	9,442
End-of-term balance	5,610	4,840	81,841	–2,480	89,812

(Million yen)

	Total other accumulated comprehensive income				Minority 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	3,993	2,146	-1,254	4,884	5,362	90,507
Cumulative effects due to changes in accounting policies					24	133
Beginning-of-term balance reflecting changes in accounting policies	3,993	2,146	-1,254	4,884	5,386	90,640
Changes during the term under review						
Dividends on surpluses						-899
Net income						10,347
Purchase of treasury stock						-5
Beginning-of-term (net) change in items excluding shareholders' equity	1,590	2,499	394	4,484	494	4,979
Total change in the term under review	1,590	2,499	394	4,484	494	14,422
End-of-term balance	5,583	4,645	-859	9,369	5,880	105,062

Notes: Amounts less than 1 million yen were rounded off

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

Number of consolidated subsidiaries 12

Tokyo Metal Pack Co., Ltd.
Topre Gifu Corporation
Top Kogyo Co., Ltd.
Toprec Corporation
Toho Transportation Co., Ltd.
Topre Kyushu Corporation
Topre America Corporation
Topre Saitama Corporation
TOPRE (FOSHAN) AUTOPARTS CORPORATION
TOPRE (THAILAND) CO., LTD.
TOPRE (XIANGYANG) AUTOPARTS CORPORATION
Topre Autoparts Mexico, S. A. de C. V.

Number of unconsolidated companies 4

Howa Seiki Co., Ltd.
Topre R&D Co., Ltd.
Tokyo Kinzoku Industry Co., Ltd.
Topre Autoparts Mexico Service, S. A. de C. V.

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

The four unconsolidated subsidiaries and one affiliate (Tokyo Multifastener Co. Ltd.), which do not apply the equity method each have a negligible effect on net profits and 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 (FOSHAN) AUTOPARTS CORPORATION, TOPRE (THAILAMD) CO., LTD., TOPRE (XIANYANG) AUTOPARTS CORPORATION, and Topre Autoparts Mexico, S.A. de C.V. 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 standards

(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 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 Inventories

Inventories owned for normal selling 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	Declining balance method
	(Excluding lease assets)	However, buildings (excluding accompanying facilities) acquired on or after April 1, 1998, and dies and molds included under tools, appliances and fixtures use the straight-line method. Overseas subsidiaries use the straight-line method based on the rules of their respective country's accounting standards. In addition, for tangible fixed assets that have been depreciated to the permissible limit which the Company and its domestic subsidiaries acquired on or before March 31, 2007, the remaining value is depreciated in equal amounts over a five-year period beginning with the year following the completion of depreciation to the permissible limit.
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 Directors by allocating Bonus reserves for Officers based on the expected payment amount for the consolidated fiscal year.
④	Reserves for product warranties:	Estimated warranty costs based on past results are recorded as reserves to prepare for defect liability of products sold.
⑤	PCB processing reserves:	To prepare for the payment of waste processing costs for PCB, etc. that the Company stores, for expenses that can be reasonably estimated, the amounts expected to be incurred going forward are allocated.

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

Method for accounting treatment of retirement benefits

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 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 accounting policies

(Adoption of Accounting Standards concerning Retirement Allowance Reserves)

Starting in the consolidated fiscal period under review, we adopted the Accounting Standards concerning Retirement Allowance Reserves (Corporate Accounting Standards Report #26 of May 17, 2012, hereafter "RAR Accounting Standards") and Operational Guidelines concerning Retirement Allowance Reserve Accounting (Operational Guideline for Corporate Accounting Standards #25 of March 26, 2015, hereafter "Operational Guidelines") regarding stipulations provided in the text of Clause 35 of the RAR Accounting Standards and the text of Clause 67 of the Operational Guidelines, revamped the method for calculating retirement benefit obligations and service costs, and changed the method for selecting the attribution period for estimated retirement benefits from the service period method to the estimated benefits method. Also, regarding the method for determining the discount rate, we changed from basing it on a number close to the average remaining years of employment of the employee to one which uses a single weighted average discount rate which reflects the period in which retirement reserve allowances are allocated and the amount of allocation for each period.

Regarding the application of RAR Accounting Standards, we increase or decrease the earned surplus at the beginning of the term based on the amount affected by the change in the calculation method for retirement benefit obligations and service costs in accordance with transitional handling as stipulated in Clause 37 of RAR Accounting Standards.

Consequently, retirement-benefit related obligations declined 207 million yen and net assets rose 133 million yen at the beginning of the consolidated fiscal year under review. The effect on operating income, recurring income, and net income before tax adjustments in the year was minimal.

Further, net assets per share for the consolidated fiscal year under review increased 2.66 yen; the impact on net profit per share is minimal.

3 Notes on the Consolidated Balance Sheet

1. Cumulative depreciation on tangible fixed assets 112,044 million yen

2. 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)	Basis date	Effective date
Ordinary General Meeting of Shareholders of June 26, 2014	Common shares	447	9. 00	March 31, 2014	June 27, 2014
Board of Directors Meeting on October 31, 2014	Common shares	450	9. 00	September 30, 2014	December 4, 2014
Total		897			

(2) Those dividends having a basis 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 25, 2015.

Total dividends 748 million yen
Dividends per share 15. 00 yen
Basis date March 31, 2015
Effective date June 26, 2015
Dividends are to be sourced from earned surplus.

5 Notes on financial products

1. Situation regarding financial products

(1) Handling of financial products

The Topre 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 both securities are exposed to market fluctuation risk.

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

Borrowings and convertible bonds are mainly made for procuring funds for capital investments and the repayment date is five 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 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 standards” 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, 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, 2015, 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	19,862	19,862	—
(2) Notes receivable and accounts receivable	27,989		
Loan-loss reserves (*1)	-0		
	27,988	27,988	—
(3) Marketable securities and investment securities			
(a) Other marketable securities	24,738	24,738	—
(4) Beneficiary rights to monetary claims	7,500	7,500	—
(5) Long-term loans	95	95	—
Total assets	80,183	80,183	—
(1) Notes payable and accounts payable	21,215	21,215	—
(2) Short-term borrowings	177	177	—
(3) Corporate taxes payable	3,808	3,808	—
(4) Convertible bonds	5,000	5,300	300
(5) Long-term borrowings	6,515	6,682	167
(6) Long-term accounts payable	474	474	-0
Total liabilities	37,189	37,656	467
Derivatives transactions (*2)	(466)	(466)	—

(*1) Loan-loss reserves recorded under notes receivable and accounts receivable are excluded.
(*2) 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, and (2) notes receivable and accounts receivable

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

(3) Marketable securities, investment securities, and (4) 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.

(5) 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) Convertible bonds

The price of convertible bonds is based on the price of them at the sotck exchange.

(5) Long-term borrowings

The price of long-term borrowings is the present value of total principal and interest discounted by the interest rate assumed if similar borrowings 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.

(6) 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	509

We recognize that ascertaining the price of the above securities is extremely difficult since there is no market price. We therefore have not included them under (3) Marketable securities and investment securities.

6 Derivatives transactions

1. Derivatives transactions for which hedge accounting is not applicable

Currency related

Category	Transaction type	Contract amount (Million yen)	Those exceeding one (Million yen)	Market price (Million yen)	Valuation gains/losses (Million yen
Non-market transactions	Currency forward transactions (Yen-denominated)	2,210	1,105	-466	-466

Notes:
1. 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

Category	Transaction type	Main transactions subject to hedging	Contract amount (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	1,687	1,247	-7

Notes: Method for calculating price
The price is calculated based on the price, etc. provided by the counterparty financial institution.

7 Notes regarding per share information

1. Net assets per share 1,980.63 yen
2. EPS 206.63 yen

8 Notes regarding material subsequent events

Conclusion of important contracts

The Company concluded a letter of intent on commencing discussions regarding purchasing the sheet metal press factory at Mie Prefecture-based Yachiyo Industry's Yokkaichi plant as well as all business of Yachiyo's consolidated subsidiary, YG Tech Co., Ltd.

1. Reason for the contract

As announced on May 8, 2015 in our notice regarding beginning discussions on buying the auto body parts business, Yachiyo Industry offered to sell the sheet metal press plant of its Yokkaichi factory as well as its consolidated subsidiary, YG Tech.

In Japan where the fallback in demand following the last-minute demand leading up to the consumption tax rate hike is finally winding down, production seems to be recovering due to the increasingly weak yen. We think further demand growth is likely.

We decided to begin discussions since we now think we can expect expanded business opportunities with Honda Motor Co., Ltd. and other domestic automakers.

2. Counterparty of the contract

Yachiyo Industry Co., Ltd.

3. Date contract was concluded

   May 8, 2015

4. Transfer date

   Scheduled for October 2015

9 Other notes

Amounts less than 1 million yen were rounded off.

Balance Sheet

(As of March 31, 2015)

(Million yen)

Item		Amount	Item		Amount
	(Assets)			**(Liabilities)**	
I	**Current assets**		**I**	**Current liabilities**	
	Cash and deposits	11,516		Notes payable	1,659
	Notes receivable	1,878		Accounts payable	11,307
	Accounts receivable	18,074		Long-term borrowings due within a year	731
	Marketable securities	4,698		Lease obligations	29
	Beneficiary rights to monetary claims	4,500		Accounts payable	611
	Goods	463		Accrued expenses	1,129
	Works in progress	3,365		Corporate taxes payable	2,965
	Raw materials	772		Consumption taxes payable	346
	Stored goods	84		Advances received	19
	Prepaid expenses	69		Deposits received	13,032
	Deferred tax assets	687		Bonus reserves	895
	Accrued revenues	2,706		Bonus reserves for Officers	35
	Short-term loans receivable	2,329		Reserves for product warranties	171
	Other current assets	117		Equipment-related notes payable	65
				Other current liabilities	7
	Total current assets	**51,264**		**Total current liabilities**	**33,005**
			II	**Fixed liabilities**	
				Convertible bonds	5,000
II	**Fixed assets**			Long-term borrowings	2,006
1	**Tangible fixed assets**			Lease obligations	61
	Buildings	1,929		Long-term account payables	274
	Structures	207		Tax-deferred liabilities	2,574
	Machinery and equipment	1,842		PCB processing reserves	38
	Vehicles	59		Long-term deposits received	288
	Tools, furniture, and fixtures	1,965		**Total fixed liabilities**	**10,243**
	Land	2,298			
	Lease assets	85		**Total liabilities**	**43,248**
	Construction in progress	1,486			
	Total tangible fixed assets	**9,874**		**(Net assets)**	
			I	**Shareholders' equity**	
2	**Intangible fixed assets**		**1**	**Capital**	**5,610**
	Leaseholds	73	**2**	**Capital surplus**	
	Software	41		Capital reserves	4,705
	Right of utilization	11		Other capital surpluses	1
	Total intangible fixed assets	**126**		**Total capital surplus**	**4,707**
			3	**Earned surplus**	
3	**Investments and other assets**			Retained earnings	1,197
	Investment securities	17,321		Dividend reserves	400
	Stocks of subsidiaries and affiliates	11,948		Reserves for land reduction	521
	Investments	1		Special reserves for replacement asset reduction	138
	Long-term loans	18,039		Special reserves	18,914
	Guarantee deposits	56		Earned surplus carried over	32,774
	Prepaid pension expenses	462		**Total earned surplus**	**53,945**
	Other investments	88			
	Loan-loss reserves	-3	**4**	**Treasury stock**	**-3,831**
	Total investments and other assets	**47,916**			
				Total shareholders' equity	**60,432**
	Total fixed assets	**57,918**	**II**	**Valuation and translation adjustments**	
				Valuation difference on available-for-sale securities	5,501
				Total valuation and translation differences	**5,501**
				Total net assets	**65,933**
	Total assets	**109,182**		**Total liabilities and net assets**	**109,182**

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

Income Statment

(April 1, 2014-March 31, 2015)

(Million yen)

Item		Amount	
I	**Net sales**		**64,661**
II	**Cost of goods sold**		54,488
	Gross income		10,172
III	**SG&A expenses**		4,141
	Operating income		6,031
IV	**Non-operating income**		
	Interest income	410	
	Dividend income	714	
	Rent income on fixed assets	223	
	Currency translation gains	2,681	
	Dividend income from insurance	79	
	Other non-operating income	160	4,271
V	**Non-operating expenses**		
	Interest expenses	19	
	Rent expenses on fixed assets	50	
	Other non-operating expenses	94	163
	Recurring income		10,139
IV	**Extraordinary income**		
	Capital gains on the sale of fixed assets	356	
	Capital gains on the sale of golf memberships	0	
	Adjustments on transfer pricing taxation	1,322	1,680
VIII	**Extraordinary losses**		
	Losses on the disposal of fixed assets	71	
	Impaired asset losses	0	
	Other extraordinary losses	3	76
	Net income before income taxes		11,743
	Corporate taxes, resident taxes, and business taxes	4,423	
	Corporate taxes from past years		
	Corporate tax adjustments	-228	4,194
	Net income		7,548

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

Shareholders' Equity Statement

(April 1, 2014-March 31, 2015)

(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	1	4,707	1,197
Cumulative effects due to changes in accounting policies					
Beginning-of-term balance reflecting changes in accounting policies	5,610	4,705	1	4,707	1,197
Changes during the current term					
Dividends on surpluses					
Net income					
Reversals of land reduction entry reserves					
Replacement asset reduction entry special subaccount					
Adjustment in reserves due to change in tax rate					
Purchase of own shares					
(Net) change in items excluding shareholders' equity in the consolidated fiscal year					
Total change in the current term	—	—	—	—	—
End-of-term balance	5,610	4,705	1	4,707	1,197

(Million yen)

	Shareholders' Equity					
	Earned surplus					
	Other earned surplus					Total earned surplus
	Dividend reserves	Reserves for land price reduction	Special reserves for replacement asset reduction	Special reserves	Retained earnings brought forward	
Beginning-of-term balance	400	500	—	18,914	26,254	47,266
Cumulative effects due to changes in accounting policies					32	32
Beginning-of-term balance reflecting changes in accounting policies	400	500	—	18,914	26,287	47,298
Changes during the current term						
Dividends on surpluses					-901	-901
Net income					7,548	7,548
Reversals of land reduction reserves		-4			4	—
Special subaccount for replacement asset reduction reserve buildup			138		-138	—
Adjustment in reserves due to change in tax rate		26			-26	—
Purchase of own shares						
(Net) change in items excluding shareholders' equity in the fiscal year						
Total change in the current term	—	21	138	—	6,487	6,646
End-of-term balance	400	521	138	18,914	32,774	53,945

(Million yen)

	Shareholders' Equity		Valuation and translation differences		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation differences	
Beginning-of-term balance	-3,825	53,758	3,951	3,951	57,709
Cumulative effects due to changes in accounting policies		32			32
Beginning-of-term balance reflecting changes in accounting policies	-3,825	53,790	3,951	3,951	57,742
Changes during the current term					
Dividends on surpluses		-901			-901
Net income		7,548			7,548
Reversals of land reduction reserves					
Special subaccount for replacement asset reduction reserve buildup					
Adjustment in reserves due to change in tax rate		—			—
Purchase of treasury stock	-5	-5			-5
(Net) change in items excluding shareholders' equity in the fiscal year			1,549	1,549	1,549
Total change in the current term	-5	6,641	1,549	1,549	8,191
End-of-term balance	-3,831	60,432	5,501	5,501	65,933

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

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

(a) Shares in subsidiaries and affiliates: cost method based on the moving average method
(b) 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) Inventories

Inventories owned for normal selling 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 Declining balance method

(excluding lease assets)	However, buildings (excluding accompanying facilities) acquired on or after April 1, 1998, and dies and molds included under tools, appliances and fixtures use the straight-line method. In addition, for tangible fixed assets that have been depreciated to the permissible limit which the Company acquired on or before March 31, 2007, the remaining value is depreciated in equal amounts over a five-year period beginning with the year following the completion of depreciation to the permissible limit.

(2) Intangible fixed assets Straight-line method

(excluding lease assets)	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 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 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 product warranties: Estimated guarantee costs based on past results are recorded as reserves to prepare for defect liability of products sold.

(5) 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.

(6) PCB processing reserves: To prepare for payment of waste processing costs for PCB, etc. 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 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 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 accounting policies

(Adoption of Accounting Standards concerning Retirement Allowance Reserves)

Starting this fiscal year, we adopted the Accounting Standards concerning Retirement Allowance Reserves (Corporate Accounting Standards Report #26 of May 17, 2012, hereafter "RAR Accounting Standards") and Operational Guidelines concerning Retirement Allowance Reserve Accounting (Operational Guideline for Corporate Accounting Standards #25 of March 26, 2015) regarding stipulations provided in the text of Clause 35 of the RAR Accounting Standards and the text of Clause 67 of the Operational Guidelines, revamped the method for calculating retirement benefit obligations and service costs, and changed the attribution period for calculating estimated retirement benefits from the service period method to the estimated benefits method. Also, regarding the method for determining the discount rate, we changed from basing it on a number close to the average remaining years of employment of the employee to one which uses a single weighted average discount rate which reflects the period in which retirement reserve allowances are allocated and the amount of allocation for each period.

Consequently, prepaid pension expenses increased by 50 million yen and net assets rose 133 million yen at the beginning of the consolidated fiscal year under review. The effect on operating income, recurring income, and net income before tax adjustments in the consolidated fiscal year under review was minimal.

Further, net assets per share for this fiscal year increased by 0.65 yen; this will not have a substantial impact on net profit per share.

3 Notes on the Balance Sheet

1. Cumulative depreciation on tangible fixed assets 74,686 million yen

2. Short-term claims against affiliates 16,108 million yen
   Long-term claims against affiliates 17,973 million yen
   Short-term obligations owed to affiliates 15,817 million yen

3. Guarantee obligations

   The Company provides guarantees for the trade payables, accountants payable and loans from financial institutions for the following companies.

Trade payables	
TOPRE (FOSHAN) AUTOPARTS CORPORATION	233 million yen
TOPRE (XIANGYANG) AUTOPARTS CORPORATION	756 million yen
Accounts payable	
TOPRE (FOSHAN) AUTOPARTS CORPORATION	925 million yen
TOPRE (XIANGYANG) AUTOPARTS CORPORATION	1,211 million yen
Loans from financial institutions	
Topre America Corporation	1,876 million yen
Topre Saitama Corporation	20 million yen
TOPRE (FOSHAN) AUTOPARTS CORPORATION	1,626 million yen
TOPRE (XIANGYANG) AUTOPARTS CORPORATION	388 million yen
Total	7,038 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.

4 Notes on Income Statement

Trade volume with affiliates

Sales	29,684 million yen
Purchases	20,650 million yen
Trade volume other than business trades	2,596 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

Commons shares	3,946,002 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	339	million yen
Unpaid business taxes	215	
Inventory asset impairment loss	35	
Estimated product warranty amount	20	
Reserves for product warranties	56	
Other	19	
Total	687	
Fixed assets		
Impairment loss	26	
Evaluation loss on investment securities	189	
Over depreciation	39	
Long-term accounts payable	88	
PCB processing reserve	12	
Other	22	
Total	378	
Deferred tax asset total	1,066	

(2) Deferred tax liabilities

Fixed liabilities	
Land reduction entry reserves	247
Replacement asset reduction entry special subaccount	65
Valuation difference on available-for-sale securities	2,491
Prepaid pension expenses	149
Total	2,953
Deferred tax liability total	2,953
Net deferred tax assets (liabilities)	-1,886

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	Toho Transportation Co. , Ltd.	Directly own 50%	Purchaser of goods, transport services provider	Sale of byproducts	223	Accounts receivable	16
				(scrap)			
				Outsourcing of transport services etc.	1,042	Accounts payable	9
						Unpaid expenses	135
			Investment fund management	—	—	Deposits	3,000
			Financial assistance Concurrent officers	Collection of funds	7	Long-term loans	9
Subsidiary	Toprec Corporation	Directly own 50%	Purchaser of goods and supplier	Product sale	21,250	Accounts receivable	9,313
				Component purchase	432	Accounts payable	31
			Financial assistance	Lending of funds	3	Long-term loans	6
				Collection of funds	1		
				Transfer of land etc.			
				Sales proceeds	216	Land etc.	124
				Sale profits	90		
			Concurrent officers				
Subsidiary	Topre Gifu Corporation	Directly own 100%	Company supplier	Product purchase	4,226	Accounts payable	457
			Investment fund management	Entrustment of funds	397	Deposits	2,230
				Return of funds	374		
			Financial assistance	Lending of funds	0		
				Collection of funds	0		

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)
			Concurrent officers				
Subsidiary	Topre Kyushu Corporation	Directly own 100%	Equipment arrangements etc. Company supplier Investment fund management Financial assistance Concurrent officers	Equipment arrangements and supply of parts Component purchase Entrustment of funds Lending of funds Collection of funds	3,469 10,396 1,200 5 1	Accounts receivable Accounts payable Deposits Long-term loans	335 1,653 5,000 8
Subsidiary	Topre America Corporation	Directly own 100%	Purchaser of goods Financial assistance Concurrent officers	Component, dies and molds, equipment sales Lending of funds Collection of funds Receipt of interest Guarantee of obligations Adjustments of transfer pricing	6,164 2,572 6,591 101 1,876 1,322	Accounts receivable Short-term loans Long-term loans — — Accounts receivable	1,263 962 3,175 — — 1,322
Subsidiary	Topre Saitama Corporation	Directly own 100%	Arrangements for parts etc. Company supplier Investment fund management Financial assistance Concurrent officers	Supply of parts etc. Component purchase Entrustment of funds Return of funds Lending of funds Collection of funds Receipt of interest Guarantee of obligations	2,359 3,369 530 700 100 261 22 20	Accounts receivable Accounts payable Deposits Short-term loans Long-term loans — —	209 388 10 100 462 — —
Subsidiary	TOPRE (FOSHAN) AUTOPARTS CORPORATION	Directly own 100%	Purchaser of goods Company supplier Financial assistance <

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)
				obligations			
			Concurrent officers				
Subsidiary	TOPRE (THAILAND) CO., LTD.	Directly own 100%	Purchaser of goods	Component, dies and molds, equipment sales	186	Accounts receivable	129
			Financial assistance	Lending of funds	1,527	Long-term loans	1,567
				Collection of funds	211	—	—
				Receipt of interest	19	—	—
			Concurrent officers	Subscription to capital increase	499		
Subsidiary	Topre Autoparts Mexico, S.A. de C.V.	Directly own 100%	Purchaser of goods	Component, dies and molds, equipment sales	731	Accounts receivable	384
			Financial assistance	Lending of funds	1,296	Short-term loans	666
				Collection of funds	686	Long-term loans	6,494
				Receipt of interest	129	—	—
			Concurrent officers				
Subsidiary	TOPRE (XIANGYANG) AUTOPARTS CORPORATION	Directly own 100%	Purchaser of goods	Component, dies and molds, equipment sales	308	Accounts receivable	130
			Company supplier	Component purchase	28	Accounts payable	1
			Financial assistance	Lending of funds	1,521	Short-term loans	601
				Receipt of interest	69	Long-term loans	3,905
				Guarantee of obligations	2,356	—	—
			Concurrent officers				

Notes:
1. Of the above amounts, transaction amounts do not include consumption taxes etc., and end-of-term balances include consumption taxes etc.
2. Transaction conditions and method of deciding transaction conditions
   (i) For equipment arrangements and supply of parts, component purchase and product purchase, the Company presents its desired price, taking into account market price and overall costs, and prices are determined through negotiations.
   (2) For component, dies and molds and equipment sales and product sales, the Company presents its desired price, taking into account market price and overall costs, and prices are determined through negotiations.
   (3) For lending of funds, market interest rates are taken into account and interest rate reasonably decided.
   (4) For assignment of land, market price etc. is taken into account and prices are determined through negotiations.

8 Notes regarding per share information

1. Net assets per share 1,316.68 yen
2. EPS 150.73 yen

9 Notes regarding material subsequent events

Conclusion of important contracts

The Company concluded a letter of intent on commencing discussions regarding purchasing the sheet metal press factory at Mie prefecture-based Yachiyo Industry's Yokkaichi plant as well as all business of Yachiyo's consolidated subsidiary, YG Tech Co., Ltd.

For an overview of the matter, please see "Notes to consolidated financial statements, 8. Notes regarding material subsequent events."

10 Other notes

Amounts less than 1 million yen were rounded off.

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 120th 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

15 yen per one common share.
The total amount of dividends in this case will be 751,137,330 yen.
Annual dividends including interim dividends (9 yen per share) will be 24 yen per share.

(3) The date dividends of surplus come into effect

June 26, 2015

Proposal No. 2: Partial Amendment of Articles of Incorporation

1. Reason for amendment of Articles of Incorporation

   (1) In conjunction with the change to the scope of officers eligible to enter into a limitation on liability agreement brought about by the promulgation of the "Act for Partial Revision on the Companies Act" (Law No. 90 of 2014), and for the purpose of enabling the Company to continuously attract highly-qualified persons to serve as non-executive directors and corporate auditors, this amendment will add to the Articles of Incorporation, as a provision allowing the Company and non-executive directors and corporate auditors to enter into limitation of liability agreements, Article 28 (Limitation of Liability Agreements with Non-Executive Directors), and will amend the existing text of Article 35 (Limitation of Liability Agreements with Outside Corporate Auditors).
   Each of the corporate auditors has each agreed to the new Article 28.

   (2) Articles will be renumbered as appropriate in conjunction with the new article above.

2. Details of Amendment

   Details of amendment are as follows.

(Amended portions are underlined.)

Current Articles of Incorporation	Draft Amendments
(new)	(Limitation of Liability Agreements with Non-Executive Directors) Article 28 In accordance with the stipulations of Paragraph 1, Article 427 of the Companies Act, the Company may execute agreements with directors (excluding persons who are executive directors etc.) which limit their liability for damages compensation under Paragraph 1, Article 423 of said act; however, the maximum liability pursuant to such agreements shall be the statutory minimum liability amount.
Articles 28 to 34 (omitted)	Articles 29 to 35 (unchanged)
(Limitation of Liability Agreement with Outside Corporate Auditors) Article 35 In accordance with the stipulations of Paragraph 1, Article 427 of the Companies Act, the Company may execute agreements with outside corporate auditors which limit their liability for damages compensation under Paragraph 1, Article 423 of said act; however, the maximum liability pursuant to such agreements shall be the statutory amount.	(Limitation of Liability Agreement with Corporate Auditors) Article 36 In accordance with the stipulations of Paragraph 1, Article 427 of the Companies Act, the Company may execute agreements with corporate auditors which limit their liability for damages compensation under Paragraph 1, Article 423 of said act; however, the maximum liability pursuant to such agreements shall be the statutory minimum liability amount.
Articles 36 to 39 (omitted)	Articles 37 to 40 (unchanged)

Proposal No 3: Appointment of One Director

To further enhance corporate governance and improve corporate value and transparency of management, the Company has decided to add one more outside director, and we ask that Shareholders appoint this director.

The term of a director appointed at the Meeting will, in accordance with the Articles of Incorporation, extend until the expiration of term of the other directors currently in office.

	Name (Date of Birth)	Personal history, position and responsibilities at the Company, and major concurrent position(s)	Number of Company shares held
	Tsuyoshi Takada (July 28, 1972)	April 2000 Admitted as an attorney Torikai Law Office (present) May 2007 Corporate Auditor, Maruetsu Inc. (present) June 2007 Corporate Auditor, the Company (present) June 2013 Outside corporate auditor, Shadan Hojin Doctors for Anti-Ageing (present) (major concurrent positions) Partner, Torikai Law Office Outside corporate auditor, Maruetsu Inc. Outside corporate auditor, Shadan Hojin Doctors for Anti-Ageing	0 shares

Notes:

1. There are no special interests between Mr. Tsuyoshi Takada and the Company.
2. Mr. Takada is a candidate for outside director.
3. Mr. Takada is currently an outside corporate auditor of the Company, and as of the close of the Meeting, his term of office will expire. As of the close of the Meeting, he will have held his post for eight years.
4. The reasons for nominating Mr. Takada as a candidate for outside director are the expectations that he will utilize the professional knowledge and experience he cultivated over many years as an attorney to provide appropriate advice from an objective perspective, and the Company's belief that this will lead to even stronger corporate governance. While Mr. Takada does not have direct experience of involvement in company management, because of the foregoing reasons, the Company believes he will be capable of performing his duties as outside director appropriately.
5. The Company has entered an agreement with Mr. Takada, as outside corporate auditor, pursuant to Article 427, Paragraph 2 of the Companies Act, limiting his liability to compensate the Company for damages pursuant to Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as set forth in Article 427 of the Companies Act. If Mr. Takada is appointed as director, subject to Proposal No. 2, Partial Amendment of Articles of Incorporation, being approved as proposed, the Company plans to enter into the same agreement with him.
6. Mr. Takada meets the requirements as an independent officer as stipulated by the Tokyo Stock Exchange and the Company intends to file a notification that he will remain as an independent officer.

Proposal No 4: Appointment of Two Corporate Auditors and One Substitute Corporate Auditor

The terms of office of Corporate Auditors Mr. Jun Watanabe, Mr. Kazuaki Hosoi, and Tsuyoshi Takada will expire as of the close of the Meeting; we therefore ask Shareholders to appoint two corporate auditors.

To prepare for cases where the number of corporate auditors falls short of the statutory number, we also ask that Shareholders appoint one substitute corporate auditor. Mr. Masahiko Sato, substitute corporate auditor candidate, will take his position only in the case where the number of corporate auditors falls short of the statutory number, and his term of office will be until the expiration of the departing corporate auditor's term of office. The appointment of a substitute auditor will remain in effect until the commencement of the ordinary general meeting of shareholders held four years after the Meeting.

The Board of Corporate Auditors has approved submission of this proposal.

The corporate auditor candidates and substitution corporate auditor candidate are as follows.

<Corporate Auditor Candidates>

Candidate number	Name (Date of Birth)	Personal history, position and responsibilities at the Company, and major concurrent position(s)	Number of shares of the Company held
1	Jun Watanabe (November 1, 1947)	April 1973 Prosecutor August 1995 Resigned October 1995 Admitted as an attorney May 2002 Established Watanabe Law Office (present) June 2007 Corporate Auditor, the Company (present)	0 share
2	Kazuaki Hosoi (January 2, 1948)	November 1975 Chiyoda Audit Corporation March 1979 Registered as a certified public accountant January 1987 Member, Shinko Audit Corporation September 1993 Representative Member, Chuo Audit Corporation March 2005 Registered as a tax accountant October 2006 Established Hosoi Accounting Office (present) June 2007 Corporate Auditor, the Company (present) Corporate Auditor, Fujikura Rubber Ltd. (present) February 2012 Corporate Auditor, Nippon Denko Co., Ltd. (currently Nippon Denko Co., Ltd.) (major concurrent positions) Outside corporate auditor, Fujikura Rubber Ltd. Outside corporate auditor, Nippon Denko Co. , Ltd.	0 share

Notes:

1. There are no special interests between either of the corporate auditor candidates and the Company.
2. Both corporate auditor candidates are outside corporate auditor candidates and the Company has filed a notification with the Tokyo Stock Exchange indicating that they are independent officers. If the re-appointment of the corporate auditor candidates is approved, they will continue serving as independent officers.
3. Reasons for appointment of outside corporate auditor candidates
   (i) With respect to Mr. Jun Watanabe, so that he can reflect in audits of the Company his ample experience and considerable knowledge as a legal expert that he has cultivated as a prosecutor and attorney, we ask that Shareholders appoint him as an outside corporate auditor. Further, as of the close of the Meeting, he will have held his office as an outside corporate auditor for eight years.
   (ii) With respect to Mr. Kazuaki Hosoi, so that he can reflect in audits of the Company his ample experience and considerable knowledge in finance and accounting that he has cultivated as a certified public accountant and tax accountant, we ask that Shareholders appoint him as an outside corporate auditor. Further, as of the close of the Meeting, he will have held his office as an outside corporate auditor for eight years.
4. Reasons for believing that the above candidates will perform their duties as outside corporate auditors appropriately
   While neither corporate auditor candidate has direct experience of involvement in corporate management, because they have ample experience and knowledge in their respective areas of expertise and are independent from the Company's managing directors, the Company believes that they will perform their duties as outside corporate auditors appropriately.
5. Limitation of liability agreements with outside corporate auditors
   In accordance with the stipulations of Paragraph 1, Article 427 of the Companies Act, the Company and all outside 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 427 of the Companies Act. If the corporate auditor candidates are re-appointed, these agreements will be renewed.

<Substitute Auditor Candidate>

Candidate number	Name (Date of Birth)	Personal history and position at the Company, and major concurrent positions		Number of Company shares held
3	Masahiko Sato (April 2, 1963)	October 1988	Chuo Shinko Audit Corporation (currently Misuzu Audit Corporation)	0 share
		August 1992	Registered as certified public accountant	
		July 2007	Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC.)	
		May 2011	Registered as a tax accountant Established Sato Accounting & Tax (present)	

Notes:

1. There are no special interests between the substitute corporate auditor candidate and the Company.
2. Mr. Masahiko Sato is a substitute outside corporate auditor candidate who meets the requirements of an independent officer as stipulated by the Tokyo Stock Exchange.
3. While Mr. Sato does not have direct experience of involvement in company management, he can reflect in the audit system of the Company his considerable knowledge in accounting and tax that he has cultivated as a certified public accountant and tax accountant, thus we ask Shareholders to appoint him as a substitute corporate auditor.
4. If Mr. Sato is appointed as substitute corporate auditor, subject to Proposal No. 4, Partial Amendment of Articles of Incorporation, being approved as proposed, the Company plans, pursuant to Article 427, Paragraph 2 of the Companies Act, to enter into an agreement with him limiting his 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 427 of the Companies Act.

Proposal No 5: Revision of Amount of Director Compensation

The amount of directors' compensation was set at the annual amount of no more than 350 million yen at the 113th Ordinary General Meeting of Shareholders held as of June 26, 2008, and it has stayed at that level to the present.

In order to strengthen corporate governance, enhance corporate value and increase managerial transparency, the Company has proposed the appointment of one outside director (Proposal No. 3: Appointment of One Outside Director); because it is expected that both the responsibilities of outside directors, as well as the roles they are expected to play, will continue to increase going forward, the Company proposes that the amount of director compensation remain at the current level of 350 million yen, and that no more than 30 million yen of that amount be marked as the portion for outside directors. The directors' compensation amount will continue not to include the employee salary portion of compensation for employees also serving as director.

There are currently 13 directors; and with the passage of Proposal No. 3: Election of One Director, the number of directors will become 14 (of which, one will be an outside director).

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