



February 19<sup>th</sup>, 2019

Company Name: TOPY INDUSTRIES, LIMITED  
Representative: President and CEO, Nobuhiko Takamatsu  
(Code: 7231 Tokyo and Nagoya Stock Exchange; first section)  
Contact: Operating Officer and General Affairs Dept. GM,  
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## Notification regarding the transfer of fixed assets and the record of extraordinary income in a consolidated subsidiary

This notice is with regards to the resolution passed at the Board of Directors meeting held on February 19<sup>th</sup>, 2019 for the transfer of fixed assets in TOPY Enterprises, Limited, a consolidated subsidiary, as follows:

### 1. Overview of the Company

|   |   |
|---|---|
| (1) C o m p a n y N a m e   | TOPY Enterprises, Limited   |
| (2) L o c a t i o n o f H e a d O f f i c e                       | 1-2-2 Osaki, Shinagawa-ku, Tokyo  |
| (3) P o s i t i o n a n d N a m e o f R e p r e s e n t a t i v e | President Shinichi Kijima   |
| (4) D e s c r i p t i o n o f B u s i n e s s A c t i v i t i e s | Sales of materials and metal products, automotive parts and accessories, construction machinery parts |
| (5) C a p i t a l   | 480million yen  |

### 2. Reason for the Transfer

The Group is making progress toward the goals of the medium-term management plan, and working on raising asset efficiency. As a part of this activity, the reviewing the assets owned has been on-going, which led to the resolution of transferring fixed assets.

### 3. Details of the Transferred Asset

| Location                 | Transfer value | Book value | Gain on transfer      | Current state |
|--------------------------|----------------|------------|-----------------------|---------------|
| Land<br>(Koto-ku, Tokyo) | ※              | ※          | 3,218 million<br>yen※ | Empty lot     |

※Due to the strong request of the purchaser, the transfer price and book value will not be disclosed. However, the transfer price is that of appropriate value reflecting the market value determined by competitive tender bid. Gain on transfer is the estimated amount after subtracting the book value and other estimated transfer costs from the transfer price.

#### 4. Summary of Purchaser

The purchaser is a general business corporation in Japan; however, due to the strong request of the purchaser further summaries will not be disclosed. There are no business transactions, capital ties, personal relationships with the purchaser, and does not correspond to a related party.

#### 5. Schedule of Acquisition

|  |   |
|--|---|
| Resolution of the Board<br>(1) o f D i r e c t o r s | February 19 <sup>th</sup> , 2019        |
| (2) C o n t r a c t D a y                            | February 19 <sup>th</sup> , 2019        |
| (3) Date of property delivery                        | March 8 <sup>th</sup> , 2019 (Schedule) |

#### 6. Future Prospect

The gain on transfer of 3,218 million yen from this fixed asset is scheduled to be recorded under extraordinary profit in the consolidated and individual accounts for the fiscal year ending in March 2019. The consolidated business results forecasts, announced on February 1<sup>st</sup>, 2019, includes consideration to the effects of this matter.

(FYI) The Consolidated Forecasts for the Fiscal Year Ending March 31, 2019 (Disclosed on February 1<sup>st</sup>, 2019), and Consolidated Actual Results of the Previous Accounting Year

|  | Consolidated net sales | Consolidated Operating Income | Consolidated Ordinary Income | Net income attributable to shareholders of the parent company |
|--|------------------------|-------------------------------|------------------------------|---|
|  | million yen            | million yen                   | million yen                  | million yen   |
| Full Year Forecast for this Accounting Year (Ending in March 2019)                 | 288,000                | 8,000                         | 9,500                        | 6,800   |
| Consolidated Actual Results of the Previous Accounting Year (Ending in March 2018) | 230,462                | 7,997                         | 8,034                        | 5,500   |

Note: This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the original shall prevail.

The original disclosure in Japanese was released on February 19<sup>th</sup>, 2019 at 15:30(GMT+9).

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