

Three-Month Results of the FY2009, ending March 2010 Support Documentation

July 30, 2009
TOPCON CORPORATION



Full Year Business Forecast of the FY 2009

(million yen)

[Consolidated]		FY2008			FY2009					
		1Q	1Q-2Q	Full Year	1Q		1Q-2Q		Full Year	
		Actual	Actual	Actual	Actual	YoY (%)	Forecast	YoY (%)	Forecast	YoY (%)
Net Sales		32,908	65,726	112,666	20,112	61.1%	50,900	77.4%	107,300	95.2%
Operating Income		2,036	3,019	(6,944)	(1,858)	-%	(700)	-%	1,700	-%
Ordinary Income		2,275	3,002	(9,326)	(1,990)	-%	(1,300)	-%	500	-%
Current Term (a quarter) Net Income		1,123	1,482	(9,992)	(1,816)	-%	(1,200)	-%	200	-%
ROE				(20.8%)					0.5%	-%
Dividends			¥8	¥10			¥2		¥4	
Exchange Rate	US \$	¥106.42	¥103.57	¥98.23	¥97.13		¥90		¥90	
	EUR	¥168.07	¥149.05	¥129.84	¥132.55		¥120		¥120	

* The average exchange rate is used to represent exchange rate during FY2009 1Q.

* The exchange rate after FY2009 2Q is estimated to be \$=¥90, €=¥120.

Business Forecast of the FY2009 by Segment

(million yen)

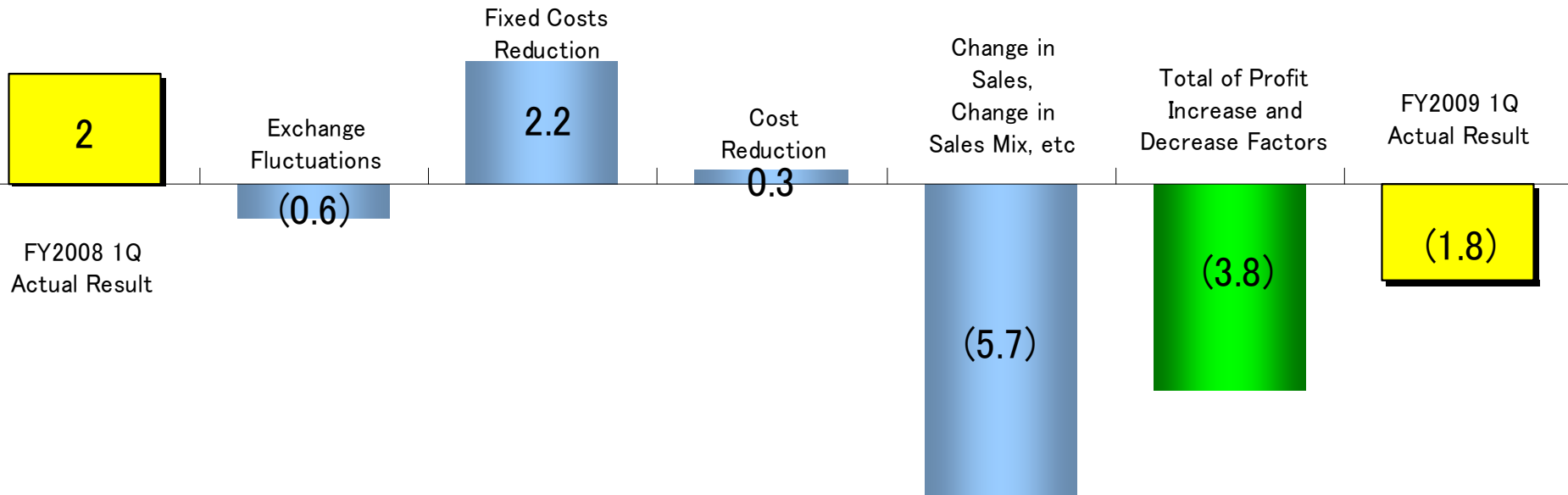
[Consolidated]		FY2008			FY2009					
		1Q	1Q-2Q	Full Year	1Q		1Q-2Q		Full Year	
		Actual	Actual	Actual	Actual	YoY (%)	Forecast	YoY (%)	Forecast	YoY (%)
Net Sales	Positioning	18,097	35,190	58,031	10,479	57.9%	24,100	68.5%	49,300	85.0%
	Eye Care	9,615	18,485	33,503	7,188	74.8%	17,700	95.8%	36,800	109.8%
	Finetech	5,195	12,050	21,131	2,444	47.0%	9,100	75.5%	21,200	100.3%
	Total	32,908	65,726	112,666	20,112	61.1%	50,900	77.4%	107,300	95.2%
Operating Income	Positioning	1,191	1,198	(5,275)	(1,177)	-%	(1,400)	-%	(1,400)	-%
	Eye Care	994	1,802	1,620	57	5.8%	1,000	55.5%	2,900	179.0%
	Finetech	(149)	17	(3,288)	(738)	-%	(300)	-%	200	-%
	Total	2,036	3,019	(6,944)	(1,858)	-%	(700)	-%	1,700	-%

Operating Income Increase and Decrease Factors Analysis (YoY)

(FY2008 1Q → FY2009 1Q)

(billion yen)

(Codes are based on gain and loss.)



Comparison of Financial Results 4Q FY2008 to 1Q FY2009

(million yen)

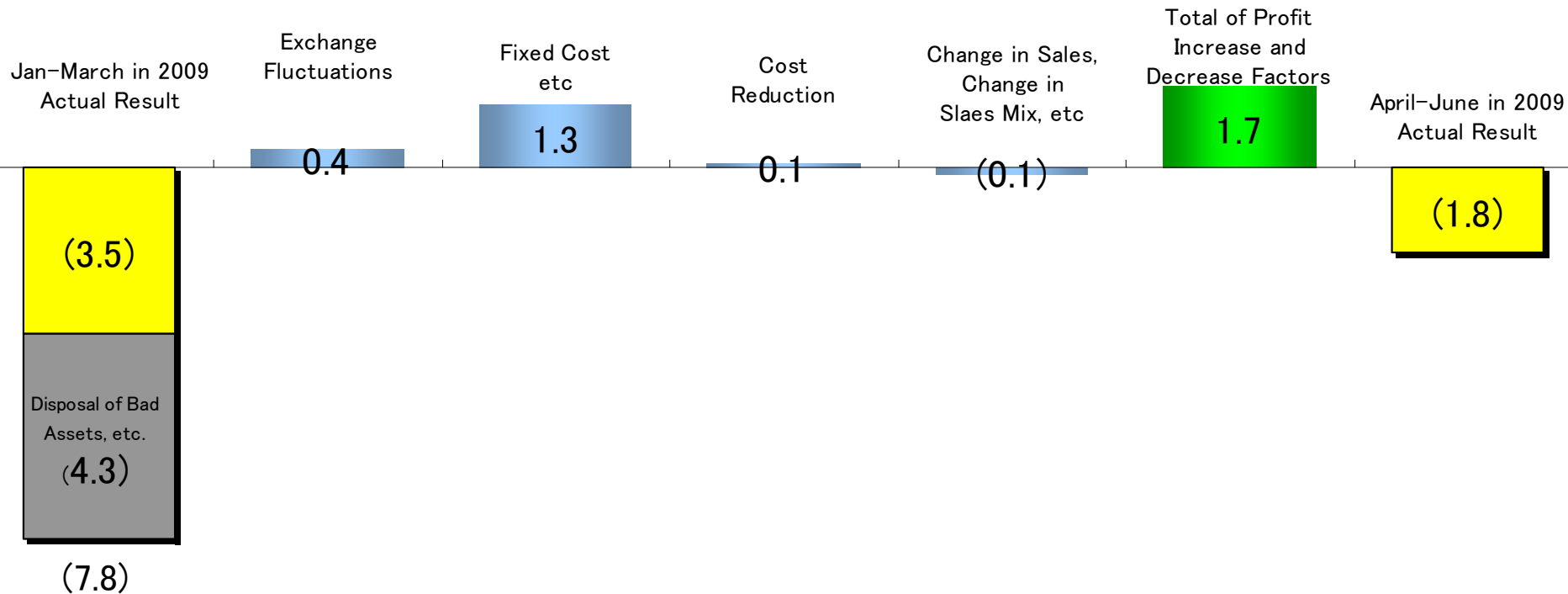
[Consolidated]		FY2008	FY2009	Increase and Decrease	Factors for profit improvement
		4Q	1Q		
		Actual from Jan to March	Actual From April to June		
Net Sales	Positioning	13,686	10,479	(3,207)	
	Eye Care	9,010	7,188	(1,822)	
	Finetech	4,763	2,444	(2,319)	
	Total	27,458	20,112	(7,346)	
Operating Income	Positioning	(4,389)	(1,177)	3,212	<ul style="list-style-type: none"> •Disposal of Bad Assets •Fix Cost Reduction •Exchange Fluctuation
	Eye Care	(675)	57	732	
	Finetech	(2,796)	(738)	2,058	
	Total	(7,859)	(1,858)	6,001	

Operating Income Increase and Decrease Factors Analysis

(Comparison of Jan–March in 2009 and April–June in 2009)

(billion yen)

(Codes are based on gain and loss.)



Assumption of Market (After 2Q)

(Exchange rate: US\$=¥90, €=¥120)

1. America

- ① North America
 - Slowdown of deterioration in economic indicators , waiting for the economy bottom out
 - Sign of partial recovery by economic policy of Obama administration
- ② South America
 - Slow down in economy

2. Europe

- Long-term stagnation
- Expecting gradual recovery

3. Asia

- ① Japan
 - Long-term stagnation
 - Implementing domestic demand stimulus plans and expecting recovery in America and China
- ② China
 - Maintaining steady growth by domestic demand stimulus plans
- ③ Emerging Countries
 - Sign of economy bottom out earlier than Japan, America and Europe

Progress in Earnings Recovery Measures (by segment)

1. Positioning

■ Focus on emerging markets (such as Asia) with less impact of economic slowdown

- Products for emerging markets :Develop TS GOWIN, NET-G3 receiver at low price
- GPS Reference Stations :Orders from Japan, China, Indonesia and France

■ Focus on growing business fields

- IT agriculture :Being able to present a line of products,
Start supplying OEMed Products
- Mobile Control (IP-S2) :Start its sales, Develop new market

■ Accelerate integration with Sokkia

- Current situation of integration
 - :Integrated engineering and production divisions (GPS Topcon and TS Sokkia)
 - :Consolidated sales offices in Japan and overseas (Offices in Europe will be integrated within this term)
- Cross selling :Supply and sell the products one of them doesn't have
- Standardize product platforms :Developing now and planning to sell from 2010

Progress in Earnings Recovery Measures (by segment)

2. Eye Care

■ Focus on growing field

- 3D OCT :launch new OCT for medical checkup
- IT Solution :Introduce IT Solution such as IMAGEnet & EyeRoute

Famous American eye institution, Wills Eye Institute (Philadelphia), deploys EyeRoute

- Surgical Equipments :Promote sales of PASCAL in Japan and Europe
:Sell IOL Lens in Europe (Surgical equipments are prepared)

3. Finetech

■ Reformation of business model

- Selection and focus in semiconductor field
:Downsizing the business area of cutting edge technology
:Shift to the after-process volume zone

■ Focus on growing and new fields

- Non-silicon inspection, large-size and mobile projector, photovoltaic, automotive camera

Progress in Earnings Recovery Measures (consolidated)

1. Fixed Costs Reduction

■ **Plan: Labor Cost: Reducing ¥1.3 billion in a year**

- Reducing employees
- Reduction in overtime hours

General Expense: Reducing ¥2.2 billion in a year

- Reduction in cost for travel, transportation and advertisement

■ **Result: Achieved to cut ¥2.2 billion in 1Q**

2. Reduction in Production Cost

■ **Plan: Re-examination and Reduction in Procurement Cost:**

Reducing ¥1.8 billion

■ **Result: Achieved to cut ¥0.3 billion in 1Q**

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.

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