

May 30, 2013

TOPY INDUSTRIES, LIMITED

**Establishment of a Subsidiary Company in Indonesia for the Sales of Construction Machinery Components**

“Strengthening business operation base in ASEAN, South Asia, and Oceania regions where demand increase is expected”

Topy Industries, Ltd (Head Office: Shinagawa-ku, Tokyo; President & CEO Yasuo Fujii, hereinafter “Topy”) will establish a subsidiary company in Indonesia for the sales of construction machinery tracks.

Remarkable economic growth is being seen in the ASEAN region which includes Indonesia. Expansion of various construction machinery markets is expected in areas such as infrastructure: roads, railways, bridge etc., coal and other mining fields, palm-oil, natural rubber and other agricultural industries, and in the timber industry etc.

Topy holds an overwhelming global market share for tracks and shoes which are used as undercarriage components for hydraulic shovels etc. Until now, tracks and other components for construction manufacturers in Indonesia had been exported from Japan. However, requests from our customers for localization have been increasing as demand grew. Therefore, in order to seek expansion into the ASEAN construction machinery track business, Topy has decided the establishment of a new company which will enable a sales base



Photo: Tracks

geographically close to our customers, and enable us to provide our customers with detailed services. The new company will become one of Topy’s strategic sites in the global business and will have a vital role as a sales base to not only ASEAN markets, but also for South Asian and Oceania markets where demand for construction machinery is expected to increase. This new company will strengthen the business base in Indonesia for the Topy Industries Group.

The Topy Industries Group has implemented and initiated “Growth & Change 2015”, our Mid-term Consolidated Management Plan for 2012 to 2015. The basic principle of “Growth & Change 2015” is global “growth” and “change” to become a highly profitable company and to seek further growth of the group through strengthening business bases to respond to the demand expansion in developing countries and domestic economic maturity. With the establishment of a subsidiary for the sales of construction machinery tracks in Indonesia, Topy will move ahead on one of its important themes, “Enhancement of Global Businesses (Quantitative Growth)”.

## 【Reference】

### 1. New Company Summary

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|--------------------------------------|--|
| (1) Company Name                     | PT. TOPY UNDERCARRIAGE INDONESIA   |
| (2) Location Address                 | East Jakarta Industrial Park, Bekasi West Java, Republic of Indonesia                        |
| (3) Name and Title of Representative | President Director Hiroshi Murakami  |
| (4) Business Description             | Sales, import/export, assembly consignment of tracks/components                              |
| (5) Capital                          | 300 thousand U.S. Dollars (Roughly 30 million Yen)   |
| (6) Investment Ratio                 | Topy Industries, Limited 70%<br>Topy Enterprises, Limited (100% subsidiary of Topy Ind.) 30% |
| (7) Date of Establishment            | September 2013 (Schedule)  |
| (8) Number of Employees              | 9 people   |
| (9) Size of leased warehouse         | Site area: 4,109 m <sup>2</sup><br>Warehouse area: 1,680 m <sup>2</sup>                      |
| (10) Start of Operation              | December 2013 (Schedule)   |

### 2. Future Prospects

Effects to the consolidated business performance for 2014 March-year-end is minimal.

### 3. Location Map

