



March 27, 2012

Company Name: TOPY INDUSTRIES, LIMITED

Representative: President and CEO, Yasuo Fujii

(Code: 7231 Tokyo, Osaka, Nagoya Stock Exchange; first section)

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Announcement Regarding New Advancements for Steelmaking Facilities

The following announcement is with regards to the resolution passed in the Board of Directors Meeting at Topy Industries, LTD. on March 27, 2012 to make new advancements for steelmaking facilities at Toyohashi Factory (Aichi Prefecture).

1. Reason for New Advancements

With its key idea, “Making Steel, Engineering Steel”, Topy has nurtured creative technology over many years. Our greatest business characteristic is in our “integrated production from material to product”. Topy has constantly given dynamic life to “Steel” in response to the needs of that moment. We have supplied society with the most suitable products while satisfying required levels including the development of material performance that only Topy can make. Topy currently holds top shares in the global industry for several transportation equipment related products such as shoes for undercarriage components in construction machinery like hydraulic excavators, wheels for extra-large dump trucks used at mining sites, and wheels for truck/buses etc.

Periodic increases in demand are expected for transportation equipment related products with focus around infrastructure in developing countries. However, the steelmaking facilities at Toyohashi Factory which serves as the most up-stream process for our integrated manufacture of transportation equipment related products are getting older, and with limitation in its production capacity, we have been forced to operate using electricity not only during the night but also during the day. Furthermore, the Great East Japan Earthquake has acted as a factor in the momentum for automobile/construction machinery manufacturers to request that Topy develop a supply system that is strong against natural disasters.

Therefore, the decision has been made by Topy to make new advancements for our steelmaking facilities at Toyohashi Factory. These investments will drastically reduce the electrical power consumption rate and improve productivity while ensuring a completely self-sustainable steel source that will lead to competitive cost structures. Furthermore, Topy will take greater responsibilities in its role within the supply chain by implementing measures against earthquakes and tsunamis in preparation to earthquakes that may occur in the Tokai, Tonankai, Nankai regions. With new advancements to our steelmaking facilities, Topy will strengthen its global competitiveness and aggressively take in the growing demand of transportation equipment related products to improve our business performance.

2. Content of Assets to be Acquired

Content and Location of Assets	Estimated Acquisition Price
Electrical furnace for steel Continuous cast equipment Other incidental equipment (Toyohashi, Aichi Prefecture)	Roughly 28 bil. Yen
Total	Roughly 28 bil. Yen

3. Schedule of Acquisition

(1) Board resolution	March 27, 2012
(2) Ground breaking	Scheduled for March, 2013
(3) Start of full operation	Scheduled for April, 2015

4. Future Prospects

Start of full operation after new advancements are scheduled for April, 2015, and therefore will not impact current year business performances.

Actual acquisition prices and equipment suppliers will be announced once decided.

(Reference) Current Year Consolidated Earnings Forecast (Disclosed on January 27th 2012) and Previous Year Consolidated Results

	Sales	Operating Income	Ordinary Income	Year Net Profit
Current Year Consolidated Earnings Forecast (Ending Mar., 2012)	236,000 mil. Yen	9,800 mil. Yen	6,500 mil. Yen	3,400 mil. Yen
Previous Year Consolidated Results (Ending Mar., 2011)	221,413 mil. Yen	7,006 mil. Yen	5,241 mil. Yen	2,072 mil. Yen