TOPY News Release
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TOPY INDUSTRIES, LIMITED
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Topy Industries, Ltd.

Renovation of Wheel Production Base in the United States

— Aiming to make the world's number one steel wheel plant by building new production lines and a worker-friendly job site —

Topy Industries, Ltd. (head office: Shinagawa-ku, Tokyo, CEO Nobuhiko Takamatsu, "Topy") has decided to make a capital investment of 36 million dollars (approx. 4.0 billion yen) in the Kentucky Plant of TOPY AMERICA, INC., a subsidiary in the United States. We aim to make it the world's number one steel wheel plant by operating new facilities in 2020.

The Kentucky Plant has been operating as a U.S. base for the production of automotive steel wheels since 1986, and has maintained a high level of operation in recent years against the backdrop of expanding auto production in the United States. In light of these circumstances, we will dramatically improve the plant's productivity by introducing state-of-the-art equipment to the aged assembly lines of rims and paint lines. At the same time, the Kentucky Plant will be renovated to make it an eco- and worker-friendly plant that is able to deliver a better performance by introducing a predictive maintenance system and energy- and labor-saving equipment using IoT and other technologies.

Positioning the automotive wheel business as a growth driver in "Growth & Change 2018," the medium-term management plan the Company is currently executing, Topy is striving to increase its presence as a global wheel supplier capable of delivering wheels to standard designs anywhere in the world by expanding its production facilities globally and bolstering alliances. As part of this strategy, the capital investment this time aims to strengthen the Company's supply system in the United States, where the world's major auto makers are developing production bases. Viewing the United States as the most important market for Topy to build on its reputation as a global supplier, we will increase the production capacity of the Kentucky Plant to enable sustainable growth of the automotive wheel business by meeting customer needs and responding to increasing demand for large-sized wheels for pickup trucks and SUV models.

[For Reference]

1. Overview of TOPY AMERICA, INC.

(1) Company Name TOPY AMERICA, INC.
(2) Location Kentucky, the United States of America
(3) Title and Name of Representative President & CEO Mamoru Oto
(4) Business Manufacture and sale of automotive wheels, manufacture and sale of crawlers for construction machinery, etc.
(5) Investment Ratio Topy Industries, Ltd. 100%
(6) Established January 1985
(7) Number of Employees 350

2. Future outlook

The capital investment at the Kentucky Plant will not have an impact on the financial results for the fiscal year ending March 31, 2018.

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