



November 5th, 2015

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Notice Regarding the Difference between Second Quarter Financial Forecasts and Actual Financial Results AND
 Notice Regarding Revision of Full-Year Business Financial Forecast

Topy Industries hereby gives notice regarding the difference that has risen between the financial forecast of the cumulative second quarter (April 1st, 2015 to September 30th, 2015) announced on May 8th, 2015 for the accounting year ending in March 2016 (April 1st, 2015 to March 31st, 2016) and the actual financial results announced today.

Also, in consideration of the recent business performance, it has been decided at the Board of Directors Meeting held on November 5th, 2015, to revise the announcement made on May 8th, 2015 regarding the consolidated and individual financial forecast for the accounting year ending in March 2016 (April 1st, 2015 to March 31st, 2016).

●Regarding the difference between financial forecasts and actual financial results, and the revision of financial forecasts

Difference from consolidated financial forecast values of cumulative second quarter for 2015 FY (April 1st, 2015 to September 30th, 2015)

	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 8 th , 2015)	116,000	3,000	2,500	1,200	5.07
Actual Results (B)	108,516	3,268	2,764	(3,305)	(13.96)
Difference (B-A)	(7,483)	268	264	(4,505)	
Increase-Decrease Rate (%)	(6.5%)	9.0%	10.6%	—	
(Ref.) Second Quarter Result from Previous term (Second Quarter for fiscal year ending in March, 2015)	113,399	2,194	1,636	854	3.61

Revision of consolidated financial forecast values for 2015 FY (April 1st, 2015 to March 31st, 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 8 th , 2015)	246,000	9,700	8,800	5,400	22.80
Revised Forecast (B)	230,000	9,700	8,800	1,500	6.33
Difference (B-A)	(16,000)	0	0	(3,900)	
Increase-Decrease Rate (%)	(6.5%)	0.0%	0.0%	(72.2%)	
(Ref.)Previous Results (Fiscal year ending in March, 2015)	237,677	6,422	6,037	2,360	9.96

Difference from non-consolidated financial forecast values of cumulative second quarter for 2015 FY (April 1st, 2015 to September 30th, 2015)

	Net Sales	Operating Income	Ordinary Income	Quarterly Net Income	Quarterly Net Income per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous Forecast (A) (Announced May 8 th , 2015)	67,700	1,600	2,400	1,600	6.75
Actual Results (B)	64,413	1,683	2,297	(618)	(2.61)
Difference (B-A)	(3,286)	83	(102)	(2,218)	
Increase-Decrease Rate (%)	(4.9%)	5.2%	(4.3%)	—	
(Ref.)Second Quarter Result from Previous term (Second Quarter for fiscal year ending in March, 2015)	68,760	1,528	2,233	1,738	7.34

Revision of non-consolidated financial forecast values for 2015 FY (April 1st, 2015 to March 31st, 2016)

	Net Sales	Operating Income	Ordinary Income	Quarterly Net Income	Quarterly Net Income per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous Forecast (A) (Announced May 8 th , 2015)	140,800	4,000	5,100	3,400	14.35
Revised Forecast (B)	130,000	4,000	5,100	1,200	5.07
Difference (B-A)	(10,800)	0	0	(2,200)	
Increase-Decrease Rate (%)	(7.7%)	0.0%	0.0%	(64.7%)	
(Ref.)Previous Results (Fiscal year ending in March, 2015)	140,884	4,181	6,038	2,886	12.18

Reason for Variance and Revision

In terms of the consolidated financial forecast for 2015 FY, it is expected that net sales will decrease due to effects from falling steel market trend and downturn of demand for construction machinery undercarriage components etc., however, operating income and ordinary income are expected to maintain the previously announced forecast values. On the other hand, in order to improve profitability of the automobile/industrial machinery components business, the Topy Industries Group has decided to execute structural reformation by integration of the manufacturing sites in China. With the execution of this structural reformation, net income attributable to the shareholders of the parent company etc. is expected to fall below the previously estimated values due to allocating restructuring loss, for consolidated settlement of accounts, and affiliated company capital appraisal loss, for non-consolidated settlement of accounts, into extraordinary loss.

For information regarding the structural reformation of automobile/industrial machinery components business, please refer to today's announcement: "Notice regarding the allocation of extraordinary loss due to integration etc. of manufacturing sites in China".

All the above forecasts have been prepared with information that was available at the date of this announcement. Actual business performances may change from the forecasted values due to various effects from hereon.

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 5th, 2015 at 13:30(GMT+9).

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