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Notice of Convocation of the Ordinary General Meeting of Shareholders for the 132nd Fiscal Year



A digital transformation
with a human touch



Date and Time

June 26(Thursday), 2025 at 10:00 a.m. at Japan Time



Place

Head Office of the Company

75-1, Hasunuma-cho, Itabashi-ku, Tokyo 174-8580, Japan

Voting deadline for mail or online submission

June 25 (Wednesday), 2025 until 5:15 p.m.

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Securities Code: 7732



Further Growth built on our journey of challenge

Moving to the next stage with a renewed business structure, TOPCON 2.0

To Our Shareholders

I would like to express my sincere gratitude to our shareholders for your continued support.

With the encouragement of our stakeholders, we have been advancing toward our 100th anniversary in 2032 under our long-term vision of "The Challenge of a Sustainably Growing 100-year venture". Rooted in Japan's tradition of manufacturing excellence, we have combined this foundation with a unique ability to create value through solution-based businesses, particularly in the United States, to enhance our corporate value. And as we look to the next stage, we believe that bold upfront investment in new solution businesses and acceleration of strategic initiatives are essential to achieve further business growth.

In order to address these management issues, we have decided to express our support for and recommend acceptance of a tender offer as part of a management buyout (MBO) to be conducted by investment funds affiliated with Kohlberg Kravis Roberts & Co. ("KKR"), one of the world's leading investment firms, and JIC Capital Inc. (JICC), a wholly owned subsidiary of Innovation Network Corporation of Japan, and along with an entity to be co-invested by myself. Following the tender offer, we aim to make a significant leap forward as a private company.

Through this MBO, by partnering with KKR, which possesses deep expertise in global markets, and JICC, which supports our strategy from a long-term perspective grounded in the significance of policy-driven investment, we aim to establish a stable management foundation. With a mid- to long-term outlook, we are committed to executing our management plan and taking on the challenge of evolving into a new corporate structure — "TOPCON 2.0."

We will continue to value customer orientation and a spirit of challenge, remain a company that is needed by all stakeholders, and work to solve social issues related to "Healthcare, Agriculture, and Infrastructure."

We would like to express our deepest gratitude to our shareholders for their past support and ask that you continue to pay close attention to the progress of our company's transformation.

Takashi Eto
President and Chief Executive Officer

(Securities Code: 7732)

Friday, June 6, 2025

(Date of commencement of electronic provision measures: Friday, May 30, 2025)

To Shareholders with Voting Rights:

Takashi Eto
President and Chief Executive Officer
75-1 Hasunuma-cho,
Itabashi-ku, Tokyo, Japan

**Notice of Convocation of the Ordinary General Meeting of Shareholders
for the 132nd Fiscal Year**

Dear Shareholders:

It is our pleasure to inform you of the 132nd Ordinary General Meeting of Shareholders of TOPCON CORPORATION (the “Company”). The meeting will be held for the purposes described below.

We have adopted electronic provision measures for the convocation of this Ordinary General Meeting of Shareholders. Matters subject to electronic provision measures are posted on the Company’s website on the Internet. This information is also posted on the following website of the Tokyo Stock Exchange, Inc.

■ The Company’s website:

<https://global.topcon.com/invest/stock-bonds/s-meeting/>

■ Tokyo Stock Exchange Listed Company Search:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above website, enter “TOPCON” or “7732” (securities code) under “Quick search” to search, then click the Company’s “Basic Information” button, “Documents for public inspection/PR information” tab, and “Click here for access” button under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]” to view the information.

If you are not attending the meeting, you can exercise your voting rights in writing or by electromagnetic means (via the Internet etc.). Please review the Reference Documents for the General Meeting of Shareholders, contained in the matters subject to electronic provision measures, and exercise your voting rights by 5:15 p.m. on Wednesday, June 25, 2025 Japan standard time.

1. Date and Time: Thursday, June 26, 2025 at 10:00 a.m. Japan time

2. Place: Head Office of the Company,
75-1 Hasunuma-cho, Itabashi-ku, Tokyo, Japan
(Please refer to the “Access Map to the General Meeting Venue”)

3. Meeting Agenda:

Matters to be reported: The Company’s Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the 132nd Fiscal Year (from April 1, 2024, to March 31, 2025) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements

Proposals to be resolved:

Proposal No. 1: Election of Ten (10) Directors

Proposal No. 2: Election of One (1) Corporate Auditor

Proposal No. 3: Election of One (1) Substitute Corporate Auditor

Notes concerning General Meeting of Shareholders

- The details of any corrections made to the matters subject to electronic provision measures shall be posted on each of the websites where the matters are posted.
- For those attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the venue on the day of the meeting.
- If you do not indicate a vote to a proposal on the Voting Rights Exercise Form, this will be treated as a vote in favor of that proposal.
- The exercise of your voting rights by proxy is limited to one (1) other shareholder holding voting rights of the Company. Please note that the said proxy is required to submit a written document certifying the right of proxy at the reception desk of the venue on the day of the meeting.
- Some matters are not included in the physical documents that are provided to shareholders who request provision of physical documents, pursuant to applicable laws and regulations and Article 17 of the Company's Articles of Incorporation. These physical documents therefore comprise only some of the documents that have been audited by the Accounting Auditor and Corporate Auditors in preparing their respective audit reports.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Election of Ten (10) Directors

The terms of office of all ten (10) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the election of ten (10) Directors.

The candidates for Director are as follows:

No.	Name		Current position at the Company
1	Re-appointment	Satoshi Hirano	Representative Director, Chairman
2	Re-appointment	Takashi Eto	Representative Director, President and CEO
3	Re-appointment	Haruhiko Akiyama	Director, Senior Managing Executive Officer
4	New appointment	Yoshikuni Ito	Senior Managing Executive Officer
5	Re-appointment	Reiko Watanabe	Director, Managing Executive Officer
6	Re-appointment Outside Director Independent Director	Naoko Yamazaki	Director
7	Re-appointment Outside Director Independent Director	Yoshiharu Inaba	Director
8	Re-appointment Outside Director Independent Director	Naoki Hidaka	Director
9	Re-appointment Outside Director Independent Director	Katsuhiro Teramoto	Director
10	Re- appointment Outside Director Independent Director	Hajime Nakai	Director

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
1	<p>[Re-appointment]</p> <p>Satoshi Hirano (December 12, 1957)</p> <p>No. of years served as Director: 15 years</p> <p>Attendance at Board of Directors' meetings: 100% (15/15)</p> <p>Attendance at Nomination and Compensation Advisory Committee meetings: 100% (4/4)</p>	<p>April 1982 Joined the Company</p> <p>April 1996 Executive Vice President, Topcon Laser Systems, Inc.</p> <p>July 2001 Senior Executive Vice President, Topcon Positioning Systems, Inc.</p> <p>June 2007 Executive Officer</p> <p>June 2010 Director, Executive Officer General Manager, Positioning Business Unit</p> <p>June 2012 Director, Managing Executive Officer</p> <p>June 2013 Representative Director, President and CEO</p> <p>April 2023 Representative Director, Chairman (to present)</p> <p>June 2024 External Director of the Board, JVCKENWOOD Corporation (to present)</p> <p>June 2025 Outside Director, SAXA, Inc. (expected to assume the post)</p> <p>(Significant concurrent positions)</p> <p>External Director of the Board, JVCKENWOOD Corporation</p> <p>[Reasons for selection as a candidate for Director] Mr. Satoshi Hirano has displayed strong leadership in management over a decade of service as Representative Director, President & CEO since June 2013. By spearheading the Company's initiatives to solve the societal challenges within healthcare, agriculture and infrastructure, he has made a great contribution to the sustainable growth of the Group. Since assuming office as Representative Director, Chairman in April 2023, he has assisted the current business execution system, appropriately supervised management, and contributed to the appropriate operation of the Board of Directors as its chair. Therefore, the Company judges that he is the ideal person to achieve sustainable enhancement of corporate value and thus has selected him as a candidate for Director.</p>	101,236

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions		Number of shares of the Company held
2	<p>[Re-appointment]</p> <p>Takashi Eto (February 18, 1960)</p> <p>No. of years served as Director: 10 years</p> <p>Attendance at Board of Directors' meetings: 87% (13/15)*</p> <p>Attendance at Nomination and Compensation Advisory Committee meetings: 100% (4/4)</p> <p>Attendance at Sustainability Committee meetings: 100% (4/4)</p>	<p>April 1990 Joined the Company</p> <p>June 2007 Director, President, Topcon Sales Corporation</p> <p>July 2009 Senior Manager, Global Business Planning Dept., Positioning Business Unit</p> <p>June 2013 Executive Officer Vice President, Smart Infrastructure Company</p> <p>April 2014 Deputy General Manager, Eye Care Company</p> <p>April 2015 General Manager, Eye Care Company</p> <p>June 2015 Director, Executive Officer</p> <p>April 2016 Director, Managing Executive Officer General Manager, Sales & Marketing Div.</p> <p>April 2018 General Manager, Smart Infrastructure Business Div. General Manager, Corporate Planning Div.</p> <p>April 2021 Director, Senior Managing Executive Officer General Manager, Quality Assurance Div.</p> <p>June 2021 Representative Director, Senior Managing Executive Officer</p> <p>April 2022 Representative Director, Executive Vice President</p> <p>April 2023 Representative Director, President and CEO (to present)</p>		70,321
		<p>[Reasons for selection as a candidate for Director]</p> <p>Through many years of involvement in sales & marketing and business planning, Mr. Takashi Eto has achieved outstanding results in terms of sales and profit growth through sales & marketing reform and business reform, and has implemented various measures related to quality assurance. As Representative Director, President & CEO since April 2023, he has moved ahead with the Mid-Term Business Plan, which he played a leading role in establishing, while leading the whole Group and directing the management. Therefore, the Company judges that he is the ideal person to achieve sustainable enhancement of corporate value and thus has selected him as a candidate for Director.</p> <p>* As Mr. Takashi Eto was deemed an interested party in connection with the tender offer for the Company's shares through an MBO involving capital participation by KKR Japan and JIC Capital, Ltd., he did not attend the two Board of Directors' meetings held to deliberate on the matter.</p>		
3	<p>[Re-appointment]</p> <p>Haruhiko Akiyama (February 25, 1963)</p> <p>No. of years served as Director: 10 years</p> <p>Attendance at Board of Directors' meetings: 100% (15/15)</p>	<p>April 1986 Joined the Company</p> <p>June 2005 Senior Manager, Finance Group, General Administration & Accounting Group</p> <p>April 2014 Deputy General Manager, General Accounting & Finance Div.</p> <p>June 2014 Executive Officer</p> <p>April 2015 Deputy General Manager, General Accounting & Finance Div.</p> <p>June 2015 Director, Executive Officer General Manager, General Accounting & Finance Div.</p> <p>April 2016 General Manager, Accounting & Finance Div. (to present)</p> <p>June 2019 Director, Senior Executive Officer</p> <p>April 2021 Director, Managing Executive Officer General Manager, Custom Products Business Promotion Div. (to present)</p> <p>April 2023 Director, Senior Managing Executive Officer (to present)</p>		53,224
		<p>[Reasons for selection as a candidate for Director]</p> <p>Through many years of involvement in finance and accounting, Mr. Haruhiko Akiyama has achieved outstanding results in terms of improvement of finance and accounting. Currently serving as Director, Senior Managing Executive Officer, General Manager of Accounting & Finance Div., and General Manager of Custom Products Business Promotion Div., while appropriately overseeing management, he is mainly engaged in formulation and implementation of financial strategy. Therefore, the Company judges that he is the ideal person to achieve sustainable enhancement of corporate value and thus has selected him as a candidate for Director.</p>		

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
4	Yoshikuni Ito (November 19, 1967)	<p>May 1992 Joined Andersen Consulting (currently Accenture Japan Ltd.)</p> <p>March 2004 Joined InfoDeliver Corporation</p> <p>January 2005 Director, InfoDeliver Corporation</p> <p>July 2006 Director and Vice President, InfoDeliver Corporation</p> <p>January 2018 Joined the Company</p> <p> In charge of Deputy General Manager, Corporate Planning Dept., Corporate Planning Div.</p> <p>April 2018 In charge of Deputy General Manager, Corporate Planning Div.</p> <p>April 2019 Executive Officer</p> <p> Vice General Manager, Corporate Planning Div.</p> <p>April 2021 Senior Executive Officer</p> <p> General Manager, Corporate Planning & Digital Business Operation Div. (to present)</p> <p>April 2024 Managing Executive Officer</p> <p>April 2025 Senior Managing Executive Officer (to present)</p> <p>[New appointment]</p> <p>[Reasons for selection as a candidate for Director] Mr. Yoshikuni Ito has long been engaged in corporate transformation, consistently supporting clients as a strategy consultant, from upstream to downstream phases, to ensure the realization of tangible results of consulting outcomes. He later transitioned into corporate management roles. Since joining the Company in 2018, he has led reforms to strengthen the management foundation of the Company. Following his appointment as Executive Officer in April 2019, he has played a central role in formulating the global IT strategy and driving the Company's digital transformation (DX). Since April 2021, he has served as General Manager of the Corporate Planning & Digital Business Operation Div., overseeing corporate planning operations. Therefore, the Company judges that he is the ideal person to achieve sustainable enhancement of corporate value and thus has selected him as a candidate for Director.</p>	21,564

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
5	<p>[Re-appointment]</p> <p>Reiko Watanabe (March 28, 1969)</p> <p>No. of years served as Director: 1 year</p> <p>Attendance at Board of Directors' meetings: 100% (12/12) (Attendance at meetings held since appointment as Director on June 26, 2024.)</p> <p>Attendance at Sustainability Committee meetings: 100% (4/4)</p>	<p>November 1993 Joined M&C CONSULTING</p> <p>May 2001 Joined Unify Network Co., Ltd.*</p> <p>November 2002 Joined Chuo Aoyama Audit Corporation</p> <p>July 2004 Transferred to Chuo Aoyama PricewaterhouseCoopers HRS Co., Ltd.*</p> <p>January 2010 Transferred to PricewaterhouseCoopers Co., Ltd.*</p> <p>April 2018 Joined the Company Executive Officer Vice General Manager, General Administration & Legal Div.</p> <p>June 2021 Senior Executive Officer General Manager, General Administration & Legal Div.</p> <p>April 2023 General Manager, General Administration, Human Resource & Legal Div.</p> <p>April 2024 Managing Executive Officer</p> <p>June 2024 Director, Managing Executive Officer (to present)</p> <p>April 2025 General Manager, General Administration, Human Resource & Legal Div. (Sustainability Promotion Officer) (to present)</p> <p>*Currently PwC Consulting LLC</p> <p>[Reasons for selection as a candidate for Director] Ms. Reiko Watanabe has many years of both global and Japan-based experience as an organizational HR consultant. She has served many companies in areas such as the formulation of human resource transfer and integration plans, organizational transformation, and personnel system revisions for organizational restructuring (M&A, PMI). After joining the Company as an Executive Officer in 2018, she has promoted the reform of the organization and human resource management foundation. She has played a central role in formulating the sustainability strategy and building the global team structure as Executive Officer in charge of sustainability. Since April 2024, she has served as Managing Executive Officer and General Manager of the General Administration, Human Resource & Legal Division, directing general affairs, personnel affairs, and legal affairs. Therefore, the Company judges that she is the ideal person to achieve sustainable enhancement of corporate value and thus has selected her as a candidate for Director.</p>	24,036

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
6	<p>[Re-appointment]</p> <p>Naoko Yamazaki (December 27, 1970)</p> <p>(Outside Director) (Independent Director)</p> <p>No. of years served as Outside Director: 7 years</p> <p>Attendance at Board of Directors' meetings: 100% (15/15)</p> <p>Attendance at Sustainability Committee meetings: 100% (4/4)</p>	<p>April 1996 Joined the National Space Development Agency of Japan (currently Japan Aerospace Exploration Agency (JAXA)) (retired in August 2011)</p> <p>April 2010 Crew Member of Space Shuttle Discovery as Mission Specialist, participated in Construction and Supply for ISS</p> <p>July 2012 Member, Committee on National Space Policy, Cabinet Office (retired in July 2022) Provisional Member of that Committee (to present)</p> <p>March 2016 Outside Director, Nabtesco Corporation (retired in March 2020)</p> <p>September 2017 Outside Director, Optorun Co., Ltd. (retired in March 2025)</p> <p>June 2018 Director, the Company (to present)</p> <p>July 2018 Representative Director, Space Port Japan Association (to present)</p> <p>June 2020 Outside Director, FANUC CORPORATION (to present)</p> <p>June 2021 Representative Director, Young Astronauts Club - Japan (to present)</p> <p>March 2023 Member, Global Environment Subcommittee, Central Environmental Council of Ministry of the Environment (to present)</p> <p>February 2025 Member, Council for Science and Technology, Ministry of Education, Culture, Sports, Science and Technology, Japan (to present)</p> <p>(Significant concurrent positions) Representative Director, Space Port Japan Association Outside Director, FANUC CORPORATION</p> <p>[Reasons for selection as a candidate for Outside Director and summary of expected roles] Ms. Naoko Yamazaki has a wealth of experience and profound insight about the science and technology field and risk management. She has been engaged in cutting-edge aerospace engineering. As an astronaut, she was a crewmember of Space Shuttle Discovery as Mission Specialist and participated in construction and supply for ISS and has experience in conducting crisis management in the harsh, resource-limited environment of spacecraft. She has been appropriately overseeing management as an Outside Director. Therefore, the Company has selected her as a candidate for Outside Director in the expectation that she will continue to oversee management and give advice leveraging her wealth of experience and profound insight mainly concerning the science and technology field and risk management so that the Company, which operates globally and has advanced technology related to space such as GPS, will achieve sustainable enhancement of corporate value.</p>	0

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
7	<p>[Re-appointment]</p> <p>Yoshiharu Inaba (July 23, 1948)</p> <p>(Outside Director) (Independent Director)</p> <p>No. of years served as Outside Director: 5 years</p> <p>Attendance at Board of Directors' meetings: 100% (15/15)</p> <p>Attendance at Nomination and Compensation Advisory Committee meetings: 100% (4/4)</p>	<p>April 1973 Joined Isuzu Motors Limited</p> <p>September 1983 Joined FANUC CORPORATION</p> <p>June 1989 Director, FANUC CORPORATION</p> <p>June 1992 Senior Vice President (Director), FANUC CORPORATION</p> <p>June 1995 Executive Vice President (Director), FANUC CORPORATION</p> <p>May 2001 Senior Executive Vice President (Representative Director), FANUC CORPORATION</p> <p>June 2003 President and CEO (Representative Director), FANUC CORPORATION</p> <p>June 2016 Chairman and CEO (Representative Director), FANUC CORPORATION</p> <p>April 2019 Representative Director, Chairman, FANUC CORPORATION</p> <p>June 2020 Outside Director, the Company (to present)</p> <p>June 2023 Director, Chairman, FANUC CORPORATION (expected to retire in June 2025)</p> <p>(Significant concurrent position) Director, Chairman, FANUC CORPORATION</p> <p>[Reasons for selection as a candidate for Outside Director and summary of expected roles] Mr. Yoshiharu Inaba has a wealth of experience and profound insight concerning corporate management gained through his many years of service in senior management of a company which operates globally and is a pioneer in factory automation revolution, and has been appropriately overseeing management as an Outside Director. Therefore, the Company has selected him as a candidate for Outside Director in the expectation that he will continue to oversee management and give advice leveraging his wealth of experience and profound insight mainly concerning corporate management and automation technology so that the Company will achieve sustainable enhancement of corporate value.</p>	1,164

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions		Number of shares of the Company held
8	<p>[Re-appointment]</p> <p>Naoki Hidaka (May 16, 1953)</p> <p>(Outside Director) (Independent Director)</p> <p>No. of years served as Outside Director: 3 years</p> <p>Attendance at Board of Directors' meetings: 100% (15/15)</p> <p>Attendance at Nomination and Compensation Advisory Committee meetings: 100% (4/4)</p>	<p>April 1976 Joined SUMITOMO CORPORATION</p> <p>April 2001 General Manager, Chicago Branch, Sumitomo Corporation of U.S.A.</p> <p>April 2007 Executive Officer, General Manager of Metal Products for Automotive Industry Division, SUMITOMO CORPORATION</p> <p>April 2009 Managing Executive Officer, Head of Chubu Block, SUMITOMO CORPORATION</p> <p>April 2012 Senior Managing Executive Officer, Head of Kansai Block, SUMITOMO CORPORATION</p> <p>June 2013 Representative Director, Senior Managing Executive Officer, and General Manager, Transportation & Construction Systems Business Unit, SUMITOMO CORPORATION</p> <p>April 2015 Representative Director, Executive Vice President, Executive Officer, and General Manager, Transportation & Construction Systems Business Unit, SUMITOMO CORPORATION</p> <p>June 2018 Special Adviser, SUMITOMO CORPORATION</p> <p>June 2019 Adviser, SUMITOMO CORPORATION (retired in March 2020)</p> <p>June 2020 Outside Director, BROTHER INDUSTRIES, LTD. (to present)</p> <p>March 2021 Outside Director, Nabtesco Corporation (to present)</p> <p>June 2022 Director, the Company (to present)</p> <p>(Significant concurrent positions) Outside Director, BROTHER INDUSTRIES, LTD. Outside Director, Nabtesco Corporation</p>		4,181
		<p>[Reasons for selection as a candidate for Outside Director and summary of expected roles] Mr. Naoki Hidaka has a wealth of experience and profound insight concerning corporate management and overseas business, gained through his many years of service as a Representative Director of a company which operates globally in a wide range of industries and involvement in overseas operations, and has been appropriately overseeing management as an Outside Director. Therefore, the Company has selected him as a candidate for Outside Director in the expectation that he will oversee management and give advice leveraging his wealth of experience and profound insight mainly concerning corporate management and overseas business so that the Company will achieve sustainable enhancement of corporate value.</p>		

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions		Number of shares of the Company held
9	<p>[Re-appointment]</p> <p>Katsuhiro Teramoto (December 13, 1955)</p> <p>(Outside Director) (Independent Director)</p> <p>No. of years served as Outside Director: 2 years</p> <p>Attendance at Board of Directors' meetings: 100% (15/15)</p> <p>Attendance at Nomination and Compensation Advisory Committee meetings: 100% (3/3) (Attendance at meetings held since appointment as committee member on June 26, 2024.)</p>	<p>April 1979</p> <p>April 2007</p> <p>June 2009</p> <p>June 2011</p> <p>August 2012</p> <p>February 2013</p> <p>June 2015</p> <p>March 2017</p> <p>March 2022</p> <p>March 2023</p> <p>June 2023</p>	<p>Joined Kobe Steel, Ltd.</p> <p>Joined Nabtesco Corporation</p> <p>General Manager, Planning Department, Accessibility Innovations Company, Nabtesco Corporation</p> <p>Executive Officer, Nabtesco Corporation</p> <p>Vice President and General Manager, Planning Department, Accessibility Innovations Company, Nabtesco Corporation</p> <p>Deputy Senior General Manager, Corporate Planning Division and General Manager, Corporate Planning Department, Nabtesco Corporation</p> <p>Representative Director, Managing Executive Officer and Senior General Manager of Corporate Planning Division, Nabtesco Corporation</p> <p>Representative Director, President and Chief Executive Officer, Nabtesco Corporation</p> <p>Representative Director, Chairman of the Board, Nabtesco Corporation</p> <p>Director, Chairman of the Board, Nabtesco Corporation (retired in March 2024)</p> <p>Director, the Company (to present)</p>	0
		<p>[Reasons for selection as a candidate for Outside Director and summary of expected roles]</p> <p>Mr. Katsuhiro Teramoto has a wealth of experience and profound insight concerning corporate management and overseas business, gained through his many years of service leading management of a company which operates globally with advanced technology. He has been appropriately overseeing management as an Outside Director. Therefore, the Company has selected him as a candidate for Outside Director in the expectation that he will continue to oversee management and give advice leveraging his wealth of experience and profound insight mainly concerning corporate management so that the Company will achieve sustainable enhancement of corporate value.</p>		

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
10	[Re-appointment] Hajime Nakai (March 9, 1953) (Outside Director) (Independent Director) No. of years served as Outside Director: 1 year Attendance at Board of Directors' meetings: 100% (12/12) (Attendance at meetings held since appointment as Director on June 26, 2024.)	April 1976 Joined Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.) June 1999 General Manager, New York Sales Department I of Industrial Bank of Japan, Ltd. and President of Industrial Bank of Japan Trust Company April 2004 Executive Officer, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) April 2005 Managing Executive Officer, Mizuho Securities Co., Ltd. April 2007 Adviser of Central Glass Co., Ltd. June 2007 Executive Managing Officer, Central Glass Co., Ltd. June 2009 Director, Executive Managing Officer, Central Glass Co., Ltd. June 2012 Representative Director, Senior Executive Managing Officer, Central Glass Co., Ltd. June 2016 Special Advisor, Central Glass Co., Ltd. (retired in March 2018) March 2017 Outside Auditor, SHIZUOKA GAS CO., LTD. (retired in March 2021) April 2017 Chief Ceremony Officer, The Tokyo Organising Committee of the Olympic and Paralympic Games June 2017 Outside Director, Utoc Corporation May 2020 Ceremony Advisor, The Tokyo Organising Committee of the Olympic and Paralympic Games (retired in September 2021) June 2022 Advisor, Utoc Corporation (retired in March 2023) June 2024 Director, the Company (to present)	472
		[Reasons for selection as a candidate for Outside Director and summary of expected roles] In addition to his extensive experience in the corporate finance and international finance fields and his deep knowledge of finance and accounting, Mr. Hajime Nakai has served as a representative director of a company with global operations. Therefore, the Company has selected him as a candidate for Outside Director in the expectation that he will oversee management and give advice leveraging his wealth of experience and profound insight mainly concerning international operations and finance and accounting so that the Company will achieve sustainable enhancement of corporate value.	

(Notes)

1. No conflict of interest exists between the Company and any of the candidates for Directors.
2. Ms. Naoko Yamazaki, Mr. Yoshiharu Inaba, Mr. Naoki Hidaka, Mr. Katsuhiko Teramoto and Mr. Hajime Nakai are candidates for Outside Director. The Company has designated Ms. Naoko Yamazaki, Mr. Yoshiharu Inaba, Mr. Naoki Hidaka, Mr. Katsuhiko Teramoto and Mr. Hajime Nakai as Independent Directors as defined by the Tokyo Stock Exchange and submitted notifications to the said exchange. If their re-appointment as Outside Directors is approved, the Company intends to continue their designation as Independent Directors.
3. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, the Company has concluded contracts with Outside Director candidates Ms. Naoko Yamazaki, Mr. Yoshiharu Inaba, Mr. Naoki Hidaka, Mr. Katsuhiko Teramoto and Mr. Hajime Nakai that limit their liability for damages caused by their negligence in performing their duties to the amount prescribed by laws and regulations. If their re-appointment is approved, the Company intends to renew the contracts with them.
4. The Company has entered into directors and officers liability insurance contracts with insurance companies. These insurance contracts cover damages that may arise due to the insured persons assuming liability for the execution of their duties or receiving a claim pertaining to the pursuit of such liability. However, there are certain exemptions, such as in case of claims for damages related to violation of laws and regulations that the insured person has caused intentionally. If the re-appointment of each candidate is approved, each candidate will be included as the insured person in these insurance contracts. The Company plans to renew these insurance contracts in July this year.
5. It has come to light that FANUC CORPORATION, where Outside Director candidate Mr. Yoshiharu Inaba serves as Director and Chairman, and Outside Director candidate Ms. Naoko Yamazaki serves as Outside Director, conducted

testing of the said company's products in a state that is not conformant with harmonized standards in accordance with Europe's EMC Directive. Ms. Naoko Yamazaki was not previously aware of the facts of this matter, but as an Outside Director in FANUC, she has satisfied her responsibilities by calling for attention to be paid to the importance of legal and regulatory compliance and providing compliance recommendations, etc., in FANUC Board of Directors meetings. After discovering the facts of this matter, she has provided recommendations including recommending a full-scale investigation be performed to gain a full and thorough understanding of the issue.

Proposal No. 2: Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Kiyoshi Suzuki will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the election of one (1) Corporate Auditor.

The Board of Corporate Auditors has already given its approval for the submission of this proposal.

The candidate is as follows:

Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
[Re-appointment] Kiyoshi Suzuki (February 18, 1959) (Outside Corporate Auditor) (Independent Corporate Auditor) No. of years served as Outside Corporate Auditor: 4 years Attendance at Board of Directors' meetings: 100% (15/15) Attendance at Board of Corporate Auditors meetings: 100% (13/13)	April 1982 Joined Mitsubishi Corporation April 1994 Executive Vice President, MIC Consulting Inc. October 1998 Team Leader, Investment Team, Merchant Banking Dept., Mitsubishi Corporation April 2003 Vice President, Millennia Venture Partners October 2008 Team Leader, Planning Team, Food Business Div., Mitsubishi Corporation February 2012 Executive Vice President, Hongling Financial Leasing Co., Ltd. June 2016 Executive Vice President, Mitsubishi Auto Leasing Corporation (retired in June 2021) June 2021 Corporate Auditor, the Company (to present)	0
	[Reasons for selection as a candidate for Outside Corporate Auditor] Mr. Kiyoshi Suzuki has a wealth of experience and profound insight concerning corporate management as well as finance and accounting gained through many years of involvement in finance-related operations of a company which operates globally. Therefore, the Company judges that he is the ideal person for the position of Corporate Auditor, and thus selected him as a candidate for Outside Corporate Auditor.	

(Notes)

- No conflict of interest exists between the Company and Mr. Kiyoshi Suzuki.
- Mr. Kiyoshi Suzuki is a candidate for Outside Corporate Auditor. The Company has designated Mr. Kiyoshi Suzuki as an Independent Corporate Auditor as defined by the Tokyo Stock Exchange and submitted a notification to the said exchange. If his re-appointment as Outside Corporate Auditor is approved, the Company intends to continue his designation as Independent Corporate Auditor.
- Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, the Company has concluded a contract with Outside Corporate Auditor candidate Mr. Kiyoshi Suzuki that limit his liability for damages caused by negligence in performing his duties to the amount prescribed by laws and regulations. If his re-appointment is approved, the Company intends to renew the contract with him.
- The Company has entered into directors and officers liability insurance contracts with an insurance companies. This insurance contracts cover damages that may arise due to the insured persons assuming liability for the execution of their duties or receiving a claim pertaining to the pursuit of such liability. However, there are certain exemptions, such as in case of claims for damages related to violation of laws and regulations that the insured person has caused intentionally. If the re-appointment of Outside Corporate Auditor candidate Mr. Kiyoshi Suzuki is approved, he will be included as the insured person in this insurance contract. The Company plans to renew this insurance contract in July this year.

(Reference)

Skills Matrix (Expected skills after this Ordinary General Meeting of Shareholders)

	Name	Corporate Management Experience	Global Business	Technology / Manufacturing / Science	Business Strategy / Marketing	Legal / Risk Management	Finance / Accounting	ESG / Social Contribution
Director	Satoshi Hirano	●	●		●			
	Takashi Eto	●	●		●			
	Haruhiko Akiyama		●			●	●	
	Yoshikuni Ito	●	●		●			
	Reiko Watanabe		●			●		●
	Naoko Yamazaki	Outside Director	●	●				●
	Yoshiharu Inaba	Outside Director	●	●				
	Naoki Hidaka	Outside Director	●	●	●			
	Katsuhiro Teramoto	Outside Director	●		●			
	Hajime Nakai	Outside Director	●		●		●	
Corporate Auditor	Shokyu Nakamura	●	●			●		
	Nobuyuki Ryu	●	●			●		
	Keiji Taketani	Outside Corporate Auditor	●			●	●	
	Kiyoshi Suzuki	Outside Corporate Auditor	●			●	●	

* Three fields of expertise per each individual where he/she has strengths are marked with ●.

Proposal No. 3: Election of One (1) Substitute Corporate Auditor

To prepare for any situation in which the number of Corporate Auditors falls below the number prescribed by laws and regulations, the appointment of one (1) Substitute Corporate Auditor is proposed.

The Board of Corporate Auditors has already given its approval for the submission of this proposal.

The candidate is as follows:

Name (Date of birth)	Career summary		Number of shares of the Company held
Tsuyoshi Inoue (April 4, 1952) (Outside Corporate Auditor)	April 1976	Joined Japan Development Bank (currently Development Bank of Japan Inc.)	0
	June 2004	General Manager, Tohoku Branch, Development Bank of Japan Inc.	
	June 2006	Auditor, Development Bank of Japan Inc.	
	October 2008	Audit & Supervisory Board Member, Development Bank of Japan Inc.	
	June 2010	Managing Director, Japan Nuclear Fuel Limited	
	June 2013	Director, Managing Executive Officer, Japan Nuclear Fuel Limited (retired in June 2014)	
	June 2014	President and Representative Director, Value Management Institute, Inc. (retired in June 2017) Outside Auditor, Mitsubishi Paper Mills Ltd. (retired in June 2018)	
	June 2015	Audit & Supervisory Board Member (Outside), Fuji Oil Company, Ltd. (retired in June 2023)	
	June 2016	President and Representative Director, Japan Economic Research Institute Inc. (retired in June 2017) Outside Director, Topy Industries, Ltd. (retired in June 2020)	
	July 2021	Outside Director (Audit & Supervisory Committee Member), DN HOLDINGS CO., LTD. (to present)	
(Significant concurrent position) Outside Director (Audit & Supervisory Committee Member), DN HOLDINGS CO., LTD.			
[Reasons for selection as a candidate for Substitute Outside Corporate Auditor] Mr. Tsuyoshi Inoue has a wealth of experience and profound insight concerning business administration, finance and accounting, gained through his many years of service at a financial institution and involvement in corporate management. Therefore, the Company judges that he is capable of appropriately fulfilling duties as an Outside Corporate Auditor of the Company, and thus selected him as a candidate for Substitute Outside Corporate Auditor.			

(Notes)

1. No conflict of interest exists between the Company and Mr. Tsuyoshi Inoue.
2. Mr. Tsuyoshi Inoue is a candidate for Substitute Outside Corporate Auditor. If he is appointed as an Outside Corporate Auditor, the Company intends to designate him as Independent Corporate Auditor as defined by the Tokyo Stock Exchange and submit a notification to the said exchange.
3. If Mr. Tsuyoshi Inoue is appointed as an Outside Corporate Auditor, pursuant to provisions of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, the Company intends to conclude a contract with him that limits his liability for damages caused by his negligence in performing his duties to the amount prescribed by laws and regulations.
4. The Company has entered into directors and officers liability insurance contracts with insurance companies. These insurance contracts cover damages that may arise due to the insured persons assuming liability for the execution of their duties or receiving a claim pertaining to the pursuit of such liability. However, there are certain exemptions, such as in case of claims for damages related to violation of laws and regulations that the insured person has caused intentionally. If Mr. Tsuyoshi Inoue is appointed as an Outside Corporate Auditor, Mr. Tsuyoshi Inoue will be included as the insured person in these insurance contracts. The Company plans to renew these insurance contracts in July this year.

Business Report

1. Matters Concerning the Current Status of the Topcon Group

(1) Progress and Results of Operations

In fiscal year 2024, ended March 31, 2025, the outlook for the global economic environment remained uncertain. While Europe and the U.S. began to move toward interest rate cuts amid easing inflation, concerns persisted due to factors such as the impact of prolonged geopolitical risks and rising uncertainty in world trade, particularly in the latter half of the fiscal year, triggered by U.S. tariff policy developments.

In this economic environment, the Topcon Group has established a corporate identity—“Topcon contributes to enrichment of human life by solving the societal challenges within healthcare, agriculture and infrastructure.”—and worked to achieve sustainable enhancement of corporate value as a global company that promotes its efforts to solve societal challenges of “healthcare,” “agriculture,” and “infrastructure” utilizing DX solutions under the slogan of “contributes to the enrichment of human life through leading-edge technology”.

In this context, the Group’s consolidated performance in fiscal year 2024 was as follows.

In fiscal year 2024, the Topcon Group’s consolidated net sales decreased by 0.2% year on year to ¥216,000 million, mainly due to lower sales in the Positioning Business that offset higher sales resulting from the continued strong sales in the Eye Care business. In terms of profits, although fixed expenses reductions through restructuring progressed as planned, operating profit came to ¥8,826 million, a decrease of 21.2% year on year, and ordinary profit was ¥4,729 million, a decrease of 46.6% year on year. Furthermore, due to the recording of impairment losses and extra retirement payments associated with the restructuring, tender offer-related expenses, and other expenses as extraordinary losses, profit attributable to owners of the parent was ¥417 million, a decrease of 91.5% year on year.

An overview of segment information by business category follows. (Sales include internal sales achieved through the transactions among business segments.)

Positioning Business

Principal Products

Total stations, 3D laser scanners, IT construction system, IT agriculture system, GNSS receivers for surveying, laser products, software (construction management, surveying and civil engineering, 3D point cloud processing/modeling, etc.)

In the Positioning Business, net sales decreased 6.4% year on year to ¥131,359 million due to sluggish sales in IT construction in Europe and the U.S. caused by restrained investment amid high interest rates and uncertainty surrounding trade, financial, and industrial policies under the new U.S. administration. In addition, although a surveying instrument was released, sales struggled to recover from delays earlier in the fiscal year. In IT agriculture, global sales also slowed, impacted by restrained investment from a decline in grain prices and other factors. While restructuring efforts produced the intended effects, operating profit decreased by 34.3% year on year to ¥5,984 million, due to lower net sales compared to the previous fiscal year.

Eye Care Business

Principal Products

3D optical coherence tomography systems (3D OCT), retinal cameras, auto refractometers/auto kerato-refractometers, slit lamps, tonometers, lensmeters, optical laser photocoagulators, software (ophthalmologic image filing and data management, electronic ophthalmologic medical records, etc.), optometry systems.

In the Eye Care Business, net sales increased by 12.2% year on year to ¥84,311 million, driven by continued solid sales to major optical store chains in Europe and the U.S., as well as a significant sales increase resulting from securing a large strategic project in North America, despite sluggish performance in

China. Although personnel expenses and software development costs increased due to the enhancement of the sales structure in North America, these were offset by the sales growth, resulting in an increase of 27.0% year on year in operating profit to ¥8,527 million.

(2) Capital Investment

Total capital expenditures for the Topcon Group amounted to ¥6,791 million in fiscal year 2024. By business segment, capital expenditures were ¥3,789 million for the Positioning Business, and ¥2,703 million for the Eye Care Business.

(3) R&D

The Topcon Group's R&D expenditure amounted to ¥25,147 million in fiscal year 2024. The Group is conducting vigorous R&D. The Company's R&D unit and technology department and technology departments of subsidiaries in the United States, Europe and Australia are engaged in R&D.

(4) Financing

Not applicable.

(5) Significant Business Combinations

Not applicable.

(6) Financial Position and Earnings

	128th term FY2020	129th term FY2021	130th term FY2022	131st term FY2023	132nd term FY2024
Net sales (Millions of yen)	137,247	176,421	215,625	216,497	216,000
Operating profit (Millions of yen)	6,593	15,914	19,537	11,204	8,826
Operating profit ratio (%)	4.8	9.0	9.1	5.2	4.1
Ordinary profit (Millions of yen)	5,587	14,820	17,829	8,857	4,729
Profit attributable to owners of parent (Millions of yen)	2,376	10,699	11,806	4,940	417
Profit attributable to owners of parent per share (yen)	22.59	101.71	112.16	46.90	3.96
Total assets (Millions of yen)	168,210	184,983	207,890	247,029	249,144
Net assets (Millions of yen)	70,687	85,150	97,040	110,298	104,840
Shareholders' equity ratio (%)	41.2	45.1	45.8	43.8	41.5
Shareholders' equity per share (yen)	659.31	793.57	905.17	1,027.99	980.39
Return on equity (ROE) (%)	3.6	14.0	13.2	4.9	0.4

Note: Profit attributable to owners of parent per share is calculated based on the number of shares corresponding to the average number of shares issued and outstanding during the period from which the average number of shares of treasury stock during the period is deducted.

(7) Parent Company and Significant Subsidiaries (as of March 31, 2025)

1) Relationship with the parent company

Not applicable.

2) Significant subsidiaries

Company name	Capital	Percentage of voting rights (%)	Principal business
Topcon Yamagata Co., Ltd.	JPY371 million	100.0%	Manufacturing of Positioning and Eye Care products
Topcon Sokkia Positioning Japan Co., Ltd.	JPY269 million	100.0%	Sales of Positioning products
Topcon Medical Japan Co., Ltd.	JPY100 million	100.0%	Sales of Eye Care products
Topcon Optonexus Co., Ltd.	JPY100 million	100.0%	Manufacturing of Positioning and Eye Care products
Topcon Positioning Systems, Inc.	USD138,905 thousand	100.0% [100.0%]	Development, manufacturing, and sales of Positioning products
Topcon Healthcare, Inc.	USD16,104 thousand	100.0% [100.0%]	Development and sales of Eye Care products
Topcon Europe Positioning B.V.	EUR18 thousand	100.0% [100.0%]	Sales of Positioning products
Topcon Europe Medical B.V.	EUR18 thousand	100.0% [100.0%]	Sales of Eye Care products
Topcon Optical (Dongguan) Technology Ltd.	USD12,000 thousand	90.0% [90.0%]	Manufacturing of Positioning, Eye Care products and optical devices
Topcon (Beijing) Medical Technology Co., Ltd.	RMB15,000 thousand	100.0%	Sales of Eye Care products

Notes: 1. The Company has 56 consolidated subsidiaries including the significant subsidiaries listed above.

2. Indicated in square brackets in the “Percentage of voting rights” column is the percentage of voting rights indirectly held by the Company.

(8) Issues to Be Addressed

We have been implementing the three-year Mid-Term Business Plan 2025, which began in fiscal year 2023. During fiscal year 2024, the second year of the plan, we executed various strategic measures set forth in the plan.

Overview of “Mid-Term Business Plan 2025” (FY2023-FY2025)

We will continue to pursue our vision of expanding our businesses and solving the societal challenges within the growing markets of healthcare, agriculture and infrastructure, as we advance the development and spread of “DX solutions” to solve societal challenges in each business domain: “healthcare,” “agriculture,” and “infrastructure.”



The markets for the Company's business domains of healthcare, agriculture and infrastructure have remained slow to adopt IT and automation. This represents significant growth potential as we develop and expand our DX solutions. In addition to accelerating growth businesses and strengthening core businesses, we will continue to achieve business expansion by creating more markets to take advantage of our unique technology. We will aim to achieve our long-term numerical vision to double our consolidated net sales to ¥400.0 billion by 2032, the 100th anniversary.

The basic policy of Mid-Term Business Plan 2025 is to "Challenging to sustainably growing 100-year venture," and we have positioned it as a 3-year mid-term business plan that will be our first step in preparing for the Company's 100th anniversary. We will engage in business challenges under the three basic strategies presented in the figure below, pursuing growth strategies in each business.

In fiscal year 2024, the second year of Mid-Term Business Plan 2025, we have implemented strategic measures in each domain as presented in the figure below.

Long-Term Goal		Aiming for 400.0 billion yen in net sales by the company's 100th anniversary in 2032.		
Mid-Term Business Plan 2025	Challenging to sustainably growing 100 year venture Three pillars of sustainable growth			
	Deepening Customer Orientation Remain a company needed by society	Reforming the Foundation Establish an efficient organization	DX ^{*1} Acceleration Continue to create future growth businesses	
	<ul style="list-style-type: none">• Developing products and solutions emphasizing customers and markets• Getting advanced hardware to the de facto standard	<ul style="list-style-type: none">• Maximizing the efficiency of the Positioning Business• Improving the profitability of the Eye Care Business• Increasing production capacity and advancing production efficiency	<ul style="list-style-type: none">• Continuing investment focused on growth areas (R&D, M&A)• Strengthening the foundation to accelerate the development/deployment of digital transformation	
FY2024 Progress	Positioning Business	<ul style="list-style-type: none">┆ Transitioning to a divisional system to facilitate product and solution development closer to customers.	<ul style="list-style-type: none">┆ Organizational restructuring and reduction of SG&A expenses in Europe, the U.S. and Asia.	<ul style="list-style-type: none">┆ Executing strategic M&A activities and partnerships.
	Eye Care Business	<ul style="list-style-type: none">┆ Steady release of new products in both the Positioning and Eye Care Businesses.	<ul style="list-style-type: none">┆ Structural reforms and profitability enhancements in each region.┆ Transitioning to a direct sales system in the U.S.	<ul style="list-style-type: none">┆ Accelerating investment to realize the "Healthcare from the Eye" business.
	Production		<ul style="list-style-type: none">┆ Construction of new factories to increase production capacity.	<ul style="list-style-type: none">┆ Automation and digitalization to improve production efficiency.
	Corporate		<ul style="list-style-type: none">┆ Restructuring low-profit businesses┆ Addressing geopolitical risks.	<ul style="list-style-type: none">┆ Advancing the development of the next-generation PLM and ERP systems.

Outline of the Planned Tender Offer for the Company's Shares through Management Buyout

A tender offer for the Company's shares is scheduled to be conducted as part of a management buyout ("MBO") led by an offeror primarily backed by capital from KKR Japan ("KKR") and JIC Capital, Ltd. ("JICC"). Following careful deliberation with due consideration for the fairness of the process, the Board of Directors, at the meeting held on March 28, 2025, expressed its support for the tender offer and resolved to recommend shareholders to tender their shares.

Tender Offeror	TK Co.,Ltd. (100% owned by a fund indirectly managed by Kohlberg Kravis Roberts & Co. L.P. (KKR))							
Tender Offer Period	21 business days in principle (Aim to launch the tender offer by the end of July 2025)							
Tender Offer Price	<ul style="list-style-type: none">Common Stock: ¥3,300 per share7th Stock Acquisition Rights: ¥193,400 per unit¥3,300 per American Depositary Share represented by an American Depositary Receipt							
Premium	Reference date: December 9, 2024, the day before the first speculative reports	Closing price on the reference date		: 87.87%	Reference date: March 27, 2025	Closing price on the reference date		: 3.45%
		1-month average		: 107.94%		1-month average		: 14.15%
		3-month average		: 110.59%		3-month average		: 15.79%
		6-month average		: 105.22%		6-month average		: 42.30%
Lower Limit of Shares to Be Purchased	52,861,561 shares (representing 50.10% ownership)*1							
Upper Limit of Shares to Be Purchased	No upper limit							
Tender Offer Proceeds	¥348,189,920,100 (Borrowing from financial institutions and using our own capital)							
Tender Offer Agent (planned)	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mitsubishi UFJ eSmartSecurities Co., LTD. (sub-agent)							
Planned Capital Participation After the Tender Offer	<ul style="list-style-type: none">JIC Capital Inc. ("JICC") will subscribe for shares in TK Holdings Co., Ltd (the parent company of the tender offeror) after the tender offer, investing in that company (through Class A and Class B preferred shares with voting rights, ¥95 billion).Our President & CEO, Takashi Eto, after tendering his shares and receiving proceeds, plans to reinvest a portion of that amount into the parent company of the tender offeror.							
Others	Following the successful tender offer, squeeze-out procedures are expected to lead to the company's delisting and becoming a wholly owned subsidiary of the tender offeror.							

*1 This is the percentage calculated against 105,512,097 shares, which is obtained by subtracting the number of treasury shares as of December 31, 2024 (2,970,545 shares) from the total number of shares issued on the same date (108,382,642 shares), and then adding the number of shares (100,000 shares) corresponding to the remaining stock acquisition rights (1,000 rights).

As noted above, the Company is working toward the realization of its long-term vision. At present, however, we believe we are entering a critical phase in which both our Positioning Business and Eye Care Business must accelerate bold growth investments. To advance initiatives that go beyond conventional business measures, it will be essential to maintain sustained, long-term investments despite an increasingly uncertain business environment driven by economic instability and geopolitical risks, particularly in Europe and the United States. Furthermore, in creating new businesses, we must also navigate various business execution risks. While these measures are expected to enhance the Company's corporate value over the long term, they may have a negative impact on the Group's short-term income and cash flow. If such measures were to be implemented while the Company remains publicly listed, there is a risk that the capital markets may not fully appreciate their value in the short term. As a result, it could potentially disadvantage the Company's current shareholders.

After a careful evaluation of a range of options while fully ensuring the fairness of the process, the Company has concluded that the best path forward to benefit all stakeholders, including shareholders, is to address these management challenges flexibly through privatization. This will be achieved under a management buyout (MBO) in strategic partnership with KKR and JICC, while continuing to lead the current management policies, strategies, and overall management. This will allow the Company to establish a strong and stable management structure where shareholders and the management team work as one, and to pursue its long-term growth.

Business Challenges

- **It is necessary to enhance corporate value by executing a long-term strategy that includes bold upfront investment.**
 - Proactive investment in new solution businesses within the Eye Care Business
 - Strategic initiatives for the next leap forward in the Positioning Business
- **It is necessary to transform into an organizational structure that can further develop Topcon's unique strengths.**

Maximize synergy between Japan's manufacturing and fast-moving solution businesses in overseas markets such as the U.S. with an optimal organizational structure and governance.
- **The return and time-horizon demands of shareholders in a publicly listed company are incompatible with executing a long-term strategy that may entail short-term profit declines.**



Privatization

- **Stable management environment that enables long-term strategic execution.**
 - We will continue long-term management with partners (KKR, JICC) who deeply understand our business and share our vision.
 - Takashi Eto will continue as CEO, leading overall management and accelerating the strategies for each business.

* KKR: One of the world's leading diversified asset management firms. The holding company, KKR & Co. Inc. (Kohlberg Kravis Roberts & Co.), is listed on the New York Stock Exchange
* JIC Capital, Ltd (JICC): A fund management company established as a wholly owned subsidiary of the Japan Investment Corporation (JIC)

KKR will help the Company's expansion into overseas markets, particularly the United States, which the Company positions as a key strategic region, by leveraging its global network, expertise in both the healthcare and industrial fields, deep knowledge of manufacturing, access to various management resources and industry best practices. JICC, a Japanese government-affiliated fund, brings a broad public-private network and extensive operational know-how accumulated through its investment activities both in Japan and overseas. JICC supports the Company's transformation into a global solutions provider, recognizing its policy significance in fostering the creation of new industries and strengthening international competitiveness.

Going forward, the Company aims to evolve into a new "TOPCON 2.0"—a business structure designed to further accelerate the competitiveness of the Group and drive global growth by leveraging the strengths of Japanese manufacturing. This transformation will follow the execution of a series of transactions, including this tender offer and subsequent procedures, with the goal of taking the Company private.

For details, please refer to "Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Planned Commencement of the Tender Offer for Company Share Certificates by TK Co., Ltd. as part of the implementation of MBO, and capital participation by KKR Japan and JIC Capital, Ltd." announced on March 28, 2025, and "(Amendment) Partial Amendment to 'Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Planned Commencement of the Tender Offer for Company Share Certificates by TK Co., Ltd. as part of the implementation of MBO, and capital participation by KKR Japan and JIC Capital, Ltd.'" announced on April 16, 2025.

(9) Principal Offices (as of March 31, 2025)**1) The Company**

Head Office	Itabashi-ku, Tokyo
Plant	Itabashi-ku, Tokyo

2) Subsidiaries

Japan	Topcon Yamagata Co., Ltd. (Yamagata-shi, Yamagata Prefecture)
	Topcon Sokkia Positioning Japan Co., Ltd. (Itabashi-ku, Tokyo)
	Topcon Medical Japan Co., Ltd. (Itabashi-ku, Tokyo)
	Topcon Optonexus Co., Ltd. (Tamura-shi, Fukushima)
Overseas	Topcon Positioning Systems, Inc. (California, U.S.A.)
	Topcon Healthcare, Inc. (New Jersey, U.S.A.)
	Topcon Europe Positioning B.V. (Zoetermeer, The Netherlands)
	Topcon Europe Medical B.V. (Capelle, The Netherlands)
	Topcon Optical (Dongguan) Technology Ltd. (Guangdong Province, China)
	Topcon (Beijing) Medical Technology Co., Ltd. (Beijing, China)

(10) Employees (as of March 31, 2025)

Business category	Number of employees	Increase (Decrease) from the previous fiscal year-end
Positioning Business	2,893	-300
Eye Care Business	2,171	+40
Other	263	+31
Total	5,327	-229

Note: The number of employees indicated above does not include the number of employees seconded to companies outside the Group, part-time workers, contracted workers, and temporary staff.

(11) Principal Lenders and Outstanding Borrowings (as of March 31, 2025)

Lender	Outstanding borrowings
Sumitomo Mitsui Banking Corporation	16,483 million yen
MUFG Bank, Ltd.	12,357 million yen
Mizuho Bank, Ltd.	12,135 million yen

2. Status of Shares (as of March 31, 2025)

- | | |
|--|--|
| (1) Number of Shares Authorized | 160,000,000 shares |
| (2) Number of Shares Issued | 108,382,642 shares |
| | (including 2,970,630 shares of treasury stock) |
| (3) Number of Shareholders | 10,269 |
| (4) Major Shareholders | |

Shareholder name	Number of shares held (shares)	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (trust account)	14,888,400	14.12%
CGML PB CLIENT ACCOUNT/COLLATERAL	9,754,700	9.25%
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE.	7,824,581	7.42%
STATE STREET BANK AND TRUST COMPANY 505010	5,671,100	5.37%
Custody Bank of Japan, Ltd. (trust account)	4,912,600	4.66%
The Dai-ichi Life Insurance Company, Limited	4,038,000	3.83%
STATE STREET BANK AND TRUST COMPANY 510312	2,935,343	2.78%
GOLDMAN, SACHS & CO. REG	2,359,565	2.23%
STATE STREET BANK AND TRUST COMPANY 510311	2,337,357	2.21%
JP Morgan Securities Japan Co., Ltd.	2,336,245	2.21%

Note: Shareholding ratio is calculated by excluding 2,970,630 shares of treasury stock.

(5) Shares Delivered to Officers as Consideration for the Execution of Duties during the Period

The Company grants restricted stocks to Directors (excluding Outside Directors) with the aim of providing an incentive for Directors to enhance the corporate value of the Company and promoting further shared value with shareholders. A total of 35,400 shares were delivered to four (4) Directors (excluding Outside Directors) in fiscal year 2024, as consideration for the execution of duties.

3. Matters Concerning the Subscription Rights to Shares

- (1) Status of Subscription Rights to Shares Held by the Company's Directors as of March 31, 2025, which were issued as compensation for their execution of duties**
Not applicable.
- (2) Status of Subscription Rights to Shares Issued to the Company's Employees as Compensation for their Execution of Duties During Fiscal 2024**
Not applicable.

4. Matters Concerning Officers

(1) Directors and Corporate Auditors (as of March 31, 2025)

Positions	Name	Responsibilities and significant concurrent positions
Representative Director, Chairman	Satoshi Hirano	External Director of the Board, JVCKENWOOD Corporation
Representative Director President and CEO	Takashi Eto	CEO
Director	Haruhiko Akiyama	Senior Managing Executive Officer General Manager of Accounting & Finance Div. General Manager of Custom Products Business Promotion Div.
Director	Takayuki Yamazaki	Senior Managing Executive Officer Assistant to the President
Director	Reiko Watanabe	Managing Executive Officer General Manager, General Administration, Human Resource & Legal Div.
Director	Naoko Yamazaki	Representative Director, Space Port Japan Association Outside Director, FANUC CORPORATION
Director	Yoshiharu Inaba	Director, Chairman, FANUC CORPORATION
Director	Naoki Hidaka	Outside Director, BROTHER INDUSTRIES, LTD. Outside Director, Nabtesco Corporation
Director	Katsuhiro Teramoto	
Director	Hajime Nakai	
Corporate Auditor (full time)	Shokyū Nakamura	
Corporate Auditor (full time)	Nobuyuki Ryu	
Corporate Auditor	Keiji Taketani	Outside Corporate Auditor (full time), Ekitan & Co., Ltd.
Corporate Auditor	Kiyoshi Suzuki	

- Notes: 1. Directors Ms. Naoko Yamazaki, Mr. Yoshiharu Inaba, Mr. Naoki Hidaka, Mr. Katsuhiro Teramoto, and Mr. Hajime Nakai are Outside Directors.
2. Corporate Auditors Mr. Keiji Taketani and Mr. Kiyoshi Suzuki are Outside Corporate Auditors.
3. The Company has designated Directors Ms. Naoko Yamazaki, Mr. Yoshiharu Inaba, Mr. Naoki Hidaka, Mr. Katsuhiro Teramoto, and Mr. Hajime Nakai, and Corporate Auditors Mr. Keiji Taketani and Mr. Kiyoshi Suzuki as Independent Directors/Auditors as defined by the Tokyo Stock Exchange and submitted notifications to the said exchange.
4. Corporate Auditors Mr. Keiji Taketani and Mr. Kiyoshi Suzuki have in-depth knowledge of finance and accounting based on extensive experience in business administration and extensive knowledge in the financial operations, respectively.
5. Changes of Directors and Corporate Auditors during fiscal year 2024 are as follows:
- (1) Assumption of office
Ms. Reiko Watanabe and Mr. Hajime Nakai were newly elected as Directors at the 131st Ordinary General Meeting of Shareholders held on June 26, 2024, and assumed office on the same date.
- (2) Retirement
Mr. Kaoru Kumagai and Mr. Akira Sudo retired from their positions as Directors upon the conclusion of the 131st Ordinary General Meeting of Shareholders held on June 26, 2024, due to expiration of their terms of office.
- (3) Changes in significant concurrent positions
Representative Director Mr. Satoshi Hirano was appointed as External Director of JVCKENWOOD Corporation on June 21, 2024.
Director Ms. Naoko Yamazaki resigned from her position as Outside Director of Optorun Co., Ltd. on March 25, 2025.
- (4) Changes in responsibilities

Name	After change	Before change	Effective date
Takayuki Yamazaki	Senior Managing Executive Officer Assistant to the President	Senior Managing Executive Officer Executive Vice President, Chief Business Integration Officer, Topcon Positioning Systems, Inc.	January 1, 2025

(2) Outside Directors/Auditors

Position	Name	Attendance	Main activities and overview of duties executed regarding roles that an Outside Director is expected to play
Outside Director	Naoko Yamazaki	[Board of Directors' meetings] 15/15	Provided opinions as necessary, mainly based on a wealth of experience and profound insight concerning the science and technology field and risk management, as well as fulfilled appropriate roles including overseeing management and providing advice.
	Yoshiharu Inaba	[Board of Directors' meetings] 15/15	Provided opinions as necessary, mainly based on a wealth of experience and profound insight concerning corporate management and automation technology, as well as fulfilled appropriate roles including overseeing management and providing advice.
	Naoki Hidaka	[Board of Directors' meetings] 15/15	Provided opinions as necessary, mainly based on a wealth of experience and profound insight concerning corporate management and overseas business, as well as fulfilled appropriate roles including overseeing management and providing advice.
	Katsuhiro Teramoto	[Board of Directors' meetings] 15/15	Provided opinions as necessary, mainly based on a wealth of experience and profound insight concerning corporate management and overseas business, as well as fulfilled appropriate roles including overseeing management and providing advice.
	Hajime Nakai	[Board of Directors' meetings] 12/12	Provided opinions as necessary, mainly based on a wealth of experience and profound insight concerning corporate finances and overseas business, as well as fulfilled appropriate roles including overseeing management and providing advice.
Outside Corporate Auditor	Keiji Taketani	[Board of Directors' meetings] 15/15 [Board of Corporate Auditors' meetings] 13/13	Provided opinions as necessary, mainly based on a wealth of experience and profound insight concerning business administration.
	Kiyoshi Suzuki	[Board of Directors' meetings] 15/15 [Board of Corporate Auditors' meetings] 13/13	Provided opinions as necessary, mainly based on a wealth of experience and profound insight concerning finance.

- Notes:
1. Although Director Ms. Naoko Yamazaki is an Outside Director of Oporun Co., Ltd. until March 23, 2025, the Representative Director of Space Port Japan Association and an Outside Director of FANUC CORPORATION, no special relationship exists between the Company and any of these companies.
 2. Although Director Mr. Yoshiharu Inaba is a Director, Chairman of FANUC CORPORATION, no special relationship exists between the Company and FANUC CORPORATION.
 3. Although Director Mr. Naoki Hidaka is an Outside Director of BROTHER INDUSTRIES, LTD. and an Outside Director of Nabtesco Corporation, no special relationship exists between the Company and either of these companies.
 4. Although Corporate Auditor Mr. Keiji Taketani is an Outside Corporate Auditor (full time) of Ekitan & Co., Ltd., no special relationship exists between the Company and Ekitan & Co., Ltd.
 5. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, the Company has concluded a contract with each of the Outside Directors and the Outside Corporate Auditors that limits their liability for damages caused by their negligence in performing their duties to the amount prescribed by laws and regulations.
 6. Since the election of Mr. Hajime Nakai as Director was approved at the 131st Ordinary General Meeting of Shareholders held on June 26, 2024, and he assumed office, the attendance at the Board of Directors' meetings held on and after the date is indicated.

(3) Compensation for Directors and Corporate Auditors

1. Matters concerning policy on the determination of the content of individual compensation for Directors

Compensation for Directors (excluding Outside Directors) consists of a fixed compensation, performance-linked compensation (short-term performance-linked compensation and medium-term performance-linked compensation) and restricted stock compensation. Compensation for Outside Directors and Corporate Auditors consists of a fixed compensation only.

The Company has established a Nomination and Compensation Advisory Committee, chaired by an Independent Outside Director and composed of a majority of Independent Outside Directors and Independent Corporate Auditors, with the aim of ensuring objectivity and transparency regarding the handling of compensation for Directors. The Nomination and Compensation Advisory Committee makes recommendations to the Board of Directors, in response to consultation by the Board of Directors, and the policy regarding compensation for Directors is decided by resolution of the Board of Directors based on the deliberation and recommendations of the Nomination and Compensation Advisory Committee.

The amount of individual compensation for Directors is decided based on the deliberation and recommendations of the Nomination and Compensation Advisory Committee in accordance with the policy regarding compensation for Directors within the limit for the total amount of compensation for Directors approved by resolution of the General Meeting of Shareholders. The specific number of shares of restricted stock compensation to be allotted is decided by resolution of the Board of Directors, and the specific amount of other compensation is decided by President and CEO (Takashi Eto) on behalf of the Board of Directors, which delegates the decision on the amount to the President and CEO, based mainly on the President and CEO's broad view of the overall results of the Company and the existence of a process to have deliberation and recommendations of the Nomination and Compensation Advisory Committee in advance. In addition, the Board of Directors conducts a multilateral review, including consistency with compensation for Directors and the policy regarding compensation for Directors, in advance at the Nomination and Compensation Advisory Committee. As such, the Company has determined that such compensation is in conformity with the policy regarding compensation.

The amount of compensation for each Corporate Auditor is decided through consultation of the Corporate Auditors within the limit for the total amount of compensation for Corporate Auditors approved by resolution of the General Meeting of Shareholders.

1) Fixed compensation

- Fixed compensation for Directors (excluding Outside Directors) is decided based on rank and paid every month.
- Fixed compensation for Outside Directors is decided taking into consideration their role, etc. and paid every month.

2) Performance-linked compensation

- Performance-linked compensation for Directors (excluding Outside Directors) is calculated on the basis of certain indicators for each fiscal year. The indicators which constitute the basis for performance-linked compensation consist of consolidated profit attributable to owners of the parent, ROE and other indicators for the purpose of raising Directors' motivation and morale to enhance results as well as aligning interests with shareholders.
- Short-term performance-linked compensation is calculated based on the financial results of each fiscal year, and medium-term performance-linked compensation is calculated based on cumulative performance during the period of each Mid-Term Business Plan, with each being paid after the end of the relevant period.
- The financial results of fiscal year 2024, an indicator which constitutes the basis for performance-linked compensation, were consolidated profit attributable to owners of the parent of ¥417 million and ROE of 0.4%, and cumulative performance during the period of the Mid-Term Business Plan was consolidated profit attributable to owners of the parent of ¥5,357 million and ROE of 2.6% (average).

3) Restricted stock compensation

- The Company grants restricted stocks to Directors (excluding Outside Directors) with the aim of providing an incentive for Directors to enhance sustainable growth and improve corporate value of the Company and promoting further shared value with shareholders. The number of restricted stocks to be allotted to each Director is decided based on rank. The restricted stocks are issued by resolution of the Board of Directors on the condition that rights of claim for compensation equivalent to the amount to be paid to Directors to whom such restricted stocks are allotted are offset against the amount to be paid in for such restricted stocks.

4) Compensation composition ratio

- Compensation for Directors (excluding Outside Directors) consists of fixed compensation, performance-linked compensation, and restricted stock compensation. The ratio of the sum of performance-linked compensation and restricted stock compensation to total compensation is designed to be not more than about 60% on average for each rank, based on performance indicators, in order to raise Directors' motivation and morale to enhance the results while emphasizing the medium to long term enhancement of corporate value and shareholder value.

2. Matters concerning resolution of the General Meeting of Shareholders on compensation for Directors and Corporate Auditors

Compensation for Directors of the Company is determined by resolution of the 129th Ordinary General Meeting of Shareholders held on June 28, 2022, and the total amount is set at ¥1,100 million per year or less (fixed portion is ¥500 million or less, performance-linked portion calculated on the basis of certain indicators for each fiscal year is ¥600 million per year or less, not including employee salaries of Directors who concurrently serve as employees), of which the total amount for Outside Directors is set at ¥100 million per year or less (fixed portion only). The number of Directors at the conclusion of this Ordinary General Meeting of Shareholders is ten (including five Outside Directors).

The provision of monetary claims as compensation for granting restricted stocks, separate from the compensation limits described above, was also resolved at the 129th Ordinary General Meeting of Shareholders. Under this restricted stock compensation plan, the total amount of monetary claims provided to eligible directors for granting restricted stocks is ¥200 million per year or less (the amount does not include employee salaries of Directors who concurrently serve as employees). The total number of shares of the Company's common stock issued or disposed of is 100,000 shares per year or less (provided, however, that if the Company performs a split of the Company's common stock (including the allotment of the Company's common stock without contribution) or a consolidation of the Company's common stock, with an effective date that is on or after the date when the resolution of the General Meeting of Shareholders comes into effect, or if any other event that requires adjustment of the total number of shares of the Company's common stock to be issued or disposed of as restricted stocks occurs, the relevant total number shall be adjusted to the reasonable extent as necessary). The stock option plan was abolished with the introduction of the restricted stock compensation plan, except for stock options already granted.

Compensation for Corporate Auditors of the Company is set at ¥100 million per year or less by resolution of the 120th Ordinary General Meeting of Shareholders held on June 26, 2013. The number of Corporate Auditors at the conclusion of this Ordinary General Meeting of Shareholders is four (including two Outside Corporate Auditors).

3. Total amount of compensation, amount of each form of compensation, and number of eligible Directors and Corporate Auditors in each classification

					(Millions of yen)
Classification	Total amount of compensation	Total amount of each form of compensation			Number of eligible officers
		Fixed compensation	Performance-linked compensation	Non-monetary compensation	
			Short-term and medium-term		
Directors (excluding Outside Directors)	270	206	—	63	6
Outside Directors	69	69	—	—	6
Corporate Auditors (excluding Outside Corporate Auditors)	37	37	—	—	2
Outside Corporate Auditors	16	16	—	—	2

- Notes:
1. Non-monetary compensation is the amount of expenses recorded during fiscal year 2024 as restricted stock compensation.
 2. One (1) Director who retired at the conclusion of the 131st Ordinary General Meeting of Shareholders held on June 26, 2024, is included in the number of Directors (excluding Outside Directors).
 3. One (1) Outside Director who retired at the conclusion of the 131st Ordinary General Meeting of Shareholders held on June 26, 2024, is included in the number of Outside Directors.

5. Matters Concerning Directors and Officers Liability Insurance Agreement

The Company has concluded a directors and officers liability insurance agreement with an insurance company.

The outline of this agreement is as follows.

(1) Scope of insured person

Insured persons comprise Directors, Corporate Auditors and Executive Officers of the Company as well as Directors and Corporate Auditors of the Company's subsidiaries.

(2) Real burden of insurance premium on the insured person

The Company bears the total amount of the insurance premium.

(3) Outline of insured events to be covered

Damages that may arise due to liability borne by the insured person for executing duties or claims received in connection with pursuit of such liability shall be covered by this insurance agreement. However, coverage is exempted for certain causes such as claims for damages in connection with the intentional violation of laws or regulations.

6. Accounting Auditor

(1) **Accounting Auditor's Name:** Ernst & Young ShinNihon LLC

(2) **Amount of Remuneration**

	Amount paid
1) Amount of remuneration etc. for fiscal year 2024	96 million yen
2) Total amount of cash and other material benefits payable to the Accounting Auditor by the Company and its subsidiaries	96 million yen

- Notes:
1. The Company's Board of Corporate Auditors obtained necessary information and reports from Directors, the internal organizations concerned, and the Accounting Auditor and reviewed the Accounting Auditor's audit plan, the status of performance of duties of accounting audit, and the basis for calculation of remuneration estimates. As a result of deliberation, the Board of Corporate Auditors judged them to be appropriate and gave approval for the amount of remuneration of the Accounting Auditor.
 2. Under the audit agreement between the Company and its Accounting Auditor, remuneration for audits based on the Companies Act and that for audits based on the Financial Instruments and Exchange Act are not distinguished. Accordingly, the amount shown in 1) above includes the amount of remuneration for audits based on the Financial Instruments and Exchange Act.
 3. The Company's overseas subsidiaries are audited by audit firms (including individuals who have equivalent foreign qualifications) other than the Company's Accounting Auditor.

(3) **Policy on Decision of Dismissal and Refusal of Reappointment of the Accounting Auditor**

If any matter arises that makes it difficult for the Accounting Auditor to perform its duties, or if it is deemed necessary, the Company's Board of Corporate Auditors determines the content of a proposal to be submitted to a General Meeting of Shareholders concerning dismissal or non-reappointment of the Accounting Auditor.

In addition to the above, when it is considered that the Accounting Auditor falls under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act, the Board of Corporate Auditors may dismiss the Accounting Auditor upon the consent of all the Corporate Auditors. In such case, a Corporate Auditor selected by the Board of Corporate Auditors will report the dismissal of the Accounting Auditor and the reasons for dismissal at the first General Meeting of Shareholders convened after such dismissal.

7. Company's Structure and Policies

(1) Systems for Ensuring Compliance of Performance of Duties by Directors with Laws and Regulations and the Articles of Incorporation and Other Systems for Ensuring the Appropriateness of Operations

The Company has determined "Systems for ensuring the appropriateness of operations" stipulated by the Companies Act and the Enforcement Regulations of the Companies Act by the resolution of the Board of Directors. Details are as follows:

1. System to ensure that the performance of director and employee duties is in compliance with the law and company articles of incorporation
 - 1) Establish the TOPCON WAY as a representation of values common throughout the Topcon Group and the Topcon Global Code of Conduct to outline a specific code of conduct for the Topcon Group. At Topcon, use the company anniversary and other occasions as opportunities for top management to reaffirm the importance of these values and the code of conduct with every director and employee within the Topcon Group. Also work continuously to promote awareness through daily educational activities.
 - 2) Important matters that could impact Topcon or the Topcon Group overall shall be determined by the Board of Directors. Elect outside directors to maintain and strengthen a supervisory function related to the execution of duties by directors.
 - 3) Utilize an Internal Reporting System to uncover issues quickly and work to enhance timely and appropriate responses.
 - 4) Establish a Corporate Audit Division that will serve as an internal audit department under direction directly of the president. Validate the appropriateness and efficacy of compliance and other internal management systems. Establish a system to ensure that reports are made in a timely manner to the president and Board of Directors if a major issue is discovered.
 - 5) Through the business process reform, establish the system to promote high level of transparency in operations and ensure timely and appropriate disclosure of important company information.
 - 6) Reinforce the recognition that legal compliance is vitally important during the execution of duties. In particular, create separate internal rules and management systems to strengthen compliance with respect to the Anti-Monopoly Act, export restrictions, insider trading restrictions, the protection of private/sensitive information, and environmental protection.
 - 7) Outline guidelines in the Topcon Global Code of Conduct related to preventing relationships with antisocial forces and reinforce the refusal to be involved in the business activities of antisocial forces on a company-wide level.
2. System for Preserving and Managing Information related to Directors' Execution of Duties
 - 1) Minutes, documents, approval forms, and other important materials related to Board of Directors and Executive Officers meetings are preserved and maintained based on laws and regulations, the Articles of Incorporation and internal company rules. The internal company rules include "Regulations of the Board of Directors", "Executive Officers Regulations", "Group Governance Rules", "Basic Regulation on Information Security", "Document handling official regulations" and "Documents preservation standard (rules)".
(This includes Executive Officers' meeting information, as the Company has adopted the Executive Officer system)
 - 2) Establish a system that enables directors, corporate auditors, the accounting auditor and employees designated by them to access important documents, as necessary.
3. Rules and Systems for Managing Risk of Loss
 - 1) Establish Basic Rules for Risk and Compliance, appoint individuals responsible for risk management, and establish a system capable of responding to any Topcon and Topcon Group risks in a timely and appropriate manner.
 - 2) Establish an Internal Reporting System that allows a person who discovers a risk to report it directly without having to go through the normal chain of command. This will contribute to the early discovery of risk information and assist in the rapid and appropriate response to situations as well as increase risk management awareness among all directors and employees, including at group companies. It should be noted that the "Internal Reporting System" is under the jurisdiction of the "Corporate Audit Division," which is an internal audit department.

- 3) Topcon has established the Basic Regulations on Personal Information Protection concerning protection of private information, and the Basic Regulations on Information Security regarding confidential information and associated regulations thereof and seeks to keep employees of Topcon and subsidiaries fully informed of these regulations.
4. System to Ensure the Efficient Execution of Director Duties
 - 1) The Board of Directors meets, in principle, once per month (and on other occasions as needed) to deliberate on issues and receive reports about regular agenda items related to management policies, laws, articles of incorporation, or other important matters related to the management of the Company, practicing and strengthening the supervisory function over the Company.
 - 2) Day-to-day execution is entrusted to Executive Officers. The Executive Officer Committee shall be established to deliberate on important business execution issues within the scope of the decision-making authority of the president based on the internal rules and make decisions, in order to ensure sufficient and substantive discussion by the Board of Directors and swift decision-making.
 - 3) Business shall be executed in accordance with appropriate procedures defined in the internal rules, including “Regulations of the Board of Directors”, “Executive Officers Regulations”, “Group Governance Rules”, and “Business Organization Regulations”.
 5. System for Ensuring the Appropriate Activities of the Corporate Group, Comprising the Company, Parent Companies, and Subsidiaries
 - 1) The application of the TOPCON WAY as values common throughout the Topcon Group enables the company to transcend national and company borders and ensure that Topcon directors and employees in every country and region share the same values and judgment standards throughout the group. Disseminate the Topcon Global Code of Conduct as a detailed code of conduct to ensure adoption by group companies as well as the Company and establish an awareness of legal compliance.
 - 2) Establish Group Governance Rules applicable to Topcon and group companies and clearly set decision-making standards and matters for reporting. Make these rules known and throughout the year hold several opportunities for business execution status reporting. Share information within the Topcon Group and provide instruction to group companies aimed at improving compliance awareness.
 - 3) The Corporate Audit Division, which is the Topcon internal audit department, shall coordinate with corporate auditors and accounting auditors in their respective audits as well as participate in group company audits to ensure the appropriate conduct of Topcon Group business.
 - 4) To ensure reliability and appropriateness of financial reporting, the Company and Group companies shall design internal controls and establish a structure for operation of internal controls in accordance with the Financial Products and Exchange Act. The Company and Group companies also evaluate the effectiveness of internal control systems on a continuous basis and remediate them, as necessary.
 6. Matters related to Employees Asked to Assist Corporate Auditors

In response to a request by corporate auditors, employees assigned to the Corporate Audit Division may be asked to assist corporate auditors in their responsibilities.
 7. Matters related to Employee Independence from Directors

The duties of the Corporate Audit Division shall not be subject to influence by directors or Executive Officers. The assignment of the Corporate Audit Division employees shall be determined beforehand in discussions with the board of corporate auditors.
 8. System for directors/employees to report to corporate auditors and other systems for reports to corporate auditors
 - 1) To ensure audits of the decision-making process, establish a system for corporate auditors to have access to information by attending board of director meetings, Executive Officers meetings, or other important internal meetings, or by reading meeting minutes or other records/materials.
 - 2) Establish a system that allows the corporate auditor to receive reports throughout the year from various executive divisions within the Company regarding business status or visit group companies to conduct audits of business status.
 - 3) Corporate auditors may, as deemed necessary, require operational reports from the Company and/or subsidiary directors, Executive Officers, or employees.
 - 4) For corporate auditors, the Corporate Audit Division reports the status concerning internal audits and audit results and seeks cooperation and enhancement of efficiency.

9. System to Ensure Practicality of Corporate Auditor Audits

- 1) The Board of Directors shall exercise consideration to allow unhindered performance of audit activities, allowing corporate auditors to attend Board of Directors' meetings, Executive Officers meetings, or other important internal meetings (including such meetings at subsidiaries). The Board of Directors shall ensure opportunities for corporate auditors to audit business execution of the Company, including group companies, including the appointment of staff to assist in audit duties.
- 2) Corporate auditors and directors shall establish regular opportunities to exchange opinions, ensuring that the input of corporate auditors is appropriately reflected in management decisions.
- 3) A forum for exchange of information and opinions shall be established for corporate auditors and the accounting auditor.

(2) Status of Operation of Systems for Ensuring the Appropriateness of Operations

1. Performance of duties by directors

The Board of Directors met 15 times. At the meetings, the Board of Directors deliberated, made decisions, and reported on important matters concerning the Group's management and oversaw performance of duties by directors and employees.

2. Compliance with laws and regulations and risk management

In order to enhance awareness of the Group's employees about the importance of legal compliance and risk management, the Company offered governance and compliance education covering the TOPCON WAY, which articulates the shared values of the Topcon Group, the Topcon Global Code of Conduct, which consists of action guidelines for implementing the TOPCON WAY, and the Group Governance Rules, which set decision-making standards and specify matters to be reported.

Minutes of meetings of the Board of Directors and other important materials are prepared and retained based on laws and regulations, the Articles of Incorporation, and internal company rules.

The Corporate Audit Division, which is the internal audit department, evaluated appropriateness and effectiveness of the Group's internal control systems, including compliance.

The Company regularly conducts activities to raise awareness of employees about the Internal Reporting System for early detection of risks and swift and appropriate response.

3. Ensuring reliability and appropriateness of financial reporting

To ensure reliability and appropriateness of financial reporting, the Company evaluated effectiveness of internal controls in fiscal year 2024.

4. Performance of duties by corporate auditors

The Board of Corporate Auditors met 13 times. At the meetings, the Board of Corporate Auditors reported, discussed, and made decisions on important matters concerning auditing. Corporate auditors conduct audits of Group companies, attend meetings of the Board of Directors and other important meetings, and periodically exchange information with the Representative Director, the accounting auditor, and the Corporate Audit Division and thereby audit performance of duties by directors.

(3) Dividend Policy

Regarding dividend payments, we make payments twice yearly, in principle, as an interim dividend and year-end dividend. Our Articles of Incorporation allow for the payment of dividends by resolution of the Board of Directors, without requiring a resolution of the General Meeting of Shareholders, and provide the record date for the year-end dividend as March 31 and for interim dividend as September 30 each year, as well as allowing for the payment of dividends besides the above with the record date to be determined.

Regarding the dividends from surplus for fiscal year 2024, the interim dividend was 20 yen per share (compared with 20 yen per share for fiscal year 2023). However, as announced in the "Notice of Revision to the Year-End Dividend Forecast (No Dividend) For FYE March 2025" dated March 28, 2025", the Company has resolved not to pay a year-end dividend with a record date of March 31, 2025, in light of the planned tender offer by TK Co., Ltd. for the common shares of the Company, share options of the Company, and American Depositary Receipts.

8. Other Significant Matters concerning the Company's Status

Not applicable.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of March 31, 2025)

(Millions of yen)

	FY2024	FY2023 (Reference)
Assets		
Current assets		
Cash and deposits	20,235	19,623
Notes and accounts receivable – trade	53,438	48,067
Merchandise and finished goods	23,969	26,758
Work in process	2,189	2,084
Raw materials and supplies	25,608	28,569
Other	8,989	11,171
Allowance for doubtful accounts	(1,610)	(1,723)
Total current assets	132,821	134,551
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,827	10,856
Machinery, equipment and vehicles, net	6,567	6,654
Land	3,802	4,491
Leased assets	6,973	9,151
Construction in progress	8,772	3,825
Other, net	5,052	5,263
Total property, plant and equipment	40,994	40,242
Intangible assets		
Goodwill	13,286	15,764
Software	7,377	9,315
Other	14,637	16,214
Total intangible assets	35,301	41,295
Investments and other assets		
Investment securities	6,912	6,017
Long-term loans receivable	3,297	477
Deferred tax assets	23,746	19,010
Other	6,080	5,446
Allowance for doubtful accounts	(10)	(11)
Total investments and other assets	40,026	30,940
Total non-current assets	116,323	112,478
Total assets	249,144	247,029

	FY2024	FY2023 (Reference)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	13,311	15,394
Short-term loans payable	42,053	27,154
Lease obligations	3,004	3,306
Accrued expenses	11,165	11,169
Income taxes payable	1,750	3,131
Provision for product warranties	1,896	1,791
Current portion of bonds payable	10,000	–
Other	12,111	11,176
Total current liabilities	95,293	73,123
Non-current liabilities		
Bonds payable	30,000	40,000
Long-term loans payable	972	1,554
Lease obligations	4,994	7,544
Deferred tax liabilities	5,367	5,646
Provision for directors' retirement benefits	24	20
Retirement benefit liability	1,316	2,275
Other	6,334	6,564
Total non-current liabilities	49,010	63,606
Total liabilities	144,304	136,730
Net assets		
Shareholders' equity		
Capital stock	16,891	16,837
Capital surplus	20,792	20,739
Retained earnings	49,143	53,151
Treasury shares	(3,172)	(3,172)
Total shareholders' equity	83,654	87,556
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,220	1,579
Foreign currency translation adjustment	16,794	17,810
Remeasurements of defined benefit plans	1,675	1,354
Total accumulated other comprehensive income	19,690	20,743
Subscription rights to shares	63	63
Non-controlling interests	1,431	1,934
Total net assets	104,840	110,298
Total liabilities and net assets	249,144	247,029

Consolidated Statement of Income
(From April 1, 2024, to March 31, 2025)

(Millions of yen)

	FY2024	FY2023 (Reference)
Net sales	216,000	216,497
Cost of sales	102,098	101,731
Gross profit	113,902	114,766
Selling, general and administrative expenses	105,075	103,561
Operating profit	8,826	11,204
Non-operating income		
Interest income	291	336
Dividend income	53	66
Foreign exchange gains	—	210
Gain on valuation of investment securities	—	221
Other	445	351
Total non-operating income	790	1,186
Non-operating expenses		
Interest expenses	2,624	2,228
Interest on other liabilities	90	146
Share of loss of entities accounted for using equity method	151	246
Foreign exchange losses	471	—
Loss on evaluation of investment securities	490	—
Other	1,058	912
Total non-operating expenses	4,888	3,534
Ordinary profit	4,729	8,857
Extraordinary income		
Gain on sale of investment securities	—	394
Gain on sale of shares of subsidiaries and associates	—	760
Insurance claim income	—	801
Total extraordinary income	—	1,956
Extraordinary losses		
Impairment loss	890	1,434
Extra retirement payments	1,204	1,070
Loss on retirement of non-current assets	125	—
Tender offer-related expenses	501	—
Loss on litigation	—	3,420
Loss on sale of shares of subsidiaries	—	440
Total extraordinary losses	2,721	6,366
Profit before income taxes	2,007	4,446
Income taxes - current	6,330	4,420
Income taxes - deferred	(4,982)	(5,185)
Profit	659	5,211
Profit attributable to non-controlling interests	241	271
Profit attributable to owners of parent	417	4,940

Consolidated Statement of Changes in Net Assets

(From April 1, 2024, to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	16,837	20,739	53,151	(3,172)	87,556
Changes of items during the period					
Dividends from surplus			(4,425)		(4,425)
Profit attributable to owners of parent			417		417
Purchase of treasury stock				(0)	(0)
Other	53	53			107
Net changes of items other than shareholders' equity					
Total changes of items during the period	53	53	(4,008)	(0)	(3,901)
Balance at the end of current period	16,891	20,792	49,143	(3,172)	83,654

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit assets	Total accumulated other comprehensive income			
Balance at the beginning of current period	1,579	—	17,810	1,354	20,743	63	1,934	110,298
Changes of items during the period								
Dividends from surplus								(4,425)
Profit attributable to owners of parent								417
Purchase of treasury stock								(0)
Other								107
Net changes of items other than shareholders' equity	(358)	—	(1,015)	321	(1,053)	—	(503)	(1,556)
Total changes of items during the period	(358)	—	(1,015)	321	(1,053)	—	(503)	(5,458)
Balance at the end of current period	1,220	—	16,794	1,675	19,690	63	1,431	104,840

Non-consolidated Financial Statements

Non-consolidated Balance Sheet
(As of March 31, 2025)

	(Millions of yen)	
	FY2024	FY2023 (Reference)
Assets		
Current assets		
Cash and deposits	1,010	513
Notes receivable – trade	430	174
Accounts receivable – trade	15,617	13,753
Finished goods	5,211	5,911
Work in process	166	188
Raw materials and supplies	1,155	1,444
Advance payments - other	551	379
Short-term loans receivable	31,752	29,779
Accounts receivable - other	3,420	3,293
Other	106	133
Allowance for doubtful accounts	(115)	(121)
Total current assets	59,308	55,450
Non-current assets		
Property, plant and equipment		
Buildings	2,428	2,573
Structures	79	80
Machinery and equipment	367	293
Vehicles	0	0
Tools, furniture and fixtures	720	663
Land	236	236
Leased assets	161	189
Construction in progress	2,594	923
Total property, plant and equipment	6,590	4,959
Intangible assets		
Patent right	132	178
Leasehold right	57	57
Software	929	1,623
Other	4,472	2,644
Total intangible assets	5,592	4,504
Investments and other assets		
Investment securities	2,417	2,896
Shares of subsidiaries and associates	73,096	72,308
Investments in capital of subsidiaries and associates	1,010	545
Long-term loans receivable	1	3
Long-term prepaid expenses	869	690
Deferred tax assets	6,366	5,077
Other	341	341
Allowance for doubtful accounts	(3)	(4)
Total investments and other assets	84,100	81,858
Total non-current assets	96,283	91,321
Total assets	155,591	146,772

	FY2024	FY2023 (Reference)
Liabilities		
Current liabilities		
Notes payable – trade	770	366
Accounts payable – trade	3,951	7,037
Short-term loans payable	29,527	20,606
Lease obligations	690	682
Accounts payable – other	818	337
Accrued expenses	3,931	3,543
Income taxes payable	778	1,646
Advances received	–	0
Deposits received	101	76
Asset retirement obligations	62	154
Provision for product warranties	1,522	155
Current portion of bonds payable	10,000	–
Other	164	213
Total current liabilities	52,319	34,820
Non-current liabilities		
Bonds payable	30,000	40,000
Long-term loans payable	–	1,100
Lease obligations	147	809
Provision for retirement benefits	2,426	2,546
Other	301	212
Total non-current liabilities	32,875	44,668
Total liabilities	85,194	79,489
Net assets		
Shareholders' equity		
Capital stock	16,891	16,837
Capital surplus		
Legal capital surplus	19,380	19,326
Other capital surplus	1,924	1,924
Total capital surplus	21,304	21,250
Retained earnings		
Legal retained earnings	571	571
Other retained earnings		
General reserve	12,082	12,082
Retained earnings brought forward	21,554	18,207
Total other retained earnings	33,636	30,289
Total retained earnings	34,208	30,861
Treasury shares	(3,172)	(3,172)
Total shareholders' equity	69,231	65,777
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,101	1,442
Total valuation and translation adjustments	1,101	1,442
Subscription rights to shares	63	63
Total net assets	70,396	67,283
Total liabilities and net assets	155,591	146,772

Non-consolidated Statement of Income
(From April 1, 2024 to March 31, 2025)

(Millions of yen)

	FY2024	FY2023 (Reference)
Net sales	57,624	56,764
Cost of sales	40,717	38,237
Gross profit	16,907	18,526
Selling, general and administrative expenses	13,741	13,773
Operating profit	3,166	4,753
Non-operating income		
Interest and dividend income	6,718	4,418
Rent income	121	126
Foreign exchange gains	—	773
Other	391	328
Total non-operating income	7,231	5,647
Non-operating expenses		
Interest expenses	167	87
Interest on bonds	169	152
Foreign exchange losses	587	—
Rent cost	78	69
Depreciation	313	295
Bond issuance costs	—	109
Other	222	107
Total non-operating expenses	1,539	822
Ordinary profit	8,857	9,578
Extraordinary income		
Gain on sale of investment securities	—	394
Gain on sale of shares of subsidiaries	—	570
Total extraordinary income	—	964
Extraordinary losses		
Loss on retirement of non-current assets	125	—
Loss on extinguishment of tie-in shares	304	—
Tender offer-related expenses	501	—
Total extraordinary losses	931	—
Profit before income taxes	7,926	10,542
Income taxes - current	1,313	1,784
Income taxes - deferred	(1,160)	(396)
Profit	7,773	9,154

Non-consolidated Statement of Changes in Net Assets
(From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of current period	16,837	19,326	1,924	21,250
Changes of items during the period				
Issuance of new shares	53	53		53
Dividends from surplus				
Profit				
Purchase of treasury stock				
Net changes of items other than shareholders' equity				
Total changes of items during the period	53	53	—	53
Balance at the end of current period	16,891	19,380	1,924	21,304

	Shareholders' equity					
	Retained earnings				Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings brought forward			
Balance at the beginning of current period	571	12,082	18,207	30,861	(3,172)	65,777
Changes of items during the period						
Issuance of new shares						107
Dividends from surplus			(4,425)	(4,425)		(4,425)
Profit			7,773	7,773		7,773
Purchase of treasury stock					(0)	(0)
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	—	3,347	3,347	(0)	3,453
Balance at the end of current period	571	12,082	21,554	34,208	(3,172)	69,231

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at the beginning of current period	1,442	1,442	63	67,283
Changes of items during the period				
Issuance of new shares				107
Dividends from surplus				(4,425)
Profit				7,773
Purchase of treasury stock				(0)
Net changes of items other than shareholders' equity	(340)	(340)	—	(340)
Total changes of items during the period	(340)	(340)	—	3,113
Balance at the end of current period	1,101	1,101	63	70,396