

May 28, 2013

TOPY INDUSTRIES, LIMITED

**Regarding the Establishment of a Subsidiary and Construction of a New Factory in Mexico for the Manufacture of Steel Wheels for Passenger Cars**

**“We will strengthen its operation base towards Japanese, American, and European automobile manufacturers.”**

Topy Industries, Ltd.(Head office: Shinagawa-ku Tokyo, CEO: Yasuo Fujii, “Topy”) will establish a subsidiary company in Mexico and to construct a new factory for the manufacture and sales of steel wheels for passenger cars as a joint venture with Italian company MW Italia S.p.A. (“MW”) (investment ratio: Topy 75%, MW 25%).

The recent production volume of passenger cars in Mexico is expected to steadily expand in the mid to long term as increase in export volume to markets such as North and South America is anticipated. Under such conditions, Japanese and American automobile manufacturers, who are important customers of the Topy Industries Group, are aggressive in planning the expansion of local production capacity in Mexico.

Topy has manufacturing and sales base for passenger car steel wheels in Japan as well as in America (TOPY AMERICA, INC., 100% subsidiary of Topy) and China (FUJIAN TOPY AUTOPARTS CO., LTD., 100% subsidiary of Topy) to respond to our main customers on a global scale. Until now, the supply of wheels into Mexico was handled from Japan and via Topy America, INC. With the construction of a new factory in Mexico, we will be able to actively respond to the global supply structure requests from our customers. We will also work to take in the expanding steel wheel demand in Mexico.

Our joint venture partner MW has manufacturing and sales bases mainly in Europe and supplies steel wheels to automobile companies located in Europe and other countries. MW is in a global business alliance relationship with Topy since 2001. With the establishment of the MW-Topy joint venture, and the operation of the new factory in Mexico, we will be able to strengthen its operation base towards Japanese, American, and European automobile manufacturers.

The Topy Industries Group has implemented “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 the construction of a new factory for passenger car steel wheels in Mexico, we will move ahead on one of our most important themes, “Enhancement of Global Businesses (Quantitative Growth)”.

**【Reference】**

**1. New Company Summary**

- |                                      |  |
|--------------------------------------|--|
| (1) Company Name                     | TOPY MW MANUFACTURING MEXICO S.A. DE C.V. (final decision pending)                                   |
| (2) Location Address                 | Santa Fe Industrial Park, Silao, State of Guanajuato, the United Mexican States                      |
| (3) Name and Title of Representative | Undecided  |
| (4) Business Description             | Manufacture and sales of steels wheels for passenger cars / light commercial vehicles (light trucks) |
| (5) Capital                          | About 13 million U.S. Dollars (Roughly 1.3 billion Yen)  |
| (6) Investment Ratio                 | Topy Industries Limited       75%<br>MW Italia S.p.A.               25%                              |
| (7) Date of Establishment            | September, 2013 (Schedule)   |
| (8) Number of Employees              | About 60 people (Initial)  |

**2. New Factory Summary**

- |                        |  |
|------------------------|--|
| (1) Location Address   | Santa Fe Industrial Park, Silao, State of Guanajuato, the United Mexican States    |
| (2) Products           | Steel wheels for passenger cars / light commercial vehicles (light trucks)         |
| (3) Factory Size       | Site Area: Around 42,000 m <sup>2</sup><br>Plant Area: Around 7,000 m <sup>2</sup> |
| (4) Start of Operation | April 2015 (Schedule)  |

**3. Summary of Joint Venture Partner**

- |                                      |                                       |
|--------------------------------------|---------------------------------------|
| (1) Company Name                     | MW Italia S.p.A.                      |
| (2) Location Address                 | Turin, Republic of Italy              |
| (3) Name and Title of Representative | CEO, Gabriele Perris Magonetto        |
| (4) Business Description             | Manufacture and sales of steel wheels |

**4. Future Prospects**

Effects to the consolidated business performance for 2014 March-year-end is minimal.

**5. Location**

