



May 9, 2025

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Notice Regarding Recognition of Impairment Loss (Consolidated) and Loss on Valuation of Shares of Subsidiaries and Associates (Non-Consolidated)

TOPY INDUSTRIES, LIMITED (“the Company”) hereby announces that it recognized an impairment loss and a loss on valuation of shares of subsidiaries and associates for the fiscal year ended March 31, 2025, as outlined below.

1. Recognition of Impairment Loss in Consolidated Financial Statements

TOPY AMERICA, INC. (“TOPY AMERICA”), a consolidated subsidiary of the Company, has been facing a challenging business environment due to factors such as a decline in passenger car sales volume in the United States, rising labor costs, and productivity issues. In the fiscal year ended March 31, 2024, the Company recorded an impairment loss of 3,318 million yen on tangible fixed assets related to automotive wheels of TOPY AMERICA. In accordance with the business plan formulated in the fiscal year ended March 31, 2024, TOPY AMERICA has been working to improve productivity with production technology and equipment technology support from the Company. However, due to difficulties in retaining skilled workers caused by labor shortages and other factors, the productivity improvement plan was not achieved, and TOPY AMERICA has been forced to revise future business plans. Under such circumstances, the Company conducted a recoverability test on the tangible fixed assets related to automotive wheels of TOPY AMERICA and recorded an impairment loss of 1,279 million yen on tangible fixed assets in the consolidated financial statements for the fiscal year ended March 31, 2025.

The above-mentioned impairment loss is reflected in the “Consolidated Basis Results of the Fiscal 2024” announced today (May 9, 2025).

2. Recognition of Loss on Valuation of Shares of Subsidiaries and Associates in Non-Consolidated Financial Statements

Due to the deterioration in performance of TOPY AMERICA and the impairment loss mentioned above, the fair value of the shares of TOPY AMERICA held by the Company significantly declined. As a result, the Company recorded a loss on valuation of shares of subsidiaries and associates of 4,313 million yen in the non-consolidated financial statements for the fiscal year ended March 31, 2025.

Please note that this valuation loss is recorded only in the non-consolidated financial statements and is eliminated upon consolidation, and therefore has no impact on the consolidated financial results.

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 May 9, 2025.
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