

May 10, 2012

Topy Industries, Ltd.

Establishment of a Subsidiary Company in China for the Manufacture of Ultra-large
Wheel Components for Dump Trucks used in Mines
— In Response to Growing Demand from Expansion in Resource Development —

Topy Industries, Ltd. (Head office: Shinagawa-ku Tokyo, CEO: Yasuo Fujii, “Topy”) will establish a solely owned subsidiary company in China for the manufacture and sales of ultra-large wheel components (product name “SGOR®”) for dump trucks used in mines.

The market for dump trucks used in mines is expected to grow as resource development demand expands in Asia, including China, and other Oceania regions. Demand increase in 3 years is expected to be around 30%. Topy is highly trusted by our customers for our unrivaled SGOR® technology.

In the past, Topy has expanded manufacturing capacity at its domestic manufacturing site, Ayase Factory (Ayase City, Kanagawa Prefecture) in accordance to increase in demand. Topy will also modernize our steel making facilities at Toyohashi Factory (Toyohashi City, Aichi Prefecture), where raw materials for wheels are produced, with target to start operation in April 2015. Topy customers are requesting a stable and



Photo: Ultra-large wheel for dump trucks used in mines “SGOR®”

long-term supply of SGOR®. In order to respond to such increase in demand, it has become necessary to enhance our component manufacturing capacity.

In view of the above, Topy has decided to establish a subsidiary company “TIANJIN TOPY MACHINERY CO., LTD.” in Tianjin, China for the manufacture of SGOR® components. With the operation of this component manufacturing company, the capacity to assemble finished products at Ayase Factory can be increased, and by diversifying component procurement, Topy will seek to disperse procurement risks. For further progression of our SGOR® business, Topy will formulate an optimum global manufacturing structure centered around our domestic manufacturing site.

*SGOR® = Super Giant Off the Road Rim

【Reference】

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| (1) Company Name | 天津東碧机械有限公司 |
| (Company Name in Japanese) | 天津トピー機械有限公司 |
| (Company Name in English) | TIANJIN TOPY MACHINERY CO., LTD. |
| (2) Location Address | 中華人民共和國天津市西青經濟開發區賽達西五支路 28 号 |
| (3) Name and Title of Representative | Chairman, Norio Saito (Director and Wheel Division General Manager of Topy Industries, Ltd.; Chairman of Fujian Topy Autoparts Co., Ltd.) |
| (4) Business Description | Manufacture and sales of ultra-large wheel components for dump trucks used in mines |
| (5) Capital | Around 1.3 billion Yen (16.5 million US dollars) |
| (6) Investment Ratio | 100% Topy Industries |
| (7) Date of Establishment | May 2012 (Schedule) |
| (8) Factory Size | Site Area: Around 21,000 m ²
Building Area: Around 12,000 m ² |
| (9) Date of Operation | October 2012 (Schedule) |
| (10) Number of Employees | Around 50 persons (Initial) |

★Location

