



April 17, 2018

For Immediate Release

Company name: TOPY INDUSTRIES, LIMITED
Representative: Nobuhiko Takamatsu, President and CEO
(Code number: 7231 Tokyo, Nagoya stock exchanges)
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General Manager, General Affairs Department
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Notice Concerning Acquisition of Shares of ATC Holdings Co., Ltd. (Conversion into a Subsidiary)

Topy Industries, Limited (hereinafter, “the Company”) hereby announces that the Company, at its Board of Directors’ meeting held on April 17, 2018, resolved to acquire all shares issued by ATC Holdings Co., Ltd. (hereinafter, “ATCHD”), a holding company of ASAHI TEC Corporation (hereinafter, “ASAHI TEC”), thereby converting ATCHD into a wholly owned subsidiary. The details are as follows.

Going forward, fair trade commissions and/or other related authorities will examine reports submitted pursuant to antimonopoly laws and/or other competition laws in the respective countries. The implementation of the share acquisition depends on the results of this examination confirming that there are no factors preventing the implementation of the share acquisition.

1. Reasons for the share acquisition

The Company positions the automobile business as a growth driver in “Growth & Change 2018,” its ongoing mid-term consolidated management plan, and aims to achieve sustained growth by accelerating global business development. With this goal in mind, it has decided on the share acquisition, thereby enabling a new base structure of its global supply system of aluminum wheels.

The global production of automobiles will increase on a long-term basis, and demand for automobile wheels is expected to pick up especially in emerging countries. In addition, needs for aluminum wheels are forecast to grow further from the perspective of refined design and environmentally conscious weight reductions.

ASAHI TEC has been designing and developing aluminum wheels in Japan, which are manufactured by its competitive group companies located in China and Thailand and supplied globally, mainly to Japanese automobile manufacturers.

The Company has already structured a global supply system of steel wheels with its alliance

partners and is supplying the world's main automobile manufacturers. In terms of aluminum wheels, production base has been limited to within Japan specializing on high value-added products, and the challenge has been to take in the expanding global demand.

The shares acquisition will combine the management resources of the two companies and will enable a synergy effect not only in terms of sales but in all areas including higher quality product and productivity improvement. By doing so, we will steadily incorporate the globally expanding aluminum wheel demand.

2. Overview of the company to be transferred (ATCHD)

(1)	Name	ATC Holdings Co, Ltd.		
(2)	Location	3311-1, Higashiyokoji, Kikugawa-shi, Shizuoka		
(3)	Position and name of representative	Tatsuya Hayashi, Representative Director		
(4)	Description of business activities	Management of subsidiaries that manufacture and sell aluminum wheels for automobiles and two-wheeled vehicles and aluminum cast components for automobiles.		
(5)	Capital	100 million yen		
(6)	Date of foundation	November 30, 2011		
(7)	Major shareholders	Unison Capital III (F), L.P. Unison Capital Partners III Investment Partnership Unison Capital III (A), L.P. Unison Capital III (B), L.P. Unison III Co-Investments (F), L.P. Unison III Co-Investments (A), L.P. Unison III Co-Investments (B), L.P. Unison Capital III Co-Investment Partnership		
(8)	Relationship between the Company and ATCHD	Capital relationship	Not applicable	
		Personnel relationship	Not applicable	
		Business relationship	Not applicable	
(9)	Consolidated business performance and consolidated financial conditions of ATCHD for the most recent three years.			
	Fiscal year	Fiscal 2014	Fiscal 2015	Fiscal 2016
	Consolidated sales	77,822 million yen	37,960 million yen	30,795 million yen

* The above overview describes the content that the company from which the shares will be acquired has agreed to in disclosing.

3. Overview of the sub-subsidiary to be transferred (ASAHI TEC Corporation)

(1)	Name	ASAHI TEC Corporation		
(2)	Location	3311-1, Higashiyokoji, Kikugawa-shi, Shizuoka		
(3)	Position and name of representative	Hideki Aoyama, Representative Director		
(4)	Description of business activities	Manufacturing and sale of aluminum wheels for automobiles and two-wheeled vehicles and aluminum cast components for automobiles.		
(5)	Capital	100 million yen		
(6)	Date of foundation	August 8, 1938		
(7)	Major shareholders and shareholding ratio	ATC Holdings Co., Ltd. 100.00%		
(8)	Relationship between the Company and ASAHI TEC	Capital relationship	Not applicable	
		Personnel relationship	Not applicable	
		Business relationship	Not applicable	
(9)	Consolidated business performance and consolidated financial conditions of ASAHI TEC for the most recent three years.			
	Fiscal year	Fiscal 2014	Fiscal 2015	Fiscal 2016
	Consolidated net assets	27,301 million yen	14,201 million yen	11,890 million yen
	Consolidated total assets	64,709 million yen	26,156 million yen	22,766 million yen
	Consolidated sales	77,822 million yen	37,960 million yen	30,795 million yen
	Consolidated operating profit	1,407 million yen	365 million yen	810 million yen
	Consolidated ordinary profit	1,402 million yen	63 million yen	680 million yen
	Profit attributable to owners of parent	1,151 million yen	1,231 million yen	8,227 million yen

* The above overview describes the content that the company from which the shares will be acquired has agreed to in disclosing.

4. Overview of the company from which the shares will be acquired

(i) Unison Capital III (F), L.P.

(1)	Name	Unison Capital III (F), L.P.
(2)	Location	Deutsche Bank (Cayman) Limited, 171 Elgin Avenue, Boundary Hall,

	Cricket Square, PO Box 1984, George Town Grand Cayman, KY1-1104 Cayman Islands
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(ii) Unison Capital Partners III Investment Partnership

(1) Name	Unison Capital Partners III Investment Partnership
(2) Location	4-1 Kioicho, Chiyoda-ku, Tokyo

(iii) Unison Capital III (A), L.P.

(1) Name	Unison Capital III (A), L.P.
(2) Location	Deutsche Bank (Cayman) Limited, 171 Elgin Avenue, Boundary Hall, Cricket Square, PO Box 1984, George Town Grand Cayman, KY1-1104 Cayman Islands

(iv) Unison Capital III (B), L.P.

(1) Name	Unison Capital III (B), L.P.
(2) Location	Deutsche Bank (Cayman) Limited, 171 Elgin Avenue, Boundary Hall, Cricket Square, PO Box 1984, George Town Grand Cayman, KY1-1104 Cayman Islands

(v) Unison III Co-Investments (F), L.P.

(1) Name	Unison III Co-Investments (F), L.P.
(2) Location	Deutsche Bank (Cayman) Limited, 171 Elgin Avenue, Boundary Hall, Cricket Square, PO Box 1984, George Town Grand Cayman, KY1-1104 Cayman Islands

(vi) Unison III Co-Investments (A), L.P.

(1) Name	Unison III Co-Investments (A), L.P.
(2) Location	Deutsche Bank (Cayman) Limited, 171 Elgin Avenue, Boundary Hall, Cricket Square, PO Box 1984, George Town Grand Cayman, KY1-1104 Cayman Islands

(vii) Unison III Co-Investments (B), L.P.

(1) Name	Unison III Co-Investments (B), L.P.
(2) Location	Deutsche Bank (Cayman) Limited, 171 Elgin Avenue, Boundary Hall, Cricket Square, PO Box 1984, George Town Grand Cayman, KY1-1104 Cayman Islands

(viii) Unison Capital III Co-Investment Partnership

(1)	Name	Unison Capital III Co-Investment Partnership
(2)	Location	4-1 Kioicho, Chiyoda-ku, Tokyo

*The Company has no particular capital, personnel or business relationship with the company from which the shares will be acquired.

The above overview describes the content that the company from which the shares will be acquired has agreed to in disclosing.

5. Number of shares acquired, acquisition price and status of shares held before and after acquisition

(1)	Number of shares held prior to transfer	0 shares (Number of voting rights: 0) (Ownership of voting rights: 0.00%)
(2)	Number of shares acquired	1,214,100,000 shares Number of different types of stock Common stock 214,100,000 shares Class A preferred stock 1,000,000,000 shares (Number of voting rights: 214,100,000 shares)
(3)	Acquisition price	ATC Holdings Co., Ltd. shares 13,968 Million yen Advisory Fee etc. (estimated amount) 526 Million yen Total (estimated amount) 14,494 Million yen
(4)	Number of shares held after transfer	1,214,100,000 shares Common stock 214,100,000 shares Class A common stock 1,000,000,000 shares (Number of voting rights: 214,100,000 shares) (Ownership of voting rights: 100.00%)

*The actual acquisition price is scheduled to be the price after price adjustment at the time share acquisition is executed in accordance to the Share Transfer Agreement. The displayed acquisition price is as scheduled of now; however, the final acquisition price may change due to price adjustment.

6. Schedule

(1)	Date of resolution of the Board of Directors' meeting	April 17, 2018
(2)	Date of conclusion of agreement	April 17, 2018

Date of (3) implementation of the share transfer	May 31, 2018 (plan)
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7. Future outlook

The Company is currently investigating the impact this acquisition will have on the Company's consolidated business results for the fiscal year ending March 31, 2019. Consolidated results forecasts for the fiscal year ending March 31, 2019 will be disclosed along with consolidated results for the fiscal year ended March 31, 2018, which will be announced on May 10, 2018.

(Reference) Consolidated Financial and Operating Estimate for this Fiscal Year (as announced on November 2 nd , 2017) and Actual Financial results of the previous 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 Financial and Operating Estimate (FY ending in March 2018)	233,000	8,500	8,600	5,500
Actual Financial results (FY ending in March 2017)	208,237	7,180	6,116	7,191