

FY2015

Financial Results

In this presentation, "FY2015" refers to the fiscal year ended March 31, 2016.

April 28, 2016

TOPCON CORPORATION

President & CEO Satoshi Hirano

FY2015 Financial Results

I

FY2015 Financial Results

II

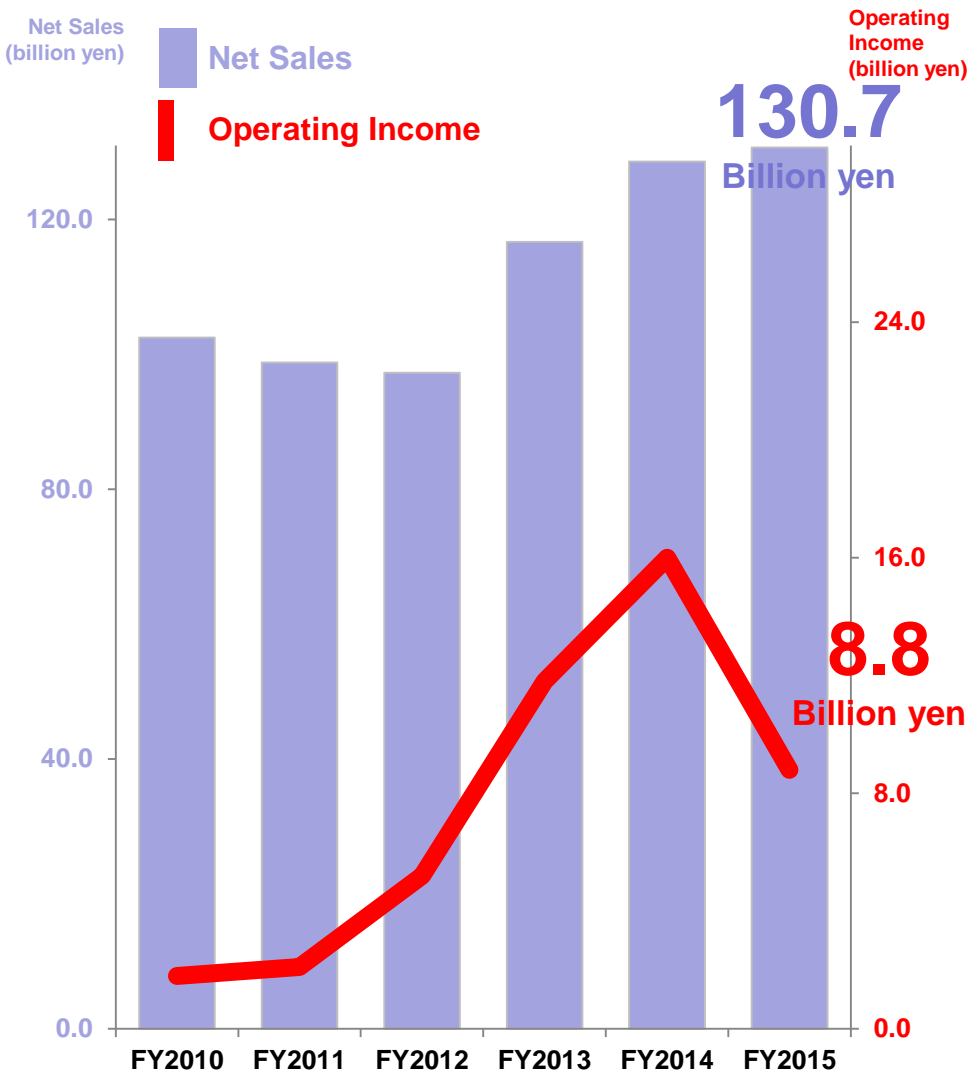
FY2016 Full Year Plan

III

Appendix

I . FY2015 Financial Results

FY2015 Result



An increase in sales and a decrease in profits on a consolidated basis

ECC: Remained stable both in sales and profits

POC/SIC:

Coped with the market changes, but the changing speed was faster than our expectations

•POC:

Stagnation in IT Agriculture
Oil price drop

•SIC:

Quiet down of demands from earthquake disaster reconstruction (Japan)

POC=Positioning Company, SIC=Smart Infrastructure Company, ECC=Eye Care Company

FY2015 Financial Results

(unit: million yen)

[Consolidated]	FY2014	FY2015			January 29, 2016
	Actual	Actual	YoY		Announcement
Net Sales	128,569	130,735	2,166	102%	133,000
Gross Profit (Gross Profit Ratio)	66,269 (51.5%)	65,642 (50.2%)	-627	99%	
SGA	50,227	56,839	6,612	113%	
Operating Income (Operating Income Ratio)	16,041 (12.5%)	8,803 (6.7%)	-7,238	55%	12,500 (9.4%)
Non-Operating Expenses	-1,161	-1,437	-276	—	
Ordinary Income	14,880	7,366	-7,514	50%	11,000
Extraordinary Income (Loss)	-1,865	-58	1,807	—	
Income (Loss) Before Income Taxes and Minority Interests	13,014	7,307	-5,707	56%	
Net Income (Loss) *	8,670	4,197	-4,473	48%	6,000
ROE	14.8%	6.9%			10%
ROIC	10.9%	5.4%			8%
Dividends (JPY)	¥16	¥24	¥8		¥24

* According to change in Japanese Accounting Standards, the former Net Income is shown as "Profit (loss) attributable to owners of parent" on financial statements.

FY2015 Company Financial Results

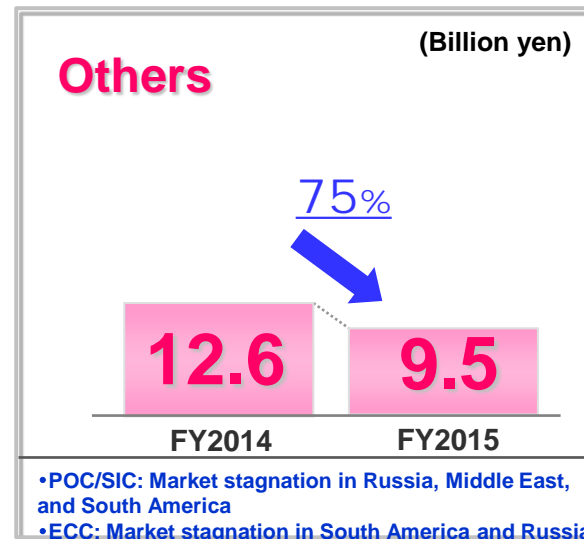
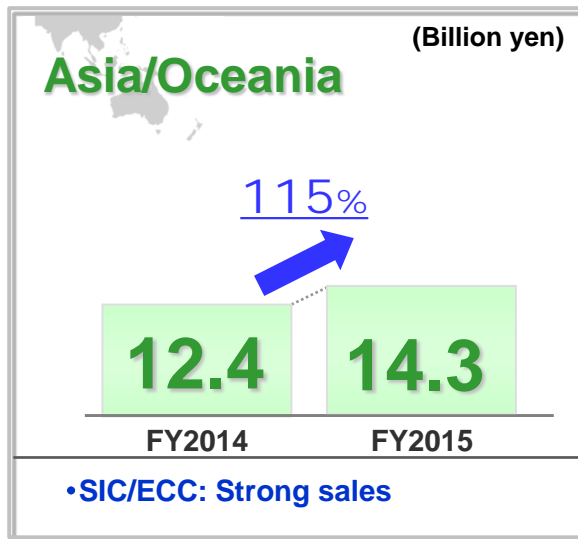
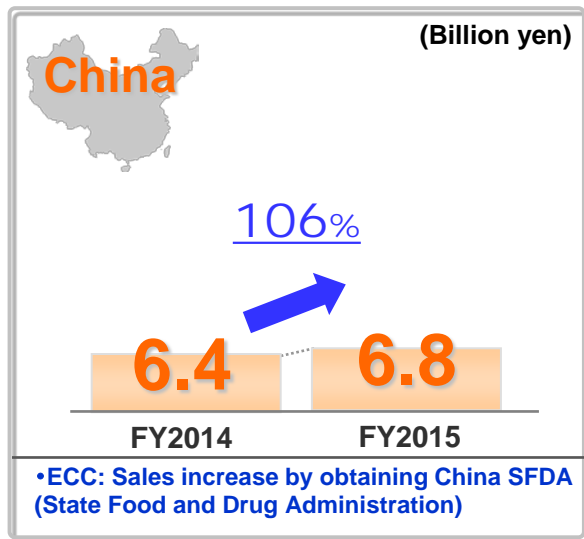
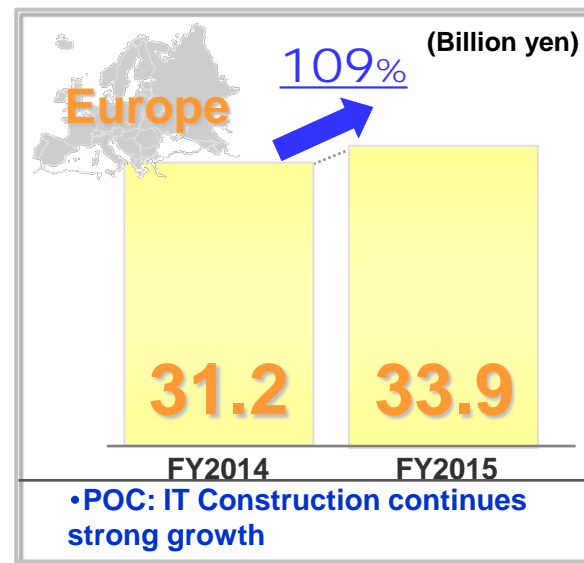
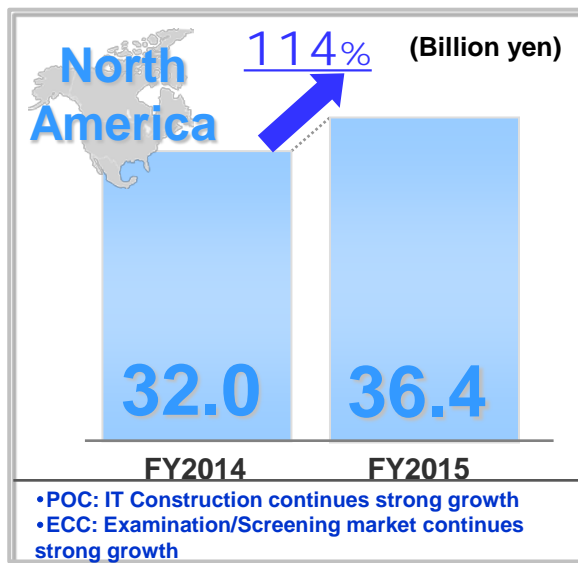
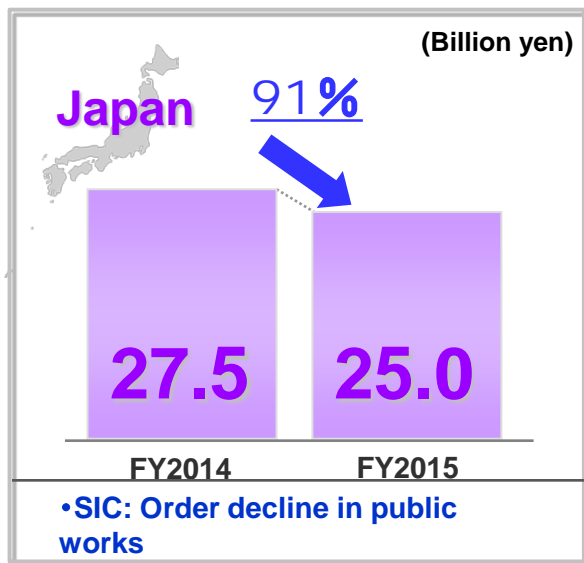
<Steady in Eye Care Company>

(unit: million yen)

[Consolidated]		FY2014	FY2015			January 29, 2016
		Actual	Actual	YoY		Announcement
Net Sales	Positioning	58,672	61,977	3,305	106%	64,000
	Smart Infrastructure	33,909	32,989	-920	97%	34,000
	Eye Care	41,240	43,834	2,594	106%	44,000
	Others	6,558	4,997	-1,560	76%	5,000
	Elimination	-11,810	-13,063	-1,251		-14,000
	Total	128,569	130,735	2,166	102%	133,000
Operating Income (Operating Income Ratio)	Positioning	6,652 (11.3%)	2,385 (3.8%)	-4,267	36%	4,500 (7.0%)
	Smart Infrastructure	5,965 (17.6%)	3,909 (11.8%)	-2,055	66%	4,500 (13.2%)
	Eye Care	5,093 (12.3%)	4,850 (11.1%)	-243	95%	5,500 (12.5%)
	Others	163 (2.5%)	196 (3.9%)	32	120%	400 (8.0%)
	Goodwill Amortization	-1,832	-2,538	-705		-2,400
	Total	16,041 (12.5%)	8,803 (6.7%)	-7,238	55%	12,500 (9.4%)

Domestic and Overseas Sales (YoY)

<North America, Europe, China and Asia are steady>



• POC=Positioning Company/ SIC=Smart Infrastructure Company/ ECC=Eye Care Company

(Unit: Million Yen)

	FY2014 Actual	FY2015 Actual	YoY (%)
Net Sales	58,672	61,977	106%
Operating Income (Operating Income Ratio)	6,652 (11.3%)	2,385 (3.8%)	36%

Review of FY2015 Financial Results

+ Positive factors

- New market development by investment of IT Agriculture market (Digi-Star, NORAC)
- IT construction in American and European Market continues steady growth (YoY105%)
- Preparing for IoT business by development of telematics market (YoY 110%)
- Sales increase of drones mounted high precision GPS receiver (YoY 320%)

- Negative factors

- IT Agriculture: Prolonging stagnation in the Agriculture market
- IT Construction : Temporarily on a downturn with OEM
- Total Station, GPS: (North America and Australia) Downturn by the drop of resource price

(Unit: Million Yen)

	FY2014 Actual	FY2015 Actual	YoY (%)
Net Sales	33,909	32,989	97%
Operating Income (Operating Income Ratio)	5,965 (17.6%)	3,909 (11.8%)	66%

Review of FY2015 Financial Results

+ Positive factors

- Launch new strategic Total Station (GT/iX YoY 4Q 120%)
- LN-100 Develop new market (Layout, Topo etc.)
- Sales increase in growing India's market (YoY190%)
- Sales increase in 3D measuring business (Laser Scanner, MMS-- YoY 140%)

- Negative factors

- Decreased demand after disaster recovery in Tohoku (Japan)
- Deterioration of market conditions (Russia, Middle East and South America)
- Delay in releasing new Total Station

(Unit: Million Yen)

	FY2014 Actual	FY2015 Actual	YoY (%)
Net Sales	41,240	43,834	106%
Operating Income (Operating Income Ratio)	5,093 (12.3%)	4,850 (11.1%)	95%

Review of FY2015 Financial Results

+ Positive factors

- Expand the business with ifa to IT solution field (EMR & Telemedicine)
- Further growth of OCT sales by Triton release (YoY110% (qty))
- Dynamic sales growth in Screening Market (YoY 120% (qty))

- Negative factors

- Delayed FDA clearance of Maestro for US sales
- Slow-down in Latin America due to too-high currency depreciation

Major Deteriorated Causes

External factors (w/o FX effects)

POC: Impacts of IT Agriculture market downturn/ drop of resource price
(Sales decline for 8B yen from organic business)

SIC: Quiet down of demands from earthquake disaster reconstruction
(Sales decline for 2B yen)

Internal factors

ERP cost increase 1.5B yen
Temporary cost increase 1B yen
(new products development/
Acquisition of ifa)
Release delay of new products

Measures

Cost reduction YoY 1B yen (including lay off for 100 staffs)
vs Plan 2.5B yen

Results Consolidated: Increased sales and decreased profits

ECC: Steady both in sales and profits

POC: Increased sales and decreased profits

SIC: Decrease sales and profits

POC=Positioning Company, SIC=Smart Infrastructure Company, ECC=Eye Care Company

II. FY2016 Full Year Plan

Macroenvironment

POC: IT Agriculture bottoming out, but continue to slow down
oil price are bottoming out, but resource price are late to recover

SI Business: Leveling off in public works in Japan

Continue the sense of uncertainty in Russia, Middle East
and South America

Stable in Asian market

EC Business: Continue the market stagnation by currency depreciation in South
America

Stable in North America and Europe market

Currency Exchange: Continue the trend of strong yen

Measures

- Strengthening the management structure (Operating base consolidation (esp. POC), improvement of business efficiency)
- Increasing revenue in foundation business (cost reduction, procurement cost reduction, products model integration)
- Accelerating the growing business
(IT Construction, IT Agriculture, FDA clearance of Maestro)

Forecast (YoY)

Sales: POC -- decrease, SI business -- leveling off, EC business -- increase

Operating Profit: Expecting growth

POC=Positioning Company, SI business=Smart Infrastructure Business, EC business=Eye Care Business

FY2016 Full Year Plan

(unit: million yen)

[Consolidated]		FY2015		FY2016			
		1H	Full Year	1H		Full Year	
		Actual	Actual	Plan	YoY(%)	Plan	YoY (%)
Net Sales		62,933	130,735	61,000	97%	130,000	100%
(): in FY15 Exchange rate				(66,000)	105%	(139,000)	106%
Operating Income		4,620	8,803	3,700(6.1%)	80%	10,500(8.1%)	119%
(Operating Income Ratio)				(7.3%)	(6.7%)	(4,800)(7.3%)	104%
(): in FY15 Exchange rate							
Ordinary Income		4,019	7,366	3,000	75%	9,000	122%
Net Income*1		2,426	4,197	1,400	58%	5,000	119%
ROE			6.9%			8%	
ROIC			5.4%			6%	
Dividends		¥12	¥24	¥8		¥16	
Exchange Rate (Average)	US\$	¥121.50	¥120.16	¥110.00		¥110.00	
	EUR	¥134.60	¥132.36	¥125.00		¥125.00	

*1 According to change in Japanese Accounting Standards, the former Net Income is shown as "Profit (loss) attributable to owners of parent" on financial statements.

FY2016 Full Year Plan

(unit: million yen)

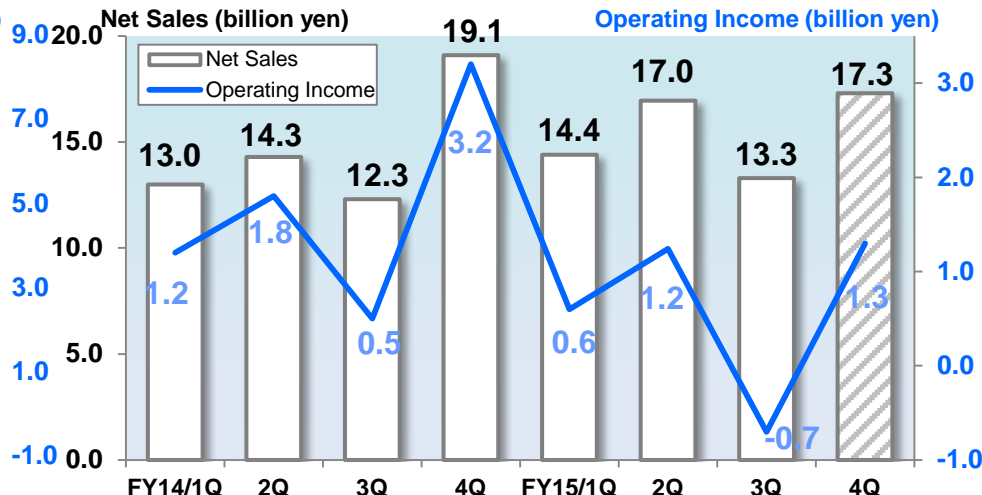
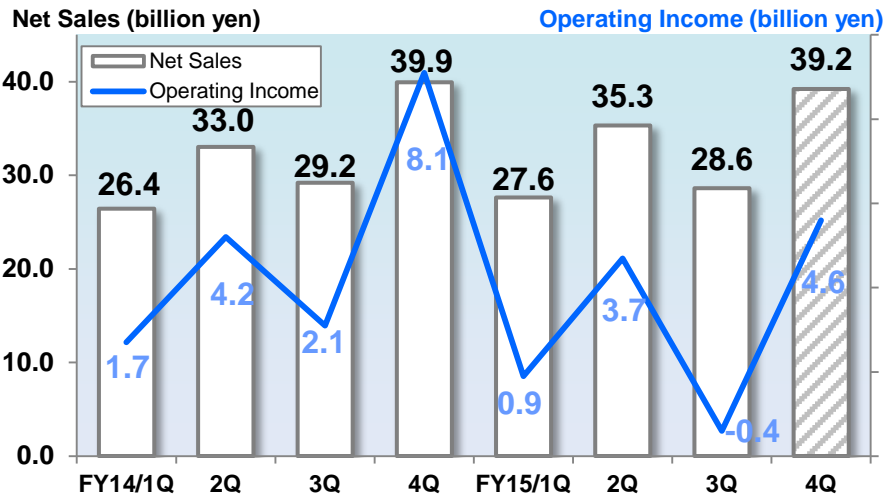
[Consolidated]		FY2015		FY2016			
		1H	Full Year	1H		Full Year	
		Actual	Actual	Plan	YoY(%)	Plan	YoY (%)
Net Sales	Positioning	31,445	61,977	29,000	92%	59,000	95%
	Smart Infrastructure	16,231	32,989	15,500	95%	33,500	102%
	Eye Care	19,510	43,834	20,000	103%	45,500	104%
	Others	2,820	4,997	2,500	89%	5,000	100%
	Elimination	-7,073	-13,063	-6,000		-13,000	
	Total	62,933	130,735	61,000	97%	130,000	100%
Operating Income (Operating Income Ratio)	Positioning	1,853 (5.9%)	2,385 (3.8%)	1,500 (5.2%)	81%	4,000 (6.8%)	167%
	Smart Infrastructure	1,883 (11.6%)	3,909 (11.8%)	1,500 (9.7%)	80%	4,000 (11.9%)	102%
	Eye Care	2,058 (10.5%)	4,850 (11.1%)	2,000 (10.0%)	97%	5,000 (11.0%)	103%
	Others	94 (3.3%)	196 (3.9%)	—	—	200 (4.0%)	102%
	Goodwill Amortization	-1,269	-2,538	-1,300		-2,700	
	Total	4,620 (7.3%)	8,803 (6.7%)	3,700 (6.1%)	80%	10,500 (8.1%)	119%

III. Appendix

Financial Results (Quarterly)

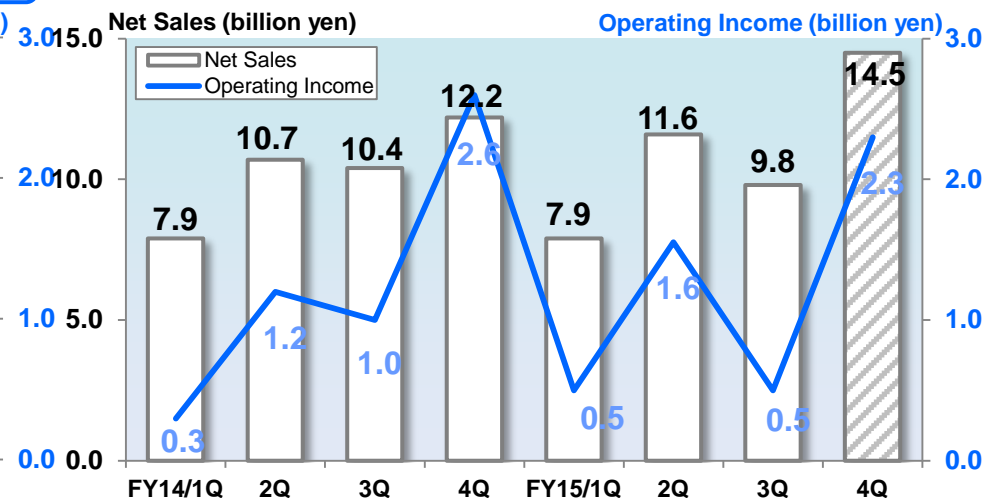
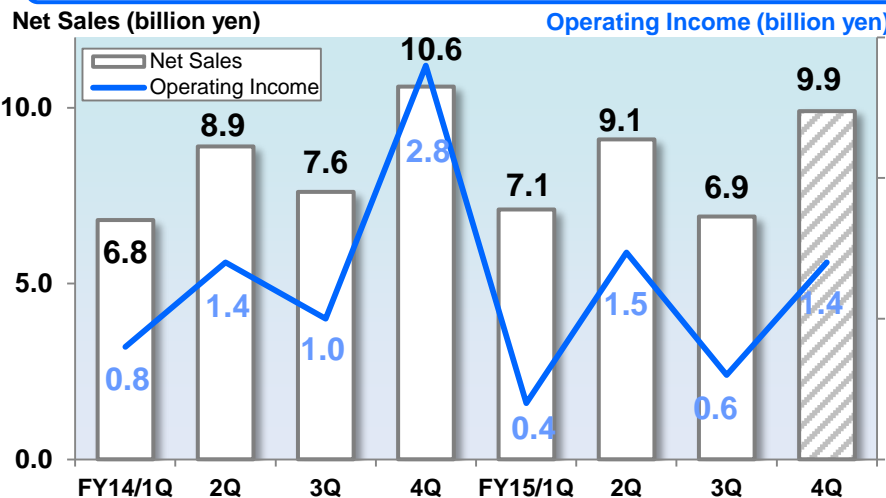
1. Consolidated

2. Positioning



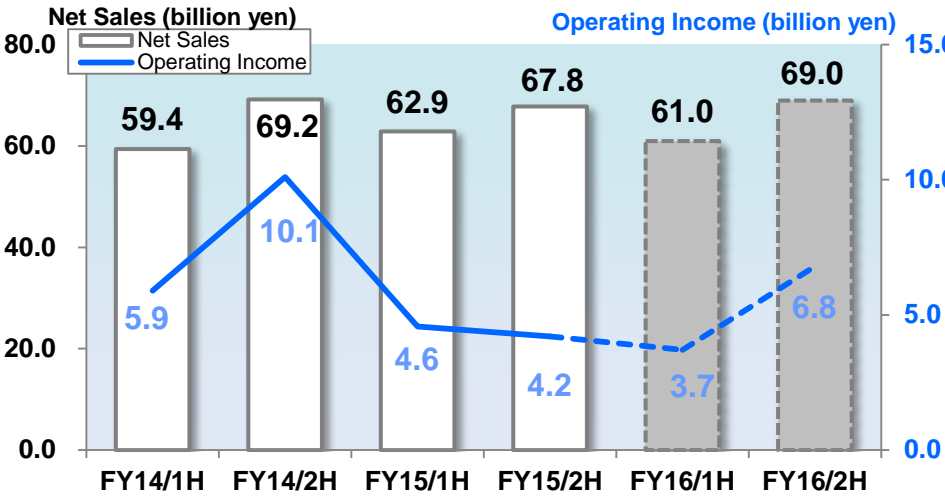
3. Smart Infrastructure

4. Eye Care

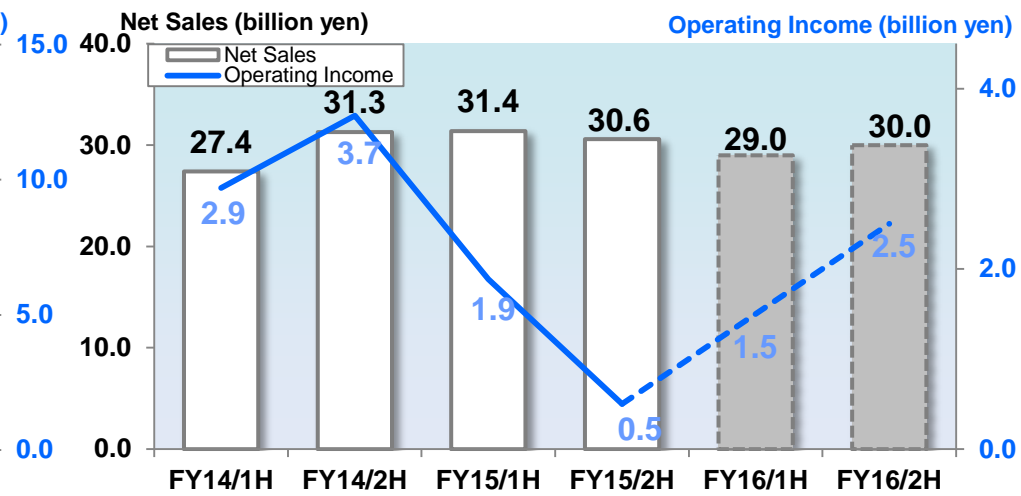


Financial Results and Plan (Semiannually)

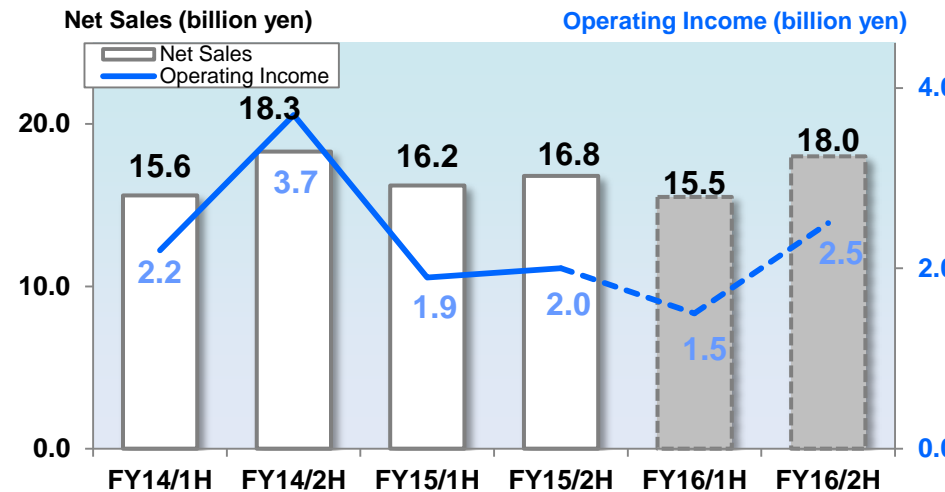
1. Consolidated



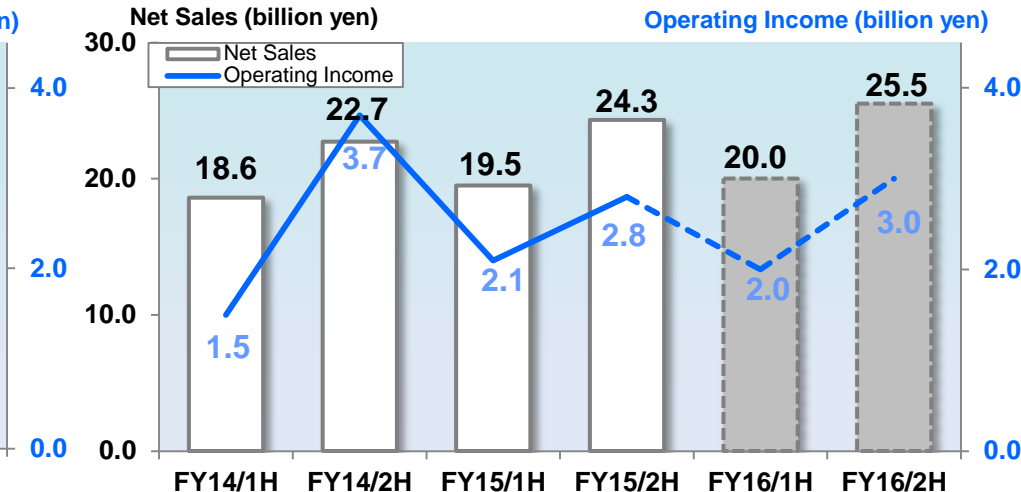
2. Positioning



3. Smart Infrastructure



4. Eye Care



Cautionary Note regarding Forward-Looking Statements

These materials contain forward-looking statements, including projections of future operating performance. Such statements are based on management's best judgment, given the materials available to them at the time these statements are made.

However, please be aware that actual performance may differ from projected figures owing to unexpected changes in the economic environment in which we operate, as well as to market fluctuations.

The original disclosure in Japanese was released on April 28, 2016 at 17:00(UTC+9).

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