

Consolidated Financial Results
(Japanese GAAP)
FY 2011 ending March 2012
TOPCON CORPORATION
Release Date: January 31, 2012

1. Summary of Third Quarter Business Results for FY2011 ending March 2012 (April 1, 2011 – December 31, 2011)

"%" indicate year-to-year increase (decrease)
(Rounded down to the nearest million yen)

(1) Consolidated business results

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	million yen	%	million yen	%	million yen	%	million yen	%
3rd Quarter of FY 2011	68,877	(2.6)	(1,320)	—	(2,828)	—	(5,877)	—
3rd Quarter of FY 2010	70,703	9.9	(2,119)	—	(3,421)	—	(3,940)	—

Note: Comprehensive income
3rd Quarter of FY 2011 (7,495) million yen (- %)
3rd Quarter of FY 2010 (6,391) million yen (- %)

	Net income (loss) per share	Diluted net income per share
	yen	yen
3rd Quarter of FY 2011	(63.46)	—
3rd Quarter of FY 2010	(42.55)	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
3rd Quarter of FY 2011	113,506	29,447	25.6	313.65
FY2010 ended March 2011	124,816	37,238	29.6	398.50

Note: Shareholders' equity
3rd Quarter of FY 2011 29,049 million yen
FY2010 ended March 2011 36,908 million yen

2. Dividends

	Dividends per share				
	end of 1st quarter	end of 2nd quarter	end of 3rd quarter	year-end	annual
	yen	yen	yen	yen	yen
FY2010 ended Mar. 2011	—	2.00	—	2.00	4.00
FY2011 ending Mar. 2012	—	2.00	—		
FY2011 ending Mar. 2012 (forecast)				2.00	4.00

*Revisions to the projected dividends : No

3. Business Forecasts for FY 2011 ending Mar. 2012 (April 1, 2011 – March 31, 2012)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Annual	97,000	(5.3)	1,800	0.0	0	—	(5,000)	—	(53.98)

*Revisions to the business forecasts : Yes

Note: The forecasts above were prepared on the premise of future forecasts available at the time of the release of this document, such as trends of business, competition environment and currency exchange rates. Due to unforeseen circumstances, however, the actual results may differ from these forecast data.

Consolidated quarterly financial statements

Consolidated quarterly balance sheets

(Unit: Million Yen)

	FY 2010 ended March 2011	3rd Quarter of FY 2011	Increase (decrease)
Assets			
Current assets			
Cash and deposits	13,927	11,622	(2,305)
Notes and accounts receivable- trade	35,542	27,869	(7,673)
Merchandise and finished goods	12,759	12,989	229
Work in process	7,187	5,236	(1,951)
Raw materials and supplies	5,198	5,573	374
Other	8,342	10,814	2,471
Allowance for doubtful accounts	(1,387)	(1,234)	153
Total current assets	81,571	72,870	(8,700)
Noncurrent assets			
Property, plant and equipment	13,455	12,793	(661)
Intangible assets			
Goodwill	11,261	10,077	(1,184)
Other	5,934	6,719	785
Total intangible assets	17,196	16,797	(399)
Investments and other assets	12,593	11,044	(1,548)
Total noncurrent assets	43,245	40,635	(2,609)
Total assets	124,816	113,506	(11,309)

(Unit: Million Yen)

	FY 2010 ended March 2011	3rd Quarter of FY 2011	Increase (decrease)
Liabilities			
Current liabilities			
Notes and accounts payable-trade	13,536	12,124	(1,411)
Short-term loans payable	28,223	32,344	4,121
Income taxes payable	1,194	949	(245)
Provision for product warranties	708	611	(96)
Other	8,246	8,086	(160)
Total current liabilities	51,910	54,116	2,206
Noncurrent liabilities			
Long-term loans payable	27,077	22,563	(4,513)
Provision for retirement benefits	6,937	6,401	(536)
Provision for directors' retirement benefits	59	29	(29)
Other	1,592	948	(644)
Total noncurrent liabilities	35,667	29,942	(5,724)
Total liabilities	87,577	84,059	(3,518)
Net assets			
Shareholders' equity			
Capital stock	10,297	10,297	—
Capital surplus	14,711	14,711	—
Retained earnings	16,799	10,537	(6,261)
Treasury stock	(56)	(56)	(0)
Total shareholders' equity	41,751	35,490	(6,261)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	(299)	(544)	(245)
Deferred gains or losses on hedges	2	28	25
Foreign currency translation adjustment	(4,545)	(5,924)	(1,378)
Total accumulated other comprehensive income	(4,843)	(6,440)	(1,597)
Minority interests	329	397	67
Total net assets	37,238	29,447	(7,791)
Total liabilities and net assets	124,816	113,506	(11,309)

Consolidated quarterly statements of income

(Unit: Million Yen)

	3rd Quarter of FY 2010	3rd Quarter of FY 2011	Increase (decrease)
Net sales	70,703	68,877	(1,826)
Cost of sales	42,811	42,791	(20)
Gross profit	27,892	26,086	(1,806)
Selling, general and administrative expenses	30,011	27,406	(2,604)
Operating loss	(2,119)	(1,320)	798
Non-operating income			
Interest income	38	41	2
Dividends income	39	21	(18)
Equity in earnings of affiliates	22	—	(22)
Other	455	283	(171)
Total non-operating income	556	346	(209)
Non-operating expenses			
Interest expenses	920	899	(20)
Equity in losses of affiliates	—	83	83
Foreign exchange losses	742	686	(56)
Other	195	184	(10)
Total non-operating expenses	1,858	1,854	(3)
Ordinary loss	(3,421)	(2,828)	593
Extraordinary income			
Gain on sales of subsidiaries and affiliates' stocks	—	604	604
Gain on sales of investment securities	48	—	(48)
Total extraordinary income	48	604	555
Extraordinary loss			
Loss on business withdrawal	—	4,189	4,189
Special retirement expenses	—	699	699
Loss on liquidation of subsidiaries and affiliates	190	69	(121)
Loss on valuation of investment securities	—	53	53
Loss on transfer of business	271	—	(271)
Loss on adjustment for changes of accounting standard for asset retirement obligations	28	—	(28)
Total extraordinary losses	489	5,011	4,521
Loss before income taxes and minority interests	(3,862)	(7,235)	(3,372)
Income taxes-current	557	540	(16)
Income taxes-deferred	(583)	(1,901)	(1,317)
Total income taxes	(26)	(1,360)	(1,334)
Loss before minority interests	(3,836)	(5,874)	(2,037)
Minority interests in income	103	3	(100)
Net loss	(3,940)	(5,877)	(1,936)