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For Immediate Release

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Notice Concerning Acquisition of Shares of Ring Techs Co., Ltd. (Conversion into a Subsidiary)

Topy Industries, Limited (hereinafter, “the Company”) hereby announces that the Company, at its Board of Directors’ meeting held today, resolved to conclude a share transfer agreement with Nippon Steel & Sumitomo Metal Corporation (hereinafter, “NSSMC”), having examined the acquisition from NSSMC of shares of Ring Techs Co., Ltd. (hereinafter “Ring Techs”), a wholly owned subsidiary of NSSMC, and to make Ring Techs a subsidiary of the Company, in accordance with the announcement made as of March 8, 2017. The details are as follows.

1. Reasons for the share acquisition

The Company and Ring Techs manufacture and sell steel wheels for passenger cars and many different types of wheels in Japan and abroad.

The business dealing with steel wheels for passenger cars will likely face an increasingly severe domestic business environment in the future in Japan due to an inevitable slowdown in demand stemming from a shrinking population, which will result in decreases in car sales and installation rates. Meanwhile, demand for automobiles is growing on a global basis, especially in emerging countries, and it is necessary to further strengthen the Company’s business base. Under these circumstances, with the aim of working toward sustainable growth, the Company has decided to acquire Ring Techs based on the judgment that it is effective to promote the restructuring of the business operations of both companies as a single entity by means such as strengthening the systems of domestic and overseas businesses, technological innovation that makes use of knowhow held by both companies and the utilization of experienced personnel.

This acquisition will allow the Topy Industries Group to stably and continuously provide customers with high quality and competitive products, and the Group aims to achieve sustainable growth and development.

2. Overview of the company to be transferred (Ring Techs Co., Ltd.)

(1) Name	Ring Techs Co., Ltd.	
(2) Location	2670 TsurajimachoTsurushinden, Kurashiki-shi, Okayama	
(3) Position and name of representative	Koichi Tsuruoka, Representative Director & President	
(4) Description of Business Activities	Manufacture and sales of automotive wheels, agricultural wheels and industrial vehicle wheels	
(5) Capital	500 million yen	
(6) Date of foundation	May 19, 1952	
(7) Major Shareholders and shareholding ratio	Nippon Steel & Sumitomo Metal Corporation: 100.0%	
(8) Relationship between the Company and Ring Techs	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable

(9) Business performance and financial condition of Ring Techs for the most recent three years			
Fiscal year	Fiscal 2014	Fiscal 2015	Fiscal 2016
Net assets	-426 million yen (-107 million yen)	-388 million yen (-130 million yen)	-378 million yen (-170 million yen)
Total assets	6,304 million yen (9,456 million yen)	6,079 million yen (9,135 million yen)	6,022 million yen (8,609 million yen)
Net assets per share	-267.50 yen	-244.27 yen	-237.36 yen
Net sales	6,623 million yen (11,293 million yen)	6,688 million yen (11,247 million yen)	5,874 million yen (9,949 million yen)
Operating profit	32 million yen (61 million yen)	5 million yen (39 million yen)	-76 million yen (45 million yen)
Ordinary profit	122 million yen (301 million yen)	66 million yen (47 million yen)	28 million yen (59 million yen)
Profit	81 million yen (257 million yen)	59 million yen (49 million yen)	17 million yen (35 million yen)
Profit per share	50.86 yen	37.05 yen	10.68 yen
Dividends per share	0.00 yen	0.00 yen	0.00 yen

- *1. Ring Techs will have capital of 3,650 million yen through a capital increase before the share transfer date and eliminate its excessive liabilities.
2. Although Ring Techs has subsidiaries, it has not prepared consolidated financial statements. Accordingly, the above shows Ring Techs's non-consolidated statements and the figures in parentheses represent the sum of Ring Techs and individual subsidiaries.
3. The exchange rates between the Japanese yen and foreign currencies are as of the rates at the end of each financial period.

3. Overview of the company from which the shares will be acquired (NSSMC)

(1) Name	Nippon Steel & Sumitomo Metal Corporation	
(2) Location	2-6-1 Marunouchi, Chiyoda-ku, Tokyo	
(3) Position and name of representative	Kosei Shindo, President	
(4) Description of Business Activities	Steelmaking and steel fabrication, Engineering, Chemicals, New materials, System solutions	
(5) Capital	419,524 million yen	
(6) Date of foundation	April 1, 1950	
(7) Consolidated net assets	3,291,015 million yen	
(8) Consolidated total assets	7,261,923 million yen	
(9) Major Shareholders and shareholding ratio	Japan Trustee Services Bank, Ltd. (trust account): 4.1% The Master Trust Bank of Japan, Ltd. (trust account): 3.4% Nippon Life Insurance Company: 2.6%	
(10) Relationship between the Company and NSSMC	Capital relationship	The Company holds 0.1% of the total issued shares of NSSMC. NSSMC holds 20.00% of the total issued shares of the Company.
	Personnel relationship	Not applicable
	Business relationship	The Company purchases raw materials from NSSMC. The Company also sells its products to NSSMC. The Company has business alliances with NSSMC.
	Status of related parties	Not applicable

4. Status of the number of shares acquired, acquisition price and number of shares held prior to and after the acquisition

(1) Number of shares held prior to transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0.0%)
(2) Number of shares acquired	1,600,000 shares (Number of voting rights: 1,600,000)
(3) Acquisition price	The Company refrains from disclosing the acquisition price from the perspective of confidentiality obligations under the share transfer agreement. In order to ensure fairness and appropriateness, the acquisition price has been determined based on independent evaluations and recommendations from third party professional bodies.
(4) Number of shares held after transfer	1,600,000 shares (Number of voting rights: 1,600,000) (Percentage of voting rights held: 100.0%)

5. Schedule

(1) Date of resolution of the Board of Directors' meeting	January 15, 2018
(2) Date of conclusion of agreement	January 15, 2018
(3) Date of share acquisition	February 15, 2018 (planned)

6. Future outlook

The Company is currently investigating the impact which this acquisition will make on the Company's consolidated business results for the fiscal year ending March 31, 2018 and will disclose any revision of results forecast or any other matters promptly, whenever it determines the disclosure to be necessary.

End.

(Reference) Consolidated results forecast for the current fiscal year (announced November 2, 2017) and consolidated business results for the immediately preceding fiscal year

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Consolidated business forecast for the current fiscal year (fiscal year ending March 31, 2018)	233,000	8,500	8,600	5,500
Consolidated business results for the previous fiscal year (fiscal year ended March 31, 2017)	208,237	7,180	6,116	7,191