Securities code: 5975
June 7, 2017

To our shareholders

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

NOTICE OF CONVOCATION OF THE 122ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 122nd 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 Tuesday, June 27, 2017.

Thank you

1. Date and time 10:00 a.m., Wednesday, June 28, 2017

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 122nd Term (from April 1, 2016 to March 31, 2017) and Audit Reports by the Independent Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements
2. The Financial Statements for the 122nd Term (from April 1, 2016 to March 31, 2017)

Matters to be Voted on

Proposal Appropriation of Surplus

- 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/).
- You are invited to attend the Business briefing session to be held in the same location after the General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters
Proposal : 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 122nd 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
26 yen per one common share.
The total amount of dividends in this case will be 1,307,444,164 yen.
Annual dividends including interim dividends (20 yen per share) will be 46 yen per share.
(3) The date dividends of surplus come into effect
June 29, 2017

End

(Attached Materials)

Business Report

(From April 1, 2016 to March 31, 2017)

1. Current Condition of the Business Group

(1) Business Developments and Results of Operations

Looking at the business environment in the consolidated fiscal term under review, in Japan, there was a continuing high level of employment, and signs of improvement in consumer sentiment appeared. However, due to the increasing costs of social security and uncertainties about the future, it still cannot be concluded that the economy entered a virtuous cycle, and the current situation is not necessarily resulting in an expansion of personal consumption. In addition, favorable trends in corporate profits and capital expenditures are of limited extent, and uncertainty regarding the future remains.

Regarding the situation overseas, in the U.S., due to expectations of favorable policies from the new administration in Washington, trends in prices and consumption indicators were positive, but at the same time, there is increasing unease due to the political situation in Europe and affairs in regard to North Korea. In the Mexican economy, growth remained slow due to factors such as the fall of the Mexican peso and continuing stagnation in capital investment.

In China, although some clouds have begun to appear over personal consumption, which has been firm, due to the strong tone of infrastructure investment and real estate sales, etc., the trend of recovery in the rate of economic growth continues. In Thailand, the stagnation in consumer sentiment has continued, and overall the economy remains on a path toward moderate recovery.

The global economy as a whole continues to undergo a moderate recovery, but future policies and potential interest rate hikes in the U.S., slowing growth and political instability in China and emerging countries and other anxiety factors still remain.

In this environment, reviewing the operating results of the Topre Group (the “Group”), net sales were 163,368 million yen, an increase of 17,978 million yen (12.4% increase) over the preceding fiscal year, while operating income was 20,431 million yen, an increase of 2,281 million yen (12.6% increase) over the preceding fiscal year. Ordinary income was 19,678 million yen, an increase of 4,287 million yen (27.8% increase) from the preceding fiscal year. As a result, net income attributable to shareholders of the parent company was 13,655 million yen, an increase of 3,227 million yen (30.9% increase) over the preceding fiscal year.

Next, I would like to report on sales by business segment

＜Press-related Products Business＞

In the automotive field, with the impact of false representations regarding fuel economy by certain manufacturers having mostly dissipated and vehicles with new technologies and new models selling well, sales of new cars in Japan were strong. The trend of the return to Japan of manufacturing for the North American market continued, and sales of Topre Tokai Corporation, which became a consolidated subsidiary in January 2016, made a major contribution. In overseas business, with Topre Autoparts Mexico, S.A. de C.V. continuing its strong performance, overall sales were up from the preceding fiscal year. As a result, net sales for the press-related products business overall reached 109,676 million yen, an increase of 12,361 million yen (12.7% increase) over the preceding fiscal year. Segment operating income increased to 13,253 million yen, up 108 million yen (0.8% increase) compared to the prior fiscal year.

＜Temperature Controlled Logistics-Related Business＞

In the refrigerated vehicles area, due to strength in the truck market, replacement demand for higher quality products and a last-minute increase in demand in anticipation of the strengthening of emission regulations in September 2017, net sales for all of the temperature controlled logistics-related business rose to 45,248 million yen, up 5,593 million yen (14.1% increase) year-on-year. Segment operating income grew to 6,352 million yen, an increase of 2,159 million yen (51.5% increase).

＜Other Business＞

In the air-conditioning equipment area, in sales of residential ventilation systems, although the increase in the number of housing starts has run its course, in the electronic equipment area, new RealForce keyboard products were released and sales remained strong. As a result, total net sales for Other Business was 8,444 million yen, up 25 million yen (0.3% increase) year-on-year, while segment operating income, reflecting streamlining in the electronic equipment area, totaled 825 million yen, a gain of 13 million yen (1.6% increase) year-on-year.

Looking ahead at the future business environment affecting the Group, although in regard to the economy in Japan, a contraction of the rate of wage increases, volatility in the foreign exchange markets and other uncertainties remain, against a backdrop of improvement in employment and income environment due to the government's economic and fiscal policies aiming to facilitate a virtuous circle of growth and income distribution, there are hopes for a path of gradual recovery. In the automotive sector, although the impact from the 2017 change in the tax break for eco-cars and the tax increase on small cars is felt, there has been a favorable impact from the return to Japan of some of the production for the North American market, and vehicles incorporating new technologies and new models are seeing strong sales. Overseas uncertainties about the future remain: in the U.S., the impact of the protectionist policies by the new administration and a trend toward slower economic growth, in China the toughening of regulation over the real estate business and changes in the tax breaks for small vehicles, in Europe and in the emerging nations political conditions and other international factors as well cause concern.

In this environment, the Group will continue to strive to be in a position to meet customer orders by developing, refining and expanding its core technologies, reducing costs and globally expanding and accelerating production where demand is found.

Looking at the environment for the press-related products business, in Japan, against a backdrop of improvement in employment and income environment due to the government's economic and fiscal policies aiming to facilitate a virtuous circle of growth and income distribution, there are hopes for a path of gradual recovery. In this environment, although the impact from the changes to the tax breaks for eco-cars in 2017 has been felt, due to the synergies achieved from the conversion in January 2016 of Topre Tokai Corporation into a consolidated subsidiary and the more effective utilization of human and material resources resulting from the absorption-type merger with Topre Saitama Corporation in April 2017, both sales and operating income are expected to exceed the level of last year.

In North America, although in the U.S. there remain uncertainties regarding the prospects for the automobile market, sluggishness in personal consumption and concerns about the potential impact of the new president's policies, in Mexico, with domestic demand for cars remaining firm, Topre Autoparts Mexico, S.A. de C.V. is achieving strong results, and its sales volume is projected to top the level of last year. Turning to Asia, in China, personal consumption is increasingly showing signs of recovery, and due to the impact of reduced taxes on small cars and other factors, the sales volume is expected to be somewhat stronger than last year. With the start of full-scale production and the launching of new car models, TOPRE (THAILAND) CO., Ltd. is expected to continue showing strong performance.

Turning to the temperature controlled logistics-related business, in the overall truck market, particularly for mid-size vehicles, solid performance is expected to continue, and replacement

demand for greater precision of temperature control and other higher grade products is also projected. Benefiting also from demand arising in anticipation of the incremental strengthening of emission regulations starting from September 2017, we are forecasting order and production levels exceeding the prior fiscal year.

Looking at our other business, in the air conditioning equipment area, although there are signs of a pick-up in capital expenditure in each company, housing starts amid low interest rates for mortgages are beginning to hold steady, and thus sales of home ventilation systems are expected to remain at about the level of last year. In the electronic equipment area, RealForce keyboard products with new functionality, released during fiscal 2016, have gained an even more favorable 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 future 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	109,676	67.1	12.7	97,315	66.9
Temperature Controlled Logistics-Related Business	45,248	27.7	14.1	39,655	27.3
Other Business	8,444	5.2	0.3	8,419	5.8
Total	163,368	100.0	12.4	145,390	100.0

(2) Capital Expenditures

During the consolidated fiscal year under review, the Group's capital expenditures totaled 19,002 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 (THAILAND) CO., LTD.)
- Building (Topre America Corporation)
- Building and assembly production equipment (Topre Autoparts Mexico, S.A. de C.V.)

Temperature Controlled Logistics-Related Business

- Assembly production equipment (Topre Corporation)

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)

- Dies and molds (Topre Tokai Corporation)
- Dies and molds (TOPRE (THAILAND) CO., LTD.)
- Assembly production equipment (Topre America Corporation)
- Assembly production equipment (Topre Autoparts Mexico, S.A. de C.V.)

Temperature Controlled Logistics-Related Business

- Building (Topre Corporation)

(3) Financing

During the consolidated term under review, a short-term loan for 2,027 million yen and a long-term loan of 700 million yen were obtained from a financial institution as funding for the press-related products business.

(4) Acquisition or Disposition of Other Company Shares or Other Equity or Share Warrants

N/A

(5) Challenges

With its 13th Medium-Term Management Plan for the fiscal years 2014 to 2016, the Group achieved the net sales target of 142,000 million yen for the final year of the plan one year early, in the 2015 fiscal year. Further, in the final year (the 2016 fiscal year), consolidated sales exceeded the initial target of 142,000 million yen by 21,300 million yen, totaling 163,300 million yen (up 15.0%).

The Group unveiled and is now operating under its 14th Medium-Term Management Plan for the three-year period that started in the 2017 fiscal year. Under this plan, the targets for the final year are consolidated sales of 200,000 million yen, consolidated operating profit of 24,000 million yen and ROE of 11.0%. While accelerating globalization and 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.

＜14th Medium-Term Management Plan Vision＞

Continue to submit proposals that customer needs and make it as foundation for growth

＜14th Medium-Term Management Plan Basic Policies＞

① Have a customer perspective, continue to issue technological innovations and proposals to make customers competitive
② Establish standardization of plant management in preparation for entering the new base (Packaging)
③ Promote the growth of employee, develop human resource with anticipation on future management executive
④ Pursue quality No.1 in the industry

In Japan, with the conversion of Topre Tokai Corporation into a consolidated subsidiary in January 2016, we will carry out a restructuring of our business in the Tokai region to achieve a steady improvement in performance. In addition, we will construct a new plant at Topre Kyushu Corporation to build the production capacity so as to accommodate the shift, by carmakers, of automobile production back to Japan. Overseas, Topre America Corporation has decided to make additional capital expenditure for its new plant which is currently under construction and expected to come online in 2017, as well as build another new plant in the Ohio area; these measures are

designed to expand and strengthen its manufacturing base.

In the temperature controlled logistics-related business, we are working to expand service centers that can perform maintenance and other services to respond to the expansion in the solid market of truck, replacement demand for higher quality products, and the diverse requirements of our customers.

The Topre Group is working to strengthen the foundations of its production bases in Japan and, at the same time, is aiming to build the global manufacturing and sales organization needed to meet the requirements of overseas expansion, which in the future is projected to continue at an increasing pace, in order to accelerate business expansion and profitability in overseas markets.

(6) Changes in Assets and Income

Item	Unit	119th Term ended March 2014	120th Term ended March 2015	121st Term ended March 2016	122nd Term ended March 2017 (Term under review)
Net Sales	Million yen	111,630	120,567	145,390	163,368
Ordinary Income	Million yen	15,676	16,576	15,391	19,678
Net Income of Shareholders of Parent Company	Million yen	11,577	10,347	10,428	13,655
Net Income Per Share	Yen	231.17	206.63	208.24	272.75
Net Assets	Million yen	90,507	105,062	113,284	126,111
Total Assets	Million yen	138,113	158,613	172,289	193,127

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. The "Officer Compensation BIP Trust" was introduced in the 122nd Term, and Company shares held by said trust are included in treasury shares for computation.

(7) Material Parent and Subsidiaries

① Parent company

N/A

② Material subsidiaries

	Company name	Capital	Company stake	Main business
		Million yen	%	
Domestic	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 Saitama Corporation	100	100	Manufacture of auto parts
	Topre Tokai Corporation	490	100	Manufacture of auto parts
North America	Topre America Corporation	25 (US$ million)	100	Manufacture of auto parts
	Topre Autoparts Mexico, S.A. de C.V.	327 (Mex$ million)	100	Manufacture of auto parts
Asia	TOPRE (FOSHAN) AUTOPARTS CORPORATION	2,000	100	Manufacture of auto parts
	TOPRE (XIANGYANG) AUTOPARTS CORPORATION	2,000	100	Manufacture of auto parts
	TOPRE (THAILAND) Co., LTD.	835 (THB million)	100	Manufacture of auto parts

Notes:
1. The Company has 13 consolidated subsidiaries, including the 12 above.
2. The Company conducted an absorption-type merger with Howa Seiki Co., Ltd., a non-consolidated subsidiary of the Company, effective April 1, 2016.

(8) Main Businesses (as of March 31, 2017)

Business segment	Sales category	Main products
Press-related products business	Automotive	Automotive press products
	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
	Other	Surface treatment business

(9) Major Offices and Plants (as of March 31, 2017)

Domestic	Topre Corporation	Head Office	Chuo-ku, Tokyo
		Sagamihara Office	Chuo-ku, Sagamihara-shi, Kanagawa
		Hiroshima Office	Higashi Hiroshima-shi, Hiroshima
		Tochigi Office	Kaminokawa-machi, Kawachi-gun, Tochigi
		Suzuka Plant	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	Chuo-ku, Tokyo
		Atsugi Service Center	Isehara-shi, Kanagawa
		Osaka Service Center	Settsu-shi, Osaka
		Kyoto Service Center	Kyoto-shi, Kyoto
	Toho Transportation Co., Ltd.	Head Office	Chuo-ku, Sagamihara-shi, Kanagawa
		Kaneda Logistics Center	Atsugi-shi, Kanagawa
	Topre Kyushu Corporation	Head Office Plant	Kurume-shi, Fukuoka
		Engineering Center	Kurume-shi, Fukuoka
	Topre Saitama Corporation	Head Office Plant	Tokigawacho, Hikigun, Saitama
	Topre Tokai Corporation	Toin Head Office Plant	Toincho, Inabe-gun, Mie
		Yokkaichi Plant	Yokkaichi-shi, Mie
North America	Topre America Corporation	Head Office Plant	Alabama, U.S. A.
	Topre Autoparts Mexico, S.A. de C.V.	Head Office Plant	Queretaro, Mexico
Asia	TOPRE (FOSHAN) AUTOPARTS CORPORATION	Head Office Plant	Guangdong Prov, China
	TOPRE (XIANGYANG) AUTOPARTS CORPORATION	Head Office Plant	Hubei Prov, China
	TOPRE (THAILAND) Co., LTD.	Head Office Plant	Samut Prakarn, Thailand
	PT. TOPRE REFRIGERATOR INDONESIA	Head Office Plant	Banten, Indonesia

(10) Employees (as of March 31, 2017)

① Group employees

Business segment	Number of employees	Change from a year earlier
Press-related business	2,492	177
Temperature controlled logistics-related business	817	66
Other business	265	2
Total	3,574	245

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

② Company's employees

Number of employees		Change from a year earlier	Average age	Average length of service (years)
Male	1,135	64	38.6	16.0
Female	67	7	33.7	9.7
Total or average	1,202	71	38.3	15.7

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

(11) Main Lenders (as of March 31, 2017)

Lender	Loan balance
Resona Bank, Ltd.	662 Million Yen
Mitsubishi UFJ Trust and Banking Corporation	375 Million Yen 5.4 Million US Dollars
Mizuho Bank, Ltd.	205 Million Yen 3.2 Million US Dollars 37 Million RMB

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

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

① Absorption-type merger of consolidated subsidiary

The Company at a meeting of its Board of Directors held on October 31, 2016, resolved to implement an absorption-type merger whereby the Company would be the surviving company and Topre Saitama Corporation, a consolidated subsidiary of the Company, the disappearing company. The merger was carried out on April 1, 2017.

Details of that merger are provided in the Notes concerning significant subsequent events in the Notes to the Consolidated Financial Statements and Notes concerning significant subsequent events in the Notes to the Financial Statements.

② Capital and business alliance and acquisition of shares

The Company, at a meeting of its Board of Directors held on May 11, 2017, resolved to enter into a capital and business alliance agreement with MARUJUN Co., Ltd. ("Marujun") and an agreement to acquire shares of Marujun through a private placement by Marujun to the Company and through a negotiated transaction with Mr. Nobuo Imagawa, the principal shareholder. As a result, it is expected that Marujun will become an equity-method affiliate of the Company.

The details of the transactions are provided in the Notes concerning significant subsequent events in the Notes to the Consolidated Financial Statements.

2. Company Shares (as of March 31, 2017)

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

(2) Total number of outstanding shares 50,286,314 shares (excluding 3,735,510 treasury shares)

(3) Number of shareholders 3,793

(4) Major Shareholders

Shareholder	Shares	Shareholding ratio
	Thousands of shares	%
Japan Trustee Services Bank, Ltd. (trust account)	2,715	5.40
Resona Bank, Ltd.	2,493	4.95
Mitsubishi UFJ Trust and Banking Corporation	2,491	4.95
Nippon Life Insurance Company	2,135	4.24
Naoko Ishii	1,951	3.87
Aikawa Co., Ltd.	1,439	2.86
Sumitomo Life Insurance Company	1,429	2.84
Kyohei Ishii	1,418	2.81
Topre Corporation Client Stock Ownership	1,379	2.74
The Master Trust Bank of Japan (trust account)	1,298	2.58

Note: The Company owns 3,735,510 treasury shares; however, because these treasury shares are without voting rights, the Company is excluded from the above list of major shareholders. The 3,735,510 treasury shares do not include the 109,000 Company shares owned by the Officer Compensation BIP Trust Account. 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

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	1,997.40 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

Note: Because the dividends on surpluses approved at the general meeting of shareholders held on June 28, 2016 fall under the "Special Dividends" specified in the bond terms and conditions of the Series 2 Unsecured Convertible Bonds with Share Warrants, the relevant conversion price was changed on July 10, 2016 in accordance with the conversion price adjustment provision of the bond terms and conditions.

4. Company Officers

(1) Directors and Corporate Auditors (as of March 31, 2017)

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 Topre Kyushu Corporation Representative Director and President Tokyo Multifastener Co., Ltd. Representative Director and Vice President
Director	Akihiko Nushi	Development Dept. General Manager Product Business Dept. Cold Storage Equipment Div. General Manager
Director	Yoshinori Tsuyuki	TOPRE (FOSHAN) AUTOPARTS CORPORATION (China) Chairman and President
Director	Takashi Sawa	Auto Parts Headquarters Deputy Manager, Sales Manager and Foreign Operations Dept. Asia Manager
Director	Ryosuke Furusawa	Quality General Manager, Quality Assurance Dept. 1 Manager and Quality Assurance Dept. 2 Manager Auto Parts Headquarters Engineering Div. Production Business Manager
Director	Kiminari Imaizumi	Administrative Headquarters Human Resources Development Dept. Manager, Management Dept. Manager, Global Production Manager, and Information Systems Manager
Director	Yutaka Yamamoto	Purchasing Dept. General Manager, Product Business Dept. Air Conditioning Equipment Div. Manager, Electronic Equipment Div. Manager Tokyo Metal Pack Co., Ltd. Representative Director and President
Director	Katsuro Harada	Product Business Dept. Cold Storage Equipment Div. Deputy Business Manager
Director	Masao Osaki	Auto Parts Headquarters Engineering Div. Technology General Manager
Director	Hideo Shimizu	Topre America Corporation Representative Director and President Auto Parts Headquarters Foreign Operations Dept. North America Manager
Director	Tsuyoshi Takada	Wadakura Gate Law Office, Representative Partner and Attorney Maruetsu Inc. Outside Corporate Auditor Doctors for Anti-Aging Support Corporation Outside Supervisor
Director	Naoshi Ogasawara	Avantia GP, Legal RepresentativeNational Institution for Academic Degrees and Quality Enhancement of Higher Education Part-Time Supervisor TSUZUKI DENKI CO., LTD. Outside Corporate Auditor
Full-time Corporate Auditor	Koichi Kitagawa	
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 Director

Notes:
1. Directors Tsuyoshi Takada and Naoshi Ogasawara are outside directors.
2. Corporate Auditors Jun Watanabe and Kazuaki Hosoi are outside corporate auditors.
3. The Company has determined that Director Tsuyoshi Takada, Director Naoshi Ogasawara, Corporate Auditors Jun Watanabe and Kazuaki Hosoi do not have any conflicts of interest with general shareholders and are highly independent, and has appointed the four men as independent officers pursuant to the provisions of the Tokyo Stock Exchange and made notification with the TSE.
4. 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.
5. Officer changes during the term under review
   (1) Messrs. Katsuro Harada, Masao Osaki, Hideo Shimizu and Naoshi Ogasawara were newly appointed as directors at the 121st Ordinary General Meeting of Shareholders held June 28, 2016 and assumed their respective positions.
   (2) Directors Toshio Hashimoto, Hiroshi Chiba and Tomokatsu Kubo and Auditor Takuji Saito retired upon expiration of their terms of office as of the close of the 121st Ordinary General Meeting of Shareholders held June 28, 2016.
6. In accordance with the stipulations of Paragraph 1, Article 427 of the Companies Act, the Company and all outside directors and 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 425, Paragraph 1 of the Companies Act.

(2) Director and Corporate Auditor Compensation

Category	Number	Compensation	Note
Directors	18	272 million yen	(includes 2 outside director: 15 million yen)
Corporate Auditors	4	39 million yen	(includes 2 outside corporate auditors: 15 million yen)
Total	22	311 million yen	

Notes:
1. The above numbers and compensation include the amount of fixed compensation paid to the three directors and one auditor who retired as of the close of the 121st Ordinary General Meeting of Shareholders held June 28, 2016, and their number.
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. The Company discontinued the officer retirement benefit plan for directors and corporate auditors as of the close of the 113th Ordinary General Meeting of Shareholders held June 26, 2008 and passed a resolution to pay to each director and corporate auditor who remained in office after the close of such general meeting of shareholders officer retirement benefits for their time in office up the discontinuation, such payment to be made at their retirement. Pursuant to such resolution, in addition to the above amounts, the Company paid officer retirement benefits of 4,140,000 yen to a director who retired during the term under review and an outside corporate auditor who retired during the preceding term.
4. In addition to the foregoing, the Company recorded 36 million yen in provision of reserves for 11 directors (excluding outside directors and those who live overseas) for the term under review with respect to the performance-linked stock compensation approved by the 121st Ordinary General Meeting of Shareholders held June 28, 2016.

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

① Basic Policy

The Company has the following policies with respect to the determination of officer compensation amounts.
(1) Compensation plan that enhances directors' work performance motivation
(2) Compensation plan linked to corporate performance
(3) Compensation plan that is commensurate with director roles and responsibilities

In accordance with these policies, director compensation is comprised of base compensation, compensation linked to short-term corporate performance and compensation linked to medium- to long-term corporate performance. Corporate auditor compensation consists only of base compensation.

② Director Compensation

Types of Compensation	Description
Base compensation	Monthly director compensation is determined through discussions by the Compensation Committee, which is a non-statutory decision-making body made up of representative directors and outside directors; an independent compensation amount is respectively determined for each individual.
Compensation linked to short-term corporate performance	Bonuses linked to performance in a fiscal year are determined through discussions by the Compensation Committee, which is a non-statutory decision-making body made up of representative directors and outside directors, taking into consideration each director's contribution to corporate performance and other factors; an independent compensation amount is respectively determined for each individual.
Compensation linked to medium- to long-term corporate performance	Company shares, etc. are issued based on the cumulative number of points rewarded according to the level of achievement of performance targets for each fiscal year.

Compensation for outside directors consists solely of base compensation, which is not linked to corporate performance, from the perspective of their performing the function of supervising management from a position independent from the execution of business.

③ Corporate Auditor Compensation

An independent compensation amount is respectively determined for each individual by the Board of Auditors. From the perspective of their performing the function of auditing the directors' execution of their duties, corporate auditors are not paid performance-linked compensation.

(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)
Director	Tsuyoshi Takada	Wadakura Gate Law Office, Representative Partner and Attorney Maruetsu Inc. Outside Corporate Auditor Doctors for Anti-Aging Support Corporation Outside Auditor
Director	Naoshi Ogasawara	Avantia GP, Legal Representative National Institution for Academic Degrees and Quality Enhancement of Higher Education Part-Time Auditor TSUZUKI DENKI CO., LTD. Outside Corporate Auditor
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 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
Director	Tsuyoshi Takada	Director Takada attended 16 of the 17 Board of Directors Meetings (94%) held during the term under review, and on the basis of his professional knowledge and experience as an attorney, he expressed his opinion from the perspective of having no interests in the Company.
Director	Naoshi Ogasawara	After he was appointed as director on June 28, 2016, Director Ogasawara attended all of the Board of Directors Meetings held during the term under review. On the basis of the experience and knowledge that he has cultivated as a certified public accountant, he expressed his opinion from the perspective of having no interests in the Company.
Corporate Auditor	Jun Watanabe	Of the 17 Board of Directors Meetings held during the term under review, Corporate Auditor Watanabe attended all meetings and of the 14 meetings of the Board of Auditors, he attended 13 meetings (93%), and on the basis of his experience and knowledge as a legal expert that he has cultivated as prosecutor and attorney, he expressed his opinion from the perspective of having no interests in the Company.
Corporate Auditor	Kazuaki Hosoi	Corporate Auditor Hosoi attended all of the Board of Directors Meetings and all of the Board of Auditors Meetings held during the term under review, 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 in the Company.

5. Independent Auditor

(1) Name of independent auditor

Grant Thornton Taiyo LLC

(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	30 million yen
Total amount of money and other property interests payable to the independent auditor by the Company and its subsidiaries	30 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. The Board of Corporate Auditors made the necessary verification of whether the content of the audit plan, status of performance of audit, and grounds for calculating compensation estimates were appropriate, and having done so, judged the amount of compensation for the independent auditor to be appropriate.
3. Some of the overseas subsidiaries of the Company are subject to audit by an independent auditor other than the Company's independent auditor.

(4) 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 pursuant to unanimous agreement by Corporate Auditors.

In addition to the case above, if the Board of Corporate Auditors believes the Company's independent auditor is ill-qualified, the particulars of a proposal for dismissal or non-reappointment will be determined.

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 adopted a resolution regarding the said systems at the Board of Directors Meeting as follows.

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.

Basic Principles

The Topre Group's mission is to create products and services by maximizing its technical expertise in order to contribute positively to the societies in which it conducts business.

The Group will not only pursue excellence in its economic performance, but also carry out business activities as a group of international companies with the highest ethical standards, which will promote a Topre Group image that will be acknowledged and respected.

This philosophy will guide The Topre Groups domestic and international business actions, while also continuously seeking to enhance the Group's long term prosperity and making positive contributions to the societies in which it is engaged.

Code of Conduct

1. Compliance with Laws, Company Rules, and the Moral Code

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. We will also continue to conduct our business in an ethical manner. We have in place an internal reporting system (hotline) to prevent and correct any act that breaches or is suspected of breaching the above.

The management are responsible for taking the initiative in complying with the Code of Conduct to establish a highly ethical corporate culture and for maintaining an internal system to prevent situations that breach the Code of Conduct.

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 ethical relationships with our business partners.

We will maintain honest business practices with our partners, subcontractors, suppliers, etc. We will have no relationship whatsoever with anti-social forces, and systematically and firmly respond to any unreasonable demands.

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

In addition, we will not engage in any fraudulent, unfair or unjust act in the context of our relationship with politics and administration.

4. Respect for Human Rights and Diversity

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

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 environment-friendly corporation.

Also, we ensure the safety and health of our staff members, we have minimized on-the-job accidents and injuries, and we are committed to continuous improvement of working conditions.

6. Company Asset Protection

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

Also, we ensure that company-owned information or assets will neither be leaked without following specified procedures nor be used for unauthorized and improper purposes.

Company assets must be acquired, used, or released in a predefined manner and with full authorization. We will neither act for the benefit of a third party nor allow any staff member to act for the benefit of himself/herself or 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.

Basic Guidelines for Systems for Ensuring the Propriety of Business Operation

1. Systems to ensure compliance of execution of duties by officers and employees with laws and regulations and the Articles of Incorporation in the Group, including subsidiaries

1) The Group officers and employees will strive to understand and implement the Group Fundamental Principals and Code of Conduct.
2) The Internal Controls Committee will oversee the development and implementation of internal controls for Group companies 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 Group 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. in the Group, including subsidiaries

1) Group companies 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 at Group companies.

3. Systems for ensuring the efficient execution of duties by Directors at the Group including subsidiaries

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

1) Members of the Internal Control Committee are selected from Group companies 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.
2) The Company's Directors will receive reports regarding the status of business operations at the board of directors of each subsidiary, and will report the content thereof to the Company's Board of Directors.

6. Matters concerning Group employees when a Corporate Auditor requests Group employees to assist with duties, matters concerning the independence from Directors of such employees, and matters concerning ensuring the effectiveness of instructions by Corporate Auditors to 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.
3) Corporate Auditors' assistants will perform their duties as instructed by Corporate Auditors.

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

Directors and employees of Group companies and corporate auditors of each subsidiary will report promptly to the Company's Corporate Auditors all matters stipulated in the Internal Control Regulations and other matters important from the standpoint of internal controls.

8. Systems for ensuring that persons who report to the Corporate Auditors are not subject to disadvantageous treatment as a result of such reporting

The companies of the Group do not engage in dismissal or other disadvantageous treatment of officers and employees on the grounds that a report was made to the Company's Corporate Auditors in accordance with the preceding item.

9. Matters relating to procedures for advance payment or reimbursement of expenses arising in relation to the performance of duties by the Corporate Auditors and other policies on processing expenses and debts arising in relation to the performance of those duties

The Company budgets in advance for expenses necessary for the performance of duties by the Company's corporate auditors and reimburses such expenses including expenses incurred on a provisional or emergency basis each time such expenses are incurred.

10. 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.

11. 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.

Summary of Operational Status of Systems for Ensuring Propriety of Business Operation

1. Measures relating to compliance

1) In order to reinforce compliance by the entire Group, the Compliance Committee met twice during the fiscal year under review and took measures to further raise awareness of compliance by officers and employees. The Committee also investigated, reported on, and monitored the status of implementation of compliance procedures and made improvements when necessary.
2) Training and awareness-raising regarding compliance is conducted through periodic training prepared for individual ranks.
3) An internal reporting system and consultation hotline were established for Group companies, and measures are taken to inform employees about these systems and to create an environment that facilitates their use.
4) Internal reports that are periodically distributed include information regarding compliance awareness, and measures are taken to inform personnel about laws and regulations as well as internal rules and so on.

2. Measures relating to risk management

1) The Risk Management Committee met twice during the fiscal year under review, investigated risks relating to natural disasters, accidents, and overseas business sites, and reviewed management systems concerning those risks.
2) Potential risks in each division of Group companies were re-identified and re-evaluated and countermeasures were taken.

3. Measures relating to increasing the appropriateness and efficiency of the execution of duties by directors

1) The Board of Directors met 17 times during the fiscal year under review, made decisions regarding matters specified by laws, regulations, and the Articles of Incorporation as well as significant matters such as business plans and profit plans, and monitored the appropriate performance of duties.
2) Directors that have operational duties reported to the Board of Directors concerning the status of the execution of duties in order to ensure the appropriateness of the execution of duties by directors.

4. Measures relating to ensuring the appropriateness of operations in the Group

1) The Financial Report Oversight Committee meets to conduct periodic evaluations of asset management and accounting of all Group companies and ensure the appropriateness of finances.
2) The Accounting Division Global Training Conference meets to ensure the appropriateness and uniformity of operations in relation to accounting, record keeping, book values, and finances of all Group companies.

5. Measures relating to Audit Systems

1) The corporate auditors conduct audits by engaging in close exchanges of information with the Audit Department, attending Board of Directors Meetings and other significant

meetings, receiving reports from directors and employees, and conducting on-site investigations.

2) The Board of Corporate Auditors met 15 times during the fiscal year under review, requested reports and explanations from representative directors and others as necessary, and conducted audits concerning the execution of duties by directors.

3) The corporate auditors conducted financial audits by closely collaborating with the independent auditor, receiving quarterly reports from the independent auditor, receiving explanations as necessary, and exchanging information.

(2) Basic Policy Regarding Control of Stock Company

N/A

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

Consolidated Balance Sheet

(As of March 31, 2017)

(Million yen)

Item		Amount	Item		Amount
	(Assets)			**(Liabilities)**	
I	**Current assets**		**I**	**Current liabilities**	
	Cash and deposits	21,518		Notes payable and accounts payable	31,751
	Notes receivable and accounts receivable	35,293		Short-term borrowings	846
	Marketable securities	4,999		Long-term borrowings due within a year	1,423
	Beneficiary rights to monetary claims	5,000		Corporate taxes payable	4,310
	Products and goods	3,694		Bonus reserves	1,696
	Works in progress	9,903		Bonus reserves for Officers	93
	Raw materials and stored goods	2,510		Reserves for product warranties	158
	Deferred tax assets	1,476		Other	11,839
	Other	4,750			
				Total current liabilities	**52,119**
	Total current assets	**89,146**	**II**	**Fixed liabilities**	
				Convertible bonds	4,573
II	**Fixed assets**			Long-term borrowings	1,155
1	**Tangible fixed assets**	24,002		Long-term accounts payable	1,173
	Buildings and structures	22,928		Tax deferred liabilities	5,138
	Machinery, equipment, and vehicles			PCB processing reserves	121
				Reserves for stock grant to Officers	36
	Tools, furniture, and fixtures	8,992		Retirement benefit liabilities	1,407
	Land	9,103		Other	1,290
	Lease assets	1,457			
	Construction in progress	8,677		**Total fixed liabilities**	**14,895**
	Total tangible fixed assets	**75,163**		**Total liabilities**	**67,015**
2	**Intangible fixed assets**	**1,168**		**(Net assets)**	
			I	**Shareholders' equity**	
3	**Investments and other assets**		**1**	**Capital**	**5,610**
	Investment securities	26,363	**2**	**Capital surplus**	**5,060**
	Long-term loans	86	**3**	**Earned surplus**	**102,358**
	Deferred tax assets	716	**4**	**Treasury stock**	**-2,495**
	Other	492			
	Loan-loss reserves	-9		**Total shareholders' equity**	**110,534**
	Total investments and other assets	**27,648**	**II**	**Other accumulated comprehensive income**	
			1	**Valuation difference on available-for-sale securities**	**5,788**
	Total fixed assets	**103,980**	**2**	**Foreign currency translation adjustment accounts**	**3,512**
			3	**Accumulated retirement benefit adjustments**	**-1,253**
				Total other accumulated comprehensive income	**8,047**
			III	**Minority interest**	**7,530**
				Total net assets	**126,111**
	Total assets	**193,127**		**Total liabilities and net assets**	**193,127**

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

Consolidated Income Statement

(April 1, 2016-March 31, 2017)

(Million yen)

Item		Amount	
I	**Net sales**		**163,368**
II	**Cost of goods sold**		**131,184**
	Gross income		**32,184**
III	**SG&A expenses**		**11,752**
	Operating income		**20,431**
IV	**Non-operating income**		
	Interest income	238	
	Dividend income	317	
	Rent income on fixed assets	113	
	Dividend income from insurance	148	
	Income from subsidy	468	
	Other non-operating income	162	**1,449**
V	**Non-operating expenses**		
	Interest expenses	131	
	Rent expenses on fixed assets	23	
	Currency translation losses	1,937	
	Other non-operating expenses	109	**2,202**
	Recurring income		**19,678**
VI	**Extraordinary income**		
	Capital gains on the sale of investment securities	5	
	Capital gains on the sale of fixed assets	72	
	Gain on extinguishment of tie-in shares	237	
	Other extraordinary gains	1	**316**
VII	**Extraordinary losses**		
	Losses on the disposal of fixed assets	111	
	Impaired asset losses	0	
	Losses on stock valuations of subsidiary corporations	36	
	Loss on valuation of golf club membership	3	
	PCB processing provisions	85	
	Other extraordinary losses	1	**238**
	Net income before income taxes		**19,757**
	Corporate taxes, resident taxes, and business taxes	6,953	
	Corporate tax adjustments	-1,974	**4,979**
	Net income		**14,778**
	Net income attributable to non-controlling shareholders		**1,122**
	Net income attributable to shareholders of the parent company		**13,655**

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

Consolidated Shareholders' Equity Statement

(April 1, 2016-March 31, 2017)

(Million yen)

	Shareholders' Equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Beginning-of-term balance	5,610	4,850	90,670	–2,476	98,654
Changes during the term under review					
Dividends on surpluses			–2,003		–2,003
Net income attributable to shareholders of the parent company			13,655		13,655
Buyback of own shares				–217	–217
Disposal of treasury shares		209		198	408
Increase due to merger			36		36
Beginning-of-term (net) change in items excluding shareholders' equity					—
Total change in the term under review	—	209	11,688	-18	11,879
End-of-term balance	5,610	5,060	102,358	–2,495	110,534

(Million yen)

	Total other accumulated comprehensive income				Non-controlling shareholders 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	4,359	5,157	-1,344	8,172	6,457	113,284
Changes during the term under review						
Dividends on surpluses						-2,003
Net income attributable to shareholders of the parent company						13,655
Buyback of own shares						-217
Disposal of treasury shares						408
Increase due to merger						36
Beginning-of-term (net) change in items excluding shareholders' equity	1,429	-1,645	90	-124	1,073	948
Total change in the term under review	1,429	-1,645	90	-124	1,073	12,827
End-of-term balance	5,788	3,512	-1,253	8,047	7,530	126,111

Notes: Amounts less than 1 million yen were rounded down.

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	13	Toprec Corporation Toho Transportation Co., Ltd. Topre Gifu Corporation Tokyo Metal Pack Co., Ltd. Top Kogyo Co., Ltd. Topre Kyushu Corporation Topre Saitama Corporation Topre Tokai Corporation Topre America Corporation Topre Autoparts Mexico, S.A. de C.V. TOPRE (FOSHAN) AUTOPARTS CORPORATION TOPRE (XIANGYANG) AUTOPARTS CORPORATION TOPRE (THAILAND) CO., LTD.
Number of unconsolidated companies	5	

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 five unconsolidated subsidiaries and one affiliate, 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 Autoparts Mexico, S.A. de C.V., TOPRE (FOSHAN) AUTOPARTS CORPORATION, TOPRE (XIANYANG) AUTOPARTS CORPORATION, and TOPRE (THAILAND) CO., LTD. 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 policy

(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 shareholder 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 Inventory assets

Inventories owned for normal sales 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 (excluding lease assets)
Straight-line method

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 Officers by allocating bonus reserves for Officers based on the expected payment amount for the consolidated fiscal year.

④ Reserves for stock grant to Officers

The Company prepares for the grant of Company stock to Company Directors under the stock-granting plan by recording reserves for grant of stock based on the expected stock-granting obligations as of the end of the relevant consolidated fiscal year.

⑤ Reserves for product warranties

Estimated warranty costs based on past results are recorded as reserves to prepare for defect liability of products sold.

⑥ PCB processing reserves

To prepare for the payment of costs for processing PCBs and other waste that the Company stores, for expenses that can be reasonably estimated, the amounts expected to be incurred going forward are recorded.

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

Standards for recording of retirement benefit liabilities

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 mainly 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

A change in accounting policy which is difficult to distinguish from a change in accounting estimates

(Change in depreciation method for tangible fixed assets):

For tangible fixed assets (excluding lease assets), the Company and its domestic consolidated subsidiaries previously primarily used the declining balance method (however, buildings (excluding accompanying facilities) and dies and molds included under tools, appliances and fixtures used the straight-line method), but in the fiscal year under review, a change was made to the straight-line method.

In the context of the ongoing overseas expansion of the Topre Group, the importance of overseas bases that use the straight-line method has increased, and additional investments to augment facilities at overseas locations are planned going forward. In Japan, because investments in large-scale production facilities, including the new plant in Kyushu, saw completion by the prior consolidated fiscal year, the opportunity was taken to consider the method of depreciation that would most appropriately reflect the actual use of facilities.

As a result of those considerations, taking into account that because stable demand for the Group's domestically manufactured products is foreseen and that long-term stable operation over their usable life of the Group's primary manufacturing facilities is also projected, it is possible to more appropriately reflect economic realities and in view also of further global expansion by the Topre Group, the Company concluded that it would be reasonable to seek consistency with the depreciation method adopted by the Group's increasingly important overseas subsidiaries, and have accordingly changed from the declining balance method to the straight-line method.

As a result of this change, operating income, ordinary income, and net income before taxes in the consolidated fiscal year under review were each 688 million yen greater than they would have been based on the previous depreciation method.

3 Additional Information

(Adoption of Implementation Guidance on the Recoverability of Deferred Tax Assets)

Starting in the fiscal year under review, the Company adopted the Implementation Guidance on the Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, March 28, 2016).

(Performance-linked stock compensation plan)

Based on the resolution approved at the Ordinary General Meeting of Shareholders held on June 28, 2016, the Company introduced a new performance-linked stock compensation plan ("Plan") covering Company directors (excluding outside directors and directors residing overseas) for the purpose of heightening their commitment to improvement of the Company's medium- to long-term results and an increase in its corporate value.

① Overview of the Transactions

The Plan is a performance-linked stock compensation plan under which shares of the Company are acquired by the Officer Compensation BIP Trust using the director compensation amount contributed by the Company under the Plan and such shares are given to directors in accordance with their level of performance and rank. In principle, directors will receive the shares at the time of their retirement from the office of director.

② Company Shares remaining in the Trust

Shares remaining in the trust are recorded as treasury stock under net assets at their book value in the trust (excluding the amount of incidental expenses). The book value and number of such treasury stock at the end of the consolidated fiscal year under review are 214 million yen and 109,000 shares, respectively.

4 Notes on the Consolidated Balance Sheet

1. Cumulative depreciation on tangible fixed assets 109,520 million yen

2. Guarantee obligations

The Company provides guarantees for the accounts payable and loans from financial institutions for the following companies.

Accounts payable	
PT. TOPRE REFRIGERATOR INDONESIA	10 million yen
Loans from financial institutions	
PT. TOPRE REFRIGERATOR INDONESIA	96 million yen
Total	106 million yen

3. 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.

5 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)	Record date	Effective date
Ordinary General Meeting of Shareholders of June 28, 2016	Common shares	1,001	20.00	March 31, 2016	June 29, 2016
Board of Directors Meeting on October 31, 2016	Common shares	1,001	20.00	September 30, 2016	December 5, 2016
Total		2,003			

Note: The total dividend amount approved by the Board of Directors meeting held on October 31, 2016, includes the 2 million yen in dividends on the 109,000 Company shares owned by the Officer Compensation BIP Trust Account.

(2) Those dividends having a record 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 28, 2017.

Total dividends	1,307 million yen
Dividends per share	26.00 yen
Record date	March 31, 2017
Effective date	June 29, 2017

Dividends are to be sourced from earned surplus.

Note: The total dividend amount above includes the 2 million yen in dividends on the 109,000 Company shares owned by the Officer Compensation BIP Trust Account.

6 Notes on financial products

1. Situation regarding financial products

(1) Handling of financial products

The 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 are mainly made for procuring funds for capital investments and the repayment date is three 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 and currency swap 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 policy" 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, 2017, 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	21,518	21,518	—
(2) Notes receivable and accounts receivable	35,293	35,293	—
(3) Short-term loans	36	36	—
(4) Marketable securities and investment securities			
Other marketable securities	30,896	30,896	—
(5) Beneficiary rights to monetary claims	5,000	5,000	—
(6) Long-term loans	86	86	—
Total assets	92,830	92,830	—
(1) Notes payable and accounts payable	31,751	31,751	—
(2) Short-term borrowings	846	846	—
(3) Corporate taxes payable	4,310	4,310	—
(4) Convertible Bonds with Share Warrants	4,573	6,630	2,057
(5) Long-term borrowings	2,579	2,583	3
(6) Long-term accounts payable			
Long-term accounts payable (installment)	1,107	1,049	-57
Long-term accounts payable (other long-term accounts payable)	470	470	0
Total liabilities	45,638	47,643	2,004
Derivatives transactions *	(48)	(48)	—

* 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, (2) notes receivable and accounts receivable and (3) short-term loans

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

(4) Marketable securities, investment securities, and (5) 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.

(6) 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 with Share Warrants

The current price of convertible bonds with share warrants depends on prices on exchanges.

(5) Long-term borrowings and (6) Long-term accounts payable (installment)

The price of these is the present value of total principal and interest discounted by the interest rate assumed if similar borrowings, etc. 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 (other 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 “7 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	467

We recognize that ascertaining the price of the above securities is extremely difficult since there is no market price. We therefore have not included these under (4) Marketable securities and investment securities.

7 Derivatives transactions

1. Derivatives transactions for which hedge accounting is not applicable

Currency related

Category	Transaction type	Contract amount (Million yen)	Those exceeding one year (Million yen)	Market price (Million yen)	Valuation gains/losses (Million yen)
Non-market transactions	Currency forward transactions Short Commitment USD	2,401	740	97	97
	THB	1,352	884	-23	-23
	Long Commitment Yen	1,940	1,640	-122	-122
Total		5,693	3,264	-48	-48

Notes: 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

Hedge Accounting Method	Transaction type	Main transactions subject to hedging	Contract amount, etc. (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	105	0	-0

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

8 Notes regarding per share information

1. Net assets per share 2,363.24 yen
2. EPS 272.75 yen

Note: The Company shares remaining in the Officer Compensation BIP Trust Account and recorded as treasury stock under net assets are included in treasury stock, which is deducted from the total number of issued shares as of the end of a fiscal year, for the purpose of calculating net assets per share, and are likewise included in treasury stock, which is deducted from the average number of issued shares during a fiscal year, for the purpose of calculating EPS.

The number of such shares of treasury stock as of the end of the fiscal year deducted for the purpose of calculating net assets per share was 109,000, and the average number of such shares during the fiscal year deducted for the purpose of calculating EPS was 64,200.

9 Notes concerning significant subsequent events

(Absorption-type merger of consolidated subsidiary)

As disclosed in "Notice Concerning the Absorption-type Merger of a Consolidated Subsidiary" dated October 31, 2016, the Company completed an absorption-type merger with its wholly-owned subsidiary, Topre Saitama Corporation, on April 1, 2017.

1. Outline of transaction
   (1) Name of the merged company and description of its business
   Name of merged company: Topre Saitama Corporation
   Description of business: Manufacture of Press-Related Products
   (2) Date of business combination
   April 1, 2017
   (3) Legal form of business combination
   Absorption-type merger with the Company as the surviving company and with Topre Saitama Corporation dissolving.
   (4) Other matters concerning the outline of the transaction
   The purpose of the merger was to realize greater efficiencies in the operations and utilization of human resources of the Topre Group.
2. Summary of accounting treatment
   The business combination was treated as a common control transaction pursuant to the Accounting Standard for Business Combinations (ASBJ Statement No. 21) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10).

(Capital and business alliance and acquisition of shares)

The Company, at a meeting of its Board of Directors held on May 11, 2017, resolved to enter into a capital and business alliance agreement with MARUJUN CO., LTD. ("Marujun") and an agreement to acquire shares of Marujun through a private placement by Marujun to the Company and through a negotiated transaction with Mr. Yoshio Imagawa, the principal shareholder, as outlined below.

1. Reasons for the capital and business alliance and acquisition of shares
   Under its 14th Medium-Term Management Plan released on May 11, 2017, which takes effect from April 2017 for a three-year period (fiscal years 2017 through 2019), the Group is working to strengthen its foundations in Japan while at the same time promoting further globalization and expansion of production where demand is found. We entered into the capital alliance because we foresee synergies in production, technology, procurement and other areas through future joint work with Marujun as outlined in 2 below "Outline of the capital and business alliance (1) Description of the business alliance".

2. Outline of the capital and business alliance
   (1) Description of the business alliance
   The Company and Marujun have agreed to advance their business alliance in the following areas. Moving forward, the companies will confer regarding the specific plans and details of the alliance.
   ① Working together to complement production and procurement of dies and molds at domestic and overseas bases
   ② Exchange of human resources and sharing of management knowhow through dispatch of executives
   ③ Exchange of human resources and technology in technical areas
   ④ Consideration and promotion of joint procurement
   (2) Description of capital alliance
   Details (Planned) of the share acquisition are shown in the following table.

Issuer/Transferor	Method	Number of Shares	Percentage of total shares after third-party allocation increase
Marujun	Treasury stock	1,004,900	9.70%
Marujun	private placement	586,200	5.66%
Mr. Yoshio Imagawa	’Negotiated transaction	479,600	4.63%
Total		2,070,700	19.99%

With the foregoing, Marujun is expected to become an equity-method affiliate of the Company.

3. Overview of the Counterparty for the Capital and Business Alliance

(1) Company name	MARUJUN CO., LTD.		
(2) Address	130-1, Otsusaka, Kamiishizuchō, Ōgaki-shi, Gifu-ken,		
(3) Name and title of representative	Hiroshi Saito, representative director and president		
(4) Business description	Manufacture of body press parts and precision press parts for automobiles, as well as design and manufacture of various types of dies and molds		
(5) Capital	1,037,550,000 yen		
(6) Establishment date	January 4, 1960		
(7) Net asserts	Consolidated 6,932 million yen (Individual) -1,243 million yen		
(8) Total assets	Consolidated 47,015 million yen (Individual) 19,384 million yen		
(9) Major shareholders and their ratios of shareholdings (as of March 31, 2017)	Yoshiaki Imagawa		10.51%
	MARUJUN CO., LTD.		10.29%
	Honda Motor Co., Ltd.		10.12%
	Nobuo Imagawa		9.82%
	PACIFIC INDUSTRIAL CO., LTD.		4.75%
	Nagoya Small and Medium Business Investment & Consultation Co., Ltd.		3.80%
	MARUJUN CO., LTD. Client Stock Ownership		3.39%
	IMAMURAKINZOKU CO., LTD.		3.38%
	The Bank of Tokyo-Mitsubishi UFJ, Ltd .		3.33%
	The Ogaki Kyoritsu Bank, Ltd.		3.07%
	IMAGAWA CO., Ltd.		3.07%
(10) Ties between listed parties and Marujun	Capital ties	N/A	
	Social ties	N/A	
	Business relations	The Company and Marujun have a business relation of exchanging automobile parts and facilities dedicated for the manufacturing of automobile parts.	
	Status concerning related parties	N/A	

4. Schedule

(1) Execution date	May 11, 2017
(2) Stock acquisition date	June 22, 2017 (Planned)

5. Outlook

The effect this exchange has on the Company's consolidated performance for the term ending March 2018 is currently under examination, and if it becomes necessary to adjust performance expectations or a need to publish matters arises, this will be immediately disclosed.

10 Other notes

Amounts less than 1 million yen were rounded down.

Balance Sheet

(As of March 31, 2017)

(Million yen)

Item		Amount	Item		Amount
	(Assets)			**(Liabilities)**	
I	**Current assets**		**I**	**Current liabilities**	
	Cash and deposits	8,160		Notes payable	10,574
	Notes receivable	3,629		Accounts payable	11,110
	Accounts receivable	29,119		Long-term borrowings due within a year	486
	Marketable securities	3,962		Lease obligations	18
	Beneficiary rights to monetary claims	2,500		Accounts payable	474
	Goods	379		Accrued expenses	1,351
	Works in progress	3,840		Corporate taxes payable	2,249
	Raw materials	953		Consumption taxes payable	477
	Stored goods	84		Advances received	16
	Prepaid expenses	142		Deposits received	11,998
	Deferred tax assets	645		Bonus reserves	1,032
	Accrued revenues	3,655		Bonus reserves for Officers	45
	Short-term loans receivable	1,645		Reserves for product warranties	153
	Other current assets	216		Equipment-related notes payable	1,089
				Total current liabilities	**41,077**
	Total current assets	**58,936**	**II**	**Fixed liabilities**	
				Convertible bonds with new share warrants	4,573
II	**Fixed assets**			Long-term borrowings	287
1	**Tangible fixed assets**			Lease obligations	28
	Buildings	2,314		Long-term account payables	270
	Structures	233		Tax-deferred liabilities	2,618
				PCB processing reserves	120
	Machinery and equipment	2,567		Reserves for stock grant to Officers	36
	Vehicles	70		Long-term deposits received	364
	Tools, furniture, and fixtures	2,355		**Total fixed liabilities**	**8,298**
	Land	2,767			
	Lease assets	43		**Total liabilities**	**49,376**
	Construction in progress	3,297			
	Total tangible fixed assets	**13,649**			
				(Net assets)	
2	**Intangible fixed assets**		**I**	**Shareholders' equity**	
			1	**Capital**	**5,610**
	Software	84	**2**	**Capital surplus**	
	Right of utilization	10		Capital reserves	4,705
	Total intangible fixed assets	**95**		Other capital surpluses	220
				Total capital surplus	**4,926**
3	**Investments and other assets**		**3**	**Earned surplus**	
	Investment securities	21,860		Retained earnings	1,197
	Stocks of subsidiaries and affiliates	12,474		Dividend reserves	400
	Investments	1		Reserves for land reduction	730
	Long-term loans	18,588		Reserves for reduction entry of replaced assets	140
	Guarantee deposits	55		Reserves for reduction entry of replaced assets special subaccount	62
	Prepaid pension expenses	306		Special reserves	18,914
	Other investments	164		Earned surplus carried over	42,883
	Loan-loss reserves	-2		**Total earned surplus**	**64,326**
	Total investments and other assets	**53,448**	**4**	**Treasury stock**	**-3,845**
				Total shareholders' equity	**71,018**
			II	**Valuation and translation adjustments**	
	Total fixed assets	**67,193**		Valuation difference on available-for-sale securities	5,734
				Total valuation and translation differences	**5,734**
				Total net assets	**76,753**
	Total assets	**126,129**		**Total liabilities and net assets**	**126,129**

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

Income Statement

(April 1, 2016-March 31, 2017)

(Million yen)

Item		Amount	
I	**Net sales**		**100,245**
II	**Cost of goods sold**		**86,167**
	Gross income		**14,077**
III	**SG&A expenses**		**5,048**
	Operating income		**9,029**
IV	**Non-operating income**		
	Interest income	515	
	Dividend income	1,052	
	Rent income on fixed assets	260	
	Dividend income from insurance	105	
	Other non-operating income	92	**2,026**
V	**Non-operating expenses**		
	Interest expenses	13	
	Rent expenses on fixed assets	57	
	Currency translation losses	121	
	Other non-operating expenses	48	**240**
	Recurring income		**10,814**
VI	**Extraordinary income**		
	Capital gains on the sale of investment securities	1	
	Capital gains on the sale of fixed assets	64	
	Gain on extinguishment of tie-in shares	237	
	Other extraordinary gains	1	**305**
VIII	**Extraordinary losses**		
	Losses on the disposal of fixed assets	54	
	Impaired asset losses	0	
	Subsidiary stock valuation losses	36	
	PCB processing provisions	84	
	Other extraordinary losses	4	**179**
	Net income before income taxes		**10,939**
	Corporate taxes, resident taxes, and business taxes	3,032	
	Corporate tax adjustments	-181	**2,850**
	Net income		**8,089**

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

Shareholders' Equity Statement

(April 1, 2016-March 31, 2017)

(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	11	4,717	1,197
Changes during the current term					
Dividends on surpluses					
Net income					
Reserves for reduction entry of replaced property					
Reversals of replaced property reduction entry reserves					
Reserves for replaced property reduction entry special subaccount					
Reversals of replaced property reduction entry special subaccount					
Buyback of own shares					
Disposal of treasury shares			209	209	
Increase due to merger					
(Net) change in items excluding shareholders' equity in the consolidated fiscal year					
Total change in the current term	—	—	209	209	—
End-of-term balance	5,610	4,705	220	4,926	1,197

(Million yen)

	Shareholders' Equity					
	Earned surplus					
	Other earned surplus					Retained earnings brought forward
	Dividend reserves	Reserves for land price reduction	Reserves for replaced asset reduction	Replaced asset reduction entry special subaccount	Special reserves	
Beginning-of-term balance	400	534	144	220	18,914	36,793
Changes during the current term						
Dividends on surpluses						-2,003
Net income						8,089
Reserves for reduction entry of replaced property		158				-158
Reversals of replaced property reduction entry reserves			-5			5
Reserves for replaced property reduction entry special subaccount				3		-3
Reversals of replaced property reduction entry special subaccount				-162		162
Buyback of own shares						
Disposal of treasury shares						
Increase due to merger		37	1			-2
(Net) change in items excluding shareholders' equity in the fiscal year						
Total change in the current term	—	196	-4	-158	—	6,089
End-of-term balance	400	730	140	62	18,914	42,883

(Million yen)

	Shareholders' Equity			Valuation and translation differences		Total net assets
	Retained earnings / Total retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation differences	
Beginning-of-term balance	58,204	-3,826	64,705	4,296	4,296	69,001
Changes during the current term						
Dividends on surpluses	-2,003		-2,003			-2,003
Net income	8,089		8,089			8,089
Reserves for reduction entry of replaced property	—		—			—
Reversals of replaced property reduction entry reserves	—		—			—
Reserves for replaced property reduction entry special subaccount	—		—			—
Reversals of replaced property reduction entry special subaccount	—		—			—
Buyback of own shares	—	-217	-217			-217
Disposal of treasury shares	—	198	408			408
Increase due to merger	36		36			36
(Net) change in items excluding shareholders' equity in the fiscal year				1,438	1,438	1,438
Total change in the current term	6,122	-18	6,313	1,438	1,438	7,751
End-of-term balance	64,326	-3,845	71,018	5,734	5,734	76,753

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

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

① Shares in subsidiaries and affiliates
Cost method based on the moving average method

② 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) Inventory assets

Inventory owned for normal sales 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 (excluding lease assets)
Straight-line method

(2) Intangible fixed assets (excluding lease assets)
Straight-line method
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 recorded.

(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 stock grant to Officers

The Company prepares for the grant of Company stock to Company Directors under the stock-granting plan by recording reserves for grant of stock based on the expected stock-granting obligations as of the end of the consolidated fiscal year under review.

(5) Reserves for product warranties

Estimated guarantee costs based on past results are recorded as reserves to prepare for defect liability of products sold.

(6) 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.

(7) PCB processing reserves

To prepare for payment of costs for processing PCBs and other waste 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

Currency forward transactions meeting the requirements for deferral hedge accounting are accounted for by deferral hedge accounting, and interest swap transactions meeting the requirements for special processing are accounted for using special processing.

(2) Hedging methods and transactions subject to hedging

Hedging methods

Currency forward transactions, Interest rate swaps

Transactions subject to hedging

Foreign currency loans, Interest payable on specific borrowings

(3) Hedging policy

Pursuant to internal rules relating to derivative transactions, currency fluctuation risk and interest fluctuation risk are hedged to a certain extent.

(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

(A change in accounting policy which is difficult to distinguish from a change in accounting estimates)

For tangible fixed assets (excluding lease assets), the Company previously primarily used the declining balance method (however, buildings (excluding accompanying facilities) and dies and molds included under tools, appliances and fixtures used the straight-line method), but in the fiscal year under review, a change was made to the straight-line method.

In the context of the ongoing overseas expansion of the Topre Group, the importance of overseas bases that use the straight-line method has increased, and additional investments to augment facilities at overseas locations are planned going forward. In Japan, because investments in large-scale production facilities, including the new plant in Kyushu, saw completion by the prior fiscal year, the opportunity was taken to consider the method of depreciation that would most appropriately reflect the actual use of facilities.

As a result of those considerations, taking into account that because stable demand for the Group's domestically manufactured products is foreseen and that long-term stable operation over their usable life of the Group's primary manufacturing facilities is also projected, it is possible to more appropriately reflect economic realities and in view also of further global expansion by the Topre Group, the Company concluded that it would be reasonable to seek consistency with the depreciation method adopted by the Group's increasingly important overseas subsidiaries, and have accordingly changed from the declining balance method to the straight-line method.

As a result of this change, operating income, ordinary income, and net income before taxes in the fiscal year under review were each 305 million yen greater than they would have been based on the previous depreciation method.

3 Additional Information

(Adoption of Implementation Guidance on the Recoverability of Deferred Tax Assets)

Starting in the fiscal year under review, the Company adopted the Implementation Guidance on the Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, March 28, 2016).

(Performance-linked stock compensation plan)

Based on the resolution approved at the Ordinary General Meeting of Shareholders held on June 28, 2016, the Company introduced a new performance-linked stock compensation plan ("Plan") covering Company directors (excluding outside directors and directors residing overseas) for the purpose of heightening their commitment to improvement of the Company's medium- to long-term results and an increase in its corporate value.

1. Overview of the Transactions

The Plan is a performance-linked stock compensation plan under which the Company acquires in bulk the shares of the Company that are expected to be delivered to directors based on the stock-granting plan and such shares are given to directors in accordance with their level of rank and term of office. In principle, directors will receive the shares at the time of their retirement from the office of director.

2. Company Shares remaining in the Trust

Shares remaining in the trust are recorded as treasury stock under net assets at their book value in the trust (excluding the amount of incidental expenses). The book value and number of shares of such treasury stock at the end of the business year under review are 214 million yen and 109,000 shares, respectively.

4 Notes on the Balance Sheet

1.	Cumulative depreciation on tangible fixed assets	59,127 million yen
2.	Short-term claims against affiliates	24,689 million yen
	Long-term claims against affiliates	18,527 million yen
	Short-term debts owed to affiliates	17,351 million yen
	Long-term debts owed to affiliates	3 million yen

3. Guarantee obligations

The Company provides guarantees for accounts payable and loans from financial institutions for the following companies.

Accounts payable	
TOPRE (FOSHAN) AUTOPARTS CORPORATION	233 million yen
TOPRE (XIANGYANG) AUTOPARTS CORPORATION	644 million yen
PT.TOPRE REFRIGERATOR INDONESIA	10 million yen
Loans from financial institutions	
Topre Tokai Corporation	545 million yen
Topre America Corporation	852 million yen
TOPRE (FOSHAN) AUTOPARTS CORPORATION	231 million yen
PT.TOPRE REFRIGERATOR INDONESIA	96 million yen
Total	2,613 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.

5 Notes on Income Statement

Trade volume with affiliates	
Sales	38,987 million yen
Purchases	41,527 million yen
Trade volume other than business trades	1,541 million yen

6 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

Common shares 3,844,510 shares

7 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	366	million yen
Unpaid business taxes	132	
Inventory asset impairment loss	41	
Estimated product warranty amount	24	
Reserves for product warranties	47	
Other	32	
Total	645	
Fixed assets		
Impairment loss	24	
Evaluation loss on investment securities	181	
Over depreciation	38	
Long-term accounts payable	82	
PCB processing reserves	36	
Reserves for stock grant to Officers	11	
Subsidiary corporation impairment loss	11	
Other	29	
Total	415	
Deferred tax asset total	1,060	

(2) Deferred tax liabilities

Fixed liabilities		
Land reduction entry reserves	321	million yen
Reserves for advanced depreciation of noncurrent assets	61	
Reserves for replaced property reduction entry special subaccount	27	
Valuation difference on available-for-sale securities	2,528	
Prepaid pension expenses	93	
Total	3,033	
Deferred tax liability total	3,033	
Net deferred tax assets (liabilities)	-1,972	

8 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	Toprec Corporation	Directly own 50%	Purchaser of goods Concurrent officers	Product sale	28,158	Accounts receivable	12,632

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%	Outsourcing of transport services	Outsourcing of transport services, etc.	1,254	Accounts payable	13
						Notes payable	3
						Unpaid expenses	199
			Entrustment of operating funds	—	—	Deposits	3,000
			Sale of fixed assets	Waste dies and molds sales			
				Sale price	41	—	—
				Sales proceeds	41		
			Concurrent officers				
Subsidiary	Topre Gifu Corporation	Directly own 100%	Company supplier	Product purchase	4,100	Accounts payable	407
			Investment fund management	Entrustment of funds	340	Deposits	2,030
				Return of funds	470		
			Concurrent officers				
Subsidiary	Topre Kyushu Corporation	Directly own 100%	Equipment arrangements, etc.	Equipment arrangements, supply of parts, etc.	4,369	Accounts receivable	486
			Company supplier	Component purchase	19,631	Accounts payable	2,174
						Notes payable	1,077
			Investment fund management	Entrustment of funds	1,800	Deposits	4,300
			Concurrent officers				

Subsidiary	Topre Saitama Corporation	Directly own 100%	Parts arrangements, etc. Company supplier Concurrent officers	Equipment arrangement and supply of parts, etc. Component purchase	3,080 4,361	Accounts receivable Accounts payable Notes payable	287 408 105
Subsidiary	Topre Tokai Corporation	Directly own 100%	Equipment arrangements, etc. Company supplier Financial assistance Concurrent officers	Supply of parts, etc. Component purchase Collection of funds	6,442 10,315 545	Accounts receivable Accounts payable —	1,768 1,192 —
Subsidiary	Topre America Corporation	Directly own 100%	Purchaser of goods Financial assistance Concurrent officers	Component, dies and molds, equipment sales Collection of funds Guarantee of obligations	2,835 1,004 852	Accounts receivable Long-term loans —	889 2,692 —
Subsidiary	Topre Autoparts Mexico, S.A. de C.V.	Directly own 100%	Purchaser of goods Financial assistance Concurrent officers	Component, dies and molds, equipment sales Lending of funds Collection of funds	5,211 1,225 1,853	Accounts receivable Long-term loans	4,577 949 6,206
Subsidiary	TOPRE (FOSHAN) AUTOPARTS CORPORATION	Directly own 100%	Financial assistance Concurrent officers	Guarantee of obligations	464	—	—
Subsidiary	TOPRE (XIANGYANG) AUTOPARTS CORPORATION	Directly own 100%	Financial assistance Concurrent officers	Lending of funds Collection of funds Guarantee of obligations	502 1,243 644	Short-term loans Long-term loans —	561 2,542 —
Subsidiary	TOPRE (THAILAND) CO., LTD.	Directly own 100%	Purchaser of goods Financial Assistance Concurrent officers	Component, dies and molds, equipment sales Lending of funds	1,359 —	Accounts receivable Long-term loans	1,061 6,542

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
   ① 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.

9 Note regarding per share information

1. Net assets per share 1,529.64 yen
2. EPS 161.57 yen

Note: The Company shares remaining in the Officer Compensation BIP Trust Account and recorded as treasury stock under net assets are included in treasury stock, which is deducted from the total number of issued shares as of the end of a fiscal year, for the purpose of calculating net assets per share, and are likewise included in treasury stock, which is deducted from the average number of issued shares during a fiscal year, for the purpose of calculating EPS.

The number of such shares of treasury stock as of the end of the fiscal year deducted for the purpose of calculating net assets per share was 109,000, and the average number of such shares during the fiscal year deducted for the purpose of calculating EPS was 64,200.

10 Notes concerning significant subsequent events

(Absorption-type merger of consolidated subsidiary)

As disclosed in "Notice Concerning the Absorption-type Merger of a Consolidated Subsidiary" dated October 31, 2016, the Company completed an absorption-type merger with its wholly-owned subsidiary, Topre Saitama Corporation, on April 1, 2017.

Refer to 9: Notes concerning significant subsequent events in the Notes to the Consolidated Financial Statements for an outline of the transaction.

(Capital and business alliance and acquisition of shares)

The Company at a meeting of its Board of Directors held on May 11, 2017, resolved to enter into a capital and business alliance agreement with MARUJUN Co., Ltd. ("Marujun") and an agreement to acquire shares of Marujun through a private placement by Marujun to the Company and through a 'negotiated transaction with Mr. Yoshio Imagawa, the principal Marujun shareholder.

Refer to 9: Notes concerning significant subsequent events in the Notes to the Consolidated Financial Statements for an outline of the foregoing.

11 Other notes

Amounts less than 1 million yen were rounded down.