



December 18, 2012

Company Name: TOPY INDUSTRIES, LIMITED
Representative: President and CEO, Yasuo Fujii
(Code: 7231 Tokyo, Osaka and Nagoya Stock Exchange; first section)

Announcement Concerning the Establishment of a Subsidiary and Construction of a New Factory in Indonesia for the Manufacture of Truck/Bus Wheels

This announcement is with regards to the decision made at the Board of Directors Meeting held on December 18, 2012 to establish a manufacturing subsidiary company as a joint venture in Indonesia with local company PT. PAKOAKUINA (“PAKOAKUINA”), and to construct a new factory for the manufacture and sales of truck/bus wheels.

1. Purpose of Establishing a New Company and Constructing a New Factory

The recent demand for trucks and buses in the ASEAN region including Indonesia has been increasing steadily due to active infrastructure development and it is expected to continue expanding in the long run. Under such conditions, Japanese trucks and bus manufacturers, who are important customers of Topy Industries, have dominant share of the market and are strengthening local production capacity to meet the exponential increase in demand.

Until now, Topy has worked to strengthen the supply structure in the ASEAN region through a technical assistance agreement with PT. PALINGDA NASIONAL, a truck/bus wheel manufacturer within the Pakoakuina group. Topy has gained the trust of customers for its high technology that is incomparable to other manufacturers and along with expected increase in demand, requests for Topy to produce locally had been rapidly intensifying.

In order to promptly meet the needs of our customers with the demand increase in the ASEAN market and to expand the local truck/bus wheel business, we will establish a new company as a joint venture and construct a new factory with Pakoakuina group, our 30 year-long technical assistance partner. With the operation of this new factory, we will solidify our supply base in the ASEAN region.

The Topy Industries group has implemented and initiated “Growth & Change 2015”, our Mid-term Consolidated Management Plan for 2012 to 2015. The basic principle of “Growth & Change 2015” is global “growth” and “change” to become a highly profitable company and to seek further growth of the group through strengthening business bases to respond to the demand expansion in developing countries and domestic economic maturity. With the establishment of this manufacturing subsidiary and construction of this new factory for truck/bus wheels in Indonesia, Topy will move ahead on one of its important themes, “Enhancement of Global Businesses (Quantitative Growth)”.

2. New Company Summary

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|--------------------------------------|--|-----|--|
| (1) Company Name | PT. TOPY PALINGDA MANUFACTURING INDONESIA | | |
| (2) Location Address | Suryacipta Industrial Park, Karawang, INDONESIA | | |
| (3) Name and Title of Representative | President Director Norio Akiyama
(Operating Officer of Topy Industries, Ltd.) | | |
| (4) Business Description | Manufacture and sale of wheels for trucks / buses | | |
| (5) Capital | 330 billion Rp. (Around 3 billion JPY) | | |
| (6) Investment Ratio | Topy Industries, Ltd. | 70% | |
| | PT. PAKOAKUINA | 30% | |
| (7) Date of Establishment | January 2013 (Schedule) | | |
| (8) Number of Employees | 285 persons (Initial) | | |

3. New Factory Summary

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|------------------------|---|
| (1) Location Address | Suryacipta Industrial Park, Karawang, INDONESIA |
| (2) Products | Wheels for trucks / buses |
| (3) Factory Size | Site Area: Around 50,000 m ²
Plant Area: Around 23,000 m ² |
| (4) Start of Operation | First Semester of 2014 (Schedule) |

4. Summary of Joint Venture Partner

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|--------------------------------------|--|
| (1) Company Name | PT. PAKOAKUINA |
| (2) Location Address | Jl. Gaya Motor, Sunter II, Jakarta 14330 INDONESIA |
| (3) Name and Title of Representative | President Director Albert Sudarto |
| (4) Business Description | Wheel Rim Manufacturer |
| (5) Capital | 45 billion Rp. |
| (6) Date of Establishment | June 1987 |

5. Future Prospects

Effects to the consolidated business performance for 2013 March-year-end is minimal.

【Reference】

Location

