



November 4th, 2016

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Notice Regarding the Difference between Second Quarter Financial Forecasts and Actual Financial Results

Topy Industries hereby gives notice regarding the difference that has risen between the financial forecast of the cumulative second quarter (April 1st, 2016 to September 30th, 2016) announced on May 10th, 2016 for the accounting year ending in March 2017 and the actual financial results announced today.

●Regarding the difference between financial forecasts and actual financial results

Variance between consolidated financial forecast values and actual results of cumulative second quarter for 2016 FY (April 1st, 2016 to September 30th, 2016)

	Net Sales	Operating Income	Ordinary Income	Quarterly net income attributable to shareholders of the parent company	Net Income per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous Forecast (A) (Announced May 10 th , 2016)	102,000	1,300	900	500	21.11
Actual Results (B)	97,185	1,930	984	1,177	49.76
Difference (B-A)	(4,814)	+ 630	+ 84	+ 677	
Increase-Decrease Rate (%)	(4.7%)	+48.5%	+9.4%	+135.5%	
(Ref.) Second Quarter Result from Previous term (Second Quarter for fiscal year ending in March, 2016)	108,516	3,268	2,764	(3,305)	(139.57)

Note: Since share consolidation of common stock by ratio of 10 shares to 1 share is effective as of October 1st, 2016, net income per share has been calculated assuming such share consolidation was done at the beginning of the previous consolidated accounting year.

Reason for Variance

In terms of the cumulative second quarter for 2016 FY, operating income exceeded the initial forecast as the sales volume of construction machinery undercarriage components etc. in the automobile/industrial machinery components business was greater than expectation. However, due to foreign-exchange translation loss of assets in foreign currency as a result of the continuing strong Yen, ordinary income ended roughly as first expected. Also, some retirement of fixed assets shifted into the third quarter etc. causing the quarterly net income attributable to shareholders of the parent company to exceed initial expectations.

Consolidated financial estimates for the full year ending in March 2017 have not been changed from the previous announcement since each business segment have components which may increase or decrease profit, and there are uncertainties in exchange rates.

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 November 4th, 2016 at 13:30(GMT+9).

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