



TOPCON REPORT 2018

(Integrated Report)



Topcon for Human Life

In the fields of healthcare, agriculture and infrastructure that form the foundations of people's lives, Topcon continues to grow with society and offer solutions that benefit people's lives.

TOPCON WAY



Under current business situation such that it is always required to demonstrate its all-round ability, it redefined and clarified its common values transcending nationalities and individual companies in order to exert its strengths such as global scale and diversity, and to build a self-supporting organizational culture.

Every employee conducts TOPCON WAY, and Topcon group will step in brand-new direction for centennial through which it does not only conduct its strategies to strengthen the profitability by foreseeing changes of business environment, but also enhance its capability with the mindset of TOPCON WAY.

Corporate Identity

Topcon contributes to enrich human life by solving the societal challenges within healthcare, agriculture and infrastructure.

Management Policy

Topcon focuses on leading-edge technology to provide new value through innovation and manufacturing.

Topcon respects diversity and acts as a global company.

Topcon places the utmost priority on compliance and continues to be a trustworthy partner to all stakeholders.

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Note related to performance forecasts and future outlook

In this annual report, information regarding performance forecasts, strategies, and future outlook is based on predictions drawn from information currently available. Accordingly, please be aware that our actual performance may deviate from the forecasts contained herein if conditions change in the future.





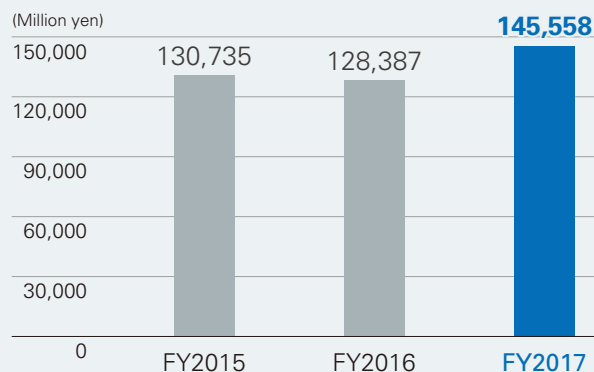
Topcon in Numbers

Net Sales



¥145,558
million

year-on-year 13.4%

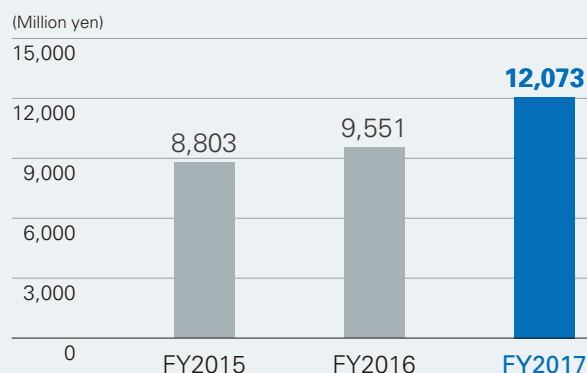


Operating Income



¥12,073
million

year-on-year 26.4%

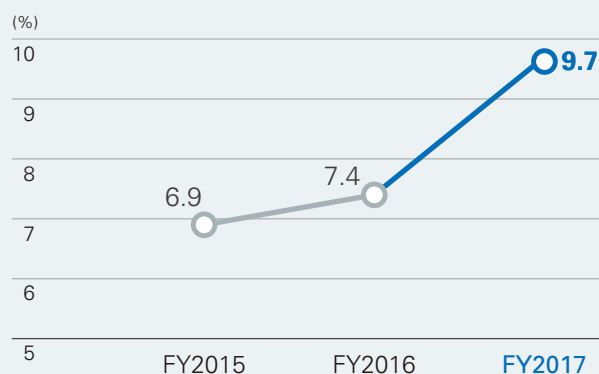


ROE



9.7
%

year-on-year 2.3%



Capital Expenditures



¥5,138
million

year-on-year 15.8%

R&D Expenditures



¥12,964
million

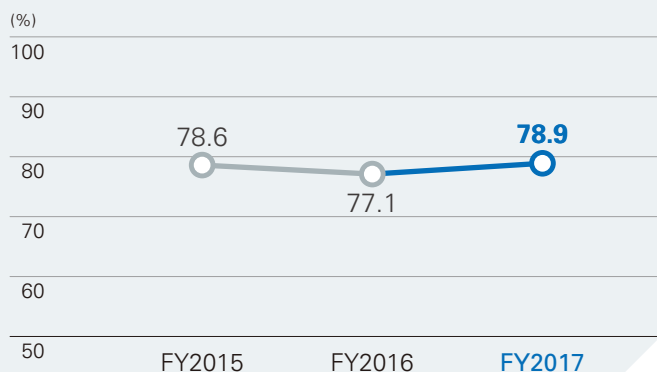
year-on-year 24.5%

Overseas Sales Ratio



78.9
%

year-on-year 1.8%



Number of Employees



4,723

Number of Subsidiaries/Affiliates



87

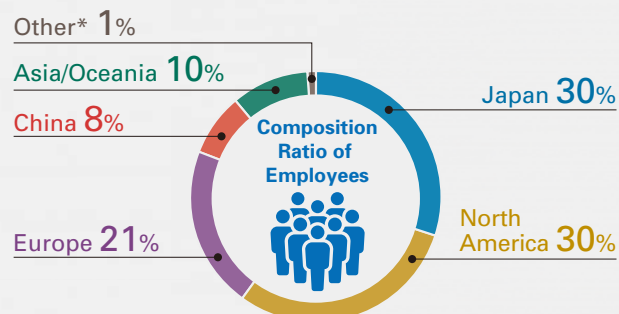
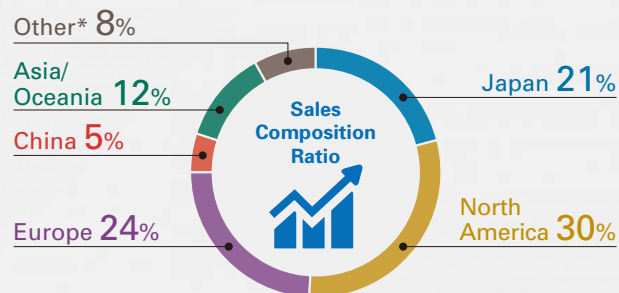
(Domestic 9)

Number of Bases



28
Countries

Data by Region



*Other includes Latin America, Middle East, Russia and Africa.

To Our Stakeholders

We strive to solve societal challenges in healthcare, agriculture and infrastructure to improve sustainable corporate value.

I would like to take this occasion to express particular thanks for the support of our shareholders. We strive to improve sustainable corporate value based on the Topcon's philosophy of solving the societal challenges in healthcare, agriculture and infrastructure to enrich life and society.

In healthcare, we will address increase in eye diseases resulting from global population aging through enhancement of IoT medical network solutions to improve early detection of diseases and healthcare service efficiency.

In agriculture, we will address food shortages resulting from global population growth through enhancement of our IT agriculture solutions to improve productivity and quality.

As for infrastructure, we will enhance IT construction solutions with an aim to address the shortage of expert engineers at construction site caused by increasing global demand on infrastructure.

As a result of initiatives to reach these objectives in line with our corporate philosophy, we achieved major gains in revenue and income in fiscal 2017 ending March 2018. The net sales hit a record high of 145,600 million yen, an increase of 13% over the previous year. All three business segments – the Positioning Company, the Smart Infrastructure Business and the Eye Care Business – saw revenue growth year-on-year, with the Positioning Company supported by brisk IT construction and IT agriculture businesses as well as sales growth of 3D optical coherence tomography (OCT) systems boosting the revenue of Eye Care Business. Moreover, as for year-on-year profits, operating profit rose 26% to 12,100 million yen, ordinary profit rose 40% to 10,700 million yen, and net profit attributable to shareholders of parent company rose 37% to 6,000 million yen. The result was an increase in the annual dividend to 20 yen, a gain of 4 yen over the previous year.

Meanwhile, we achieved our targets for management indicators with ROE of 9.7% and ROIC of 7.1%.

While each of the business segments grew steadily, we are making further investments for the future including investing in leading-edge technology, strengthening our sales force, and closing M&A deals in new fields. In addition, we are making efforts toward sustainable growth in environmental, social and governance (ESG) realms. Thanks to external evaluation of our superior ESG performance, Topcon was selected as a constituent of the MSCI Japan ESG Select Leaders Index adopted by Japan's Government Pension Investment Fund (GPIF) in 2017.

In fiscal 2018 ending March 2019, we aim for further growth in all three business segments: the Positioning Company, Smart Infrastructure Business, and Eye Care Business. The Positioning will move beyond IT construction used in bulldozers, hydraulic excavators, and other heavy equipment by focusing more on pavement construction and maintenance. In the field of IT agriculture, with an aim to expand sales for the aftermarket and OEMs and promote IT businesses, we will build mechanisms for platforms and look to streamline work with centralized data management.

The Ministry of Land, Infrastructure, Transport and Tourism is addressing Japan's shortage of engineers through working to further spread the use of i-Construction designed to make construction sites more appealing. Under these circumstances, Topcon's Smart Infrastructure Business is complementing our sales of systems and solutions for civil engineering by providing enhanced support for training. In Japan's IT agriculture sector, we will help boost productivity in farm work process through tractor automation.

In the Eye Care Business, while expanding 3D OCT sales, we have brought in a Division Director with a strong

* "i-Construction" is a registered trademark of National Institute for Land and Infrastructure Management, MLIT, Japan.

background in IT. Leveraging our experience in commercializing examination, diagnosis and treatment equipment for ophthalmology hospitals and clinics, we will work to expand our screening business into prevention and prognosis fields.

Through these efforts, we will set a target for year-on-year gains: net sales (up 3% to 150,000 million yen), operating profit (up 24% to 15,000 million yen), ordinary profit (up 22% to 13,000 million yen), and profit attributable to shareholders of parent company (up 16% to 7,000 million yen). We meanwhile plan to raise the annual dividend by 4 yen to 24 yen.

I would like to take this occasion to express particular thanks for the support of our shareholders.



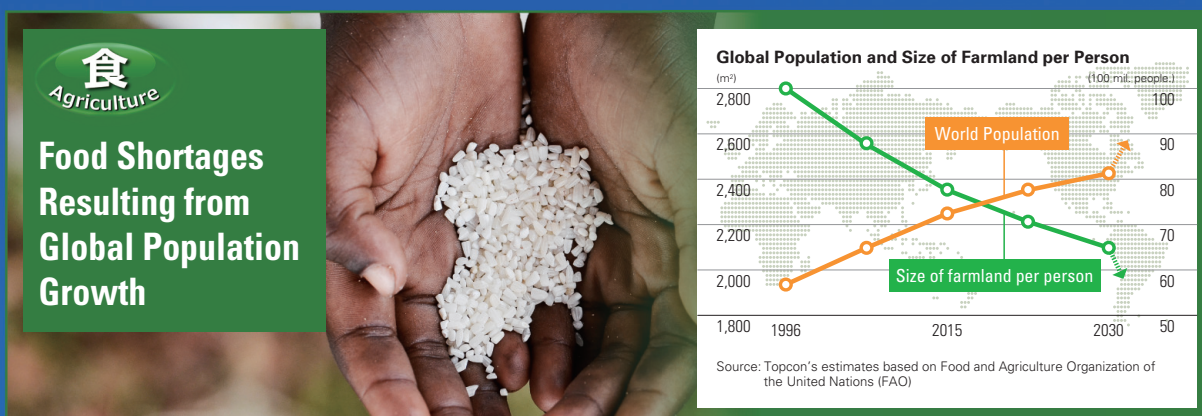
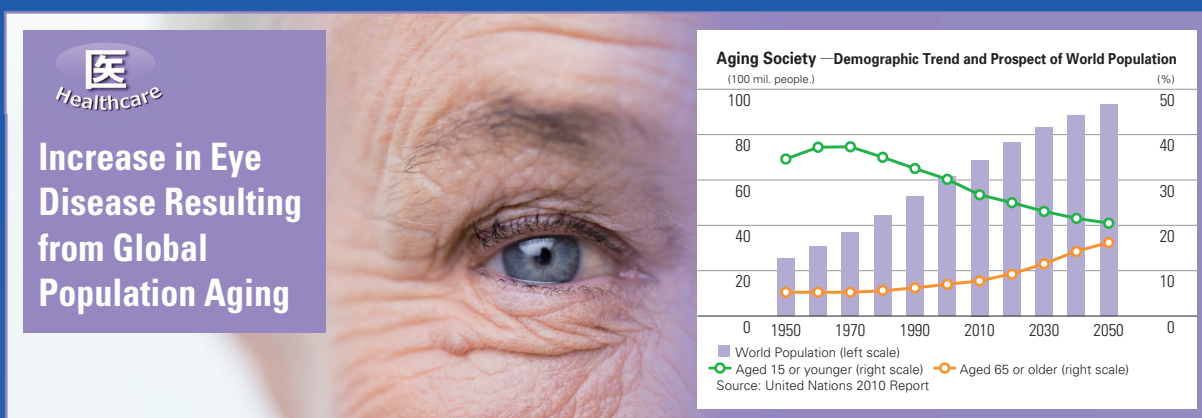
Satoshi Hirano
President & CEO



Topcon's Value Creation

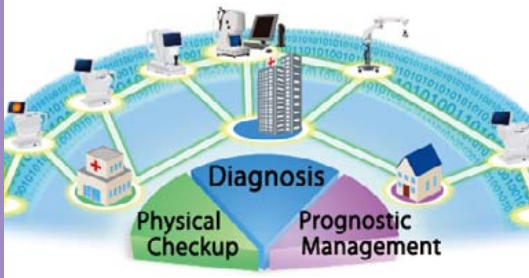
Topcon endeavors to improve sustainable corporate value by following the corporate philosophy embodied in the TOPCON WAY: "Topcon contributes to enrich human life by solving the societal challenges within healthcare, agriculture and infrastructure."

Contributing Societal Challenges



Topcon's Solution for the Existing Societal Challenges

IoT Medical Solutions (Network Creation)



Physical Checkup

Early Detection of
Eye Diseases

Prognostic Management

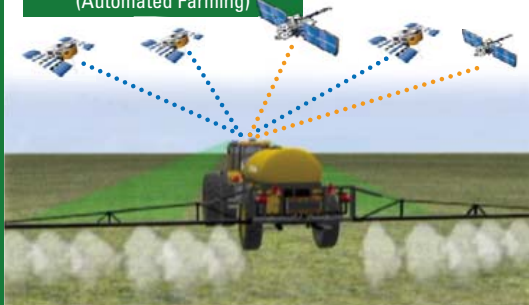
Medical Efficiency
Improvement

Healthcare



► P08

IT Agriculture Solutions (Automated Farming)



Auto-steering,
Labor Saving,
Improvement of
Productivity &
Quality

Agriculture



► P12

IT Construction Solutions (Automated Construction Work)



Experts Unrequired,
High-Precision
Solutions to Labor
Shortage

Infrastructure



► P16



Healthcare

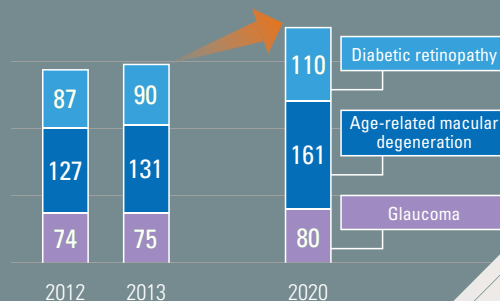
Societal Challenges

Global Population Aging

Increasing Eye Diseases

Eye Disease Patents

(unit: millions of people)



Source: Market Scope and Topcon's Estimates

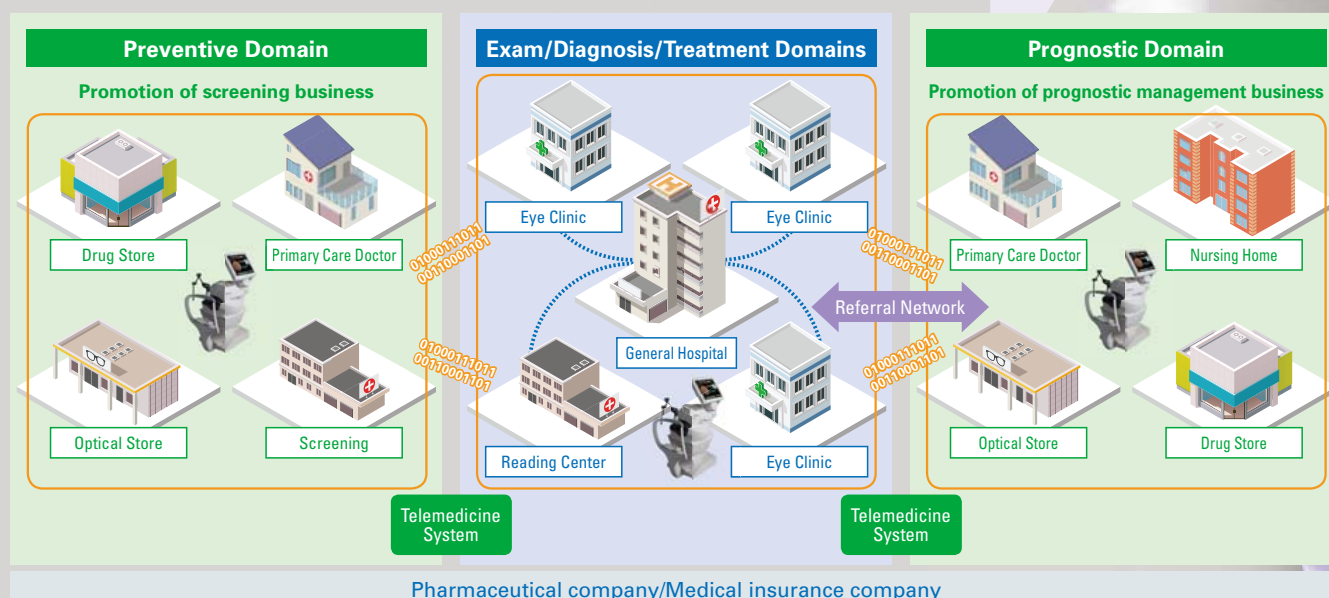
Solutions

IoT Medical

Network Creation

Expanding Business Domains Telemedicine System

Enhancing its existing examination, diagnosis, and treatment businesses, Topcon is expanding into screening and prognostic management fields while promoting telemedicine systems through the use of 3D OCT and IT solutions.





Early Detection of Eye Diseases Medical Efficiency Improvement





Healthcare

Early Detection of Eye Diseases, Medical Efficiency Improvement

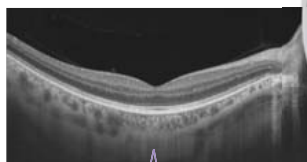
In the field of healthcare for eye diseases, Topcon covers domains ranging from existing examination, diagnosis and treatment to physical checkups and screening as well as prognostic management with our 3D OCT and IT solutions, with an aim of early detection and medical efficiency improvement. Furthermore, Topcon is working on telemedicine systems.



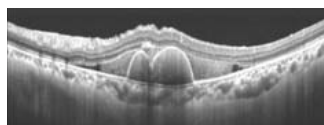
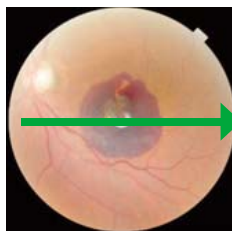
Cutting-Edge Swept Source OCT

SS-OCT employs a wavelength-swept laser with a center wavelength of 1,050 nm. It has better tissue penetration than conventional SD-OCT. This enables faster, deeper and more vivid imaging, from vitreous bodies to choroids.

Swept Source OCT



Since SS-OCT has good penetration and largely resists the effects of opacity from ocular media, the signal reaches deep inside to visualize inner tissue layers, even in the event of cataracts or fundal hemorrhages.



OCT Angiography

OCT Angiography uses OCT technology for a non-invasive examination without fluorescent contrast agents. It enables sensitive detection of microvascular flow, as well as observation of blood vessel layers from the retinochoroidal region.



Partnership with IDx—Obtained the US Food and Drug Administration (FDA) certification for World's First Automated AI Diagnosis.

Topcon partners with IDx, an American firm developing algorithms for detecting eye diseases. IDx received FDA approval for an automated AI diagnosis using the TRC-NW400, a Topcon's non-mydriatic retinal camera with fully automated functions in April 2018. Automated AI diagnosis promises early detection and treatment as well as medical efficiency improvement.



AI Automatic Diagnosis System

(Primary Care Doctor)

Diagnose Diabetic Retinopathy easily.

Imaging retina by NW400

Upload to the Cloud



AI automatic diagnosis

Effects

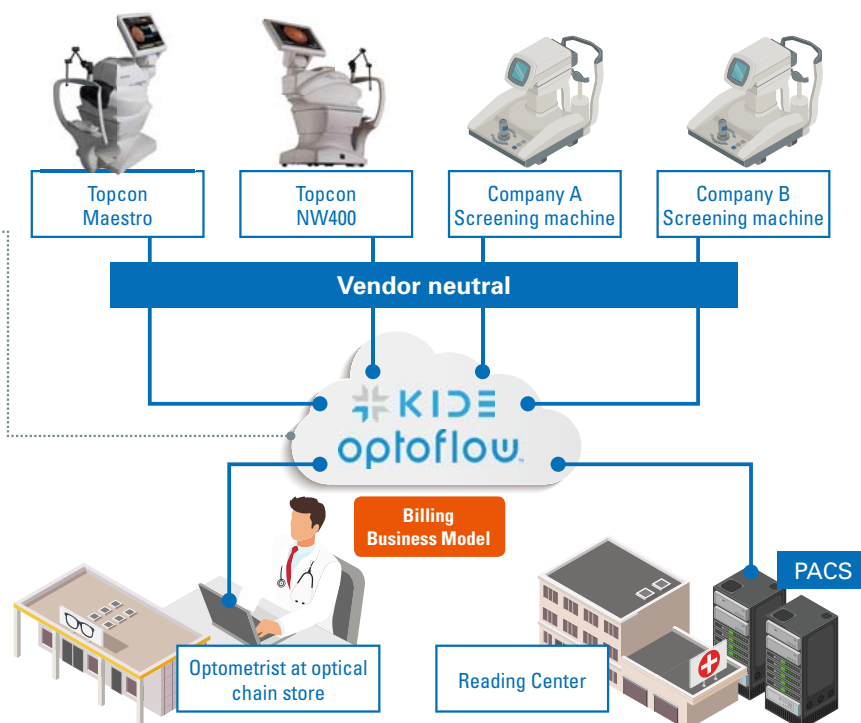
- Early detection, early treatment
- Improving medical efficiency
- Increasing medical quality

Acquisition of KIDE—Accelerate the Screening Business for Eyeglasses Chain Stores

To accelerate our screening business for eyeglasses chains, Topcon acquired KIDE, a Finnish company with a solid track record in Europe in April 2018. We are developing our billing business with the use of KIDE's data management system for fundus imagery.

Optoflow Product Features

- This cloud-based data management system eliminates the need for users to invest in or manage IT equipment or personnel.
- User-friendly features operating with a simple user interface
- Vendor-neutral in its adaptability to various devices by numerous makers, including OCT/SLO, retinal cameras, perimeters.





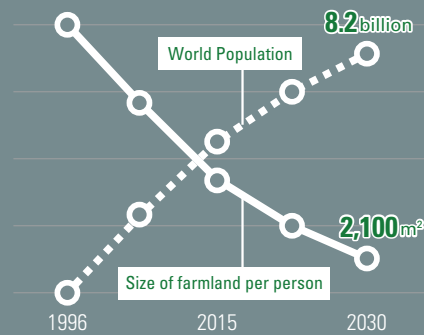
Agriculture

Societal Challenges

Global Population Increase

Food Shortage

Global Population and Size of Farmland per Person



Source: Topcon's estimates based on Food and Agriculture Organization of the United Nations (FAO)

Solutions

IT Agriculture

Automated Farming

Auto-steering
Labor Saving

Outfitting a tractor with an auto-steering system carrying a Topcon GNSS receiver raises productivity and precision. Equipped with positioning data, machine control technology and weighing information, the tractor can operate over a larger area.

Improvement of Productivity and Quality





Agriculture

Improvement of Productivity and Quality

Topcon's products dramatically increase productivity and realizes high-precision farming operations. With IT agriculture systems that provide solutions containing positioning data, machine control technology and weighing information, Topcon seeks to help solve food shortages worldwide.



Topcon's Systems Help Streamline All Processes of Agricultural Cycle

In agriculture, Topcon enhances agricultural cycle with auto-steering technology employing precision GNSS positioning controls, as well as weighing sensors, automated boom control technology and more.



Checking tractor trajectories on the monitor and automatic alignment of tractor prevent overlaps in seed sowing.



Fertilization maps, produced with crop growth data measured in real time, help plan next season's work.



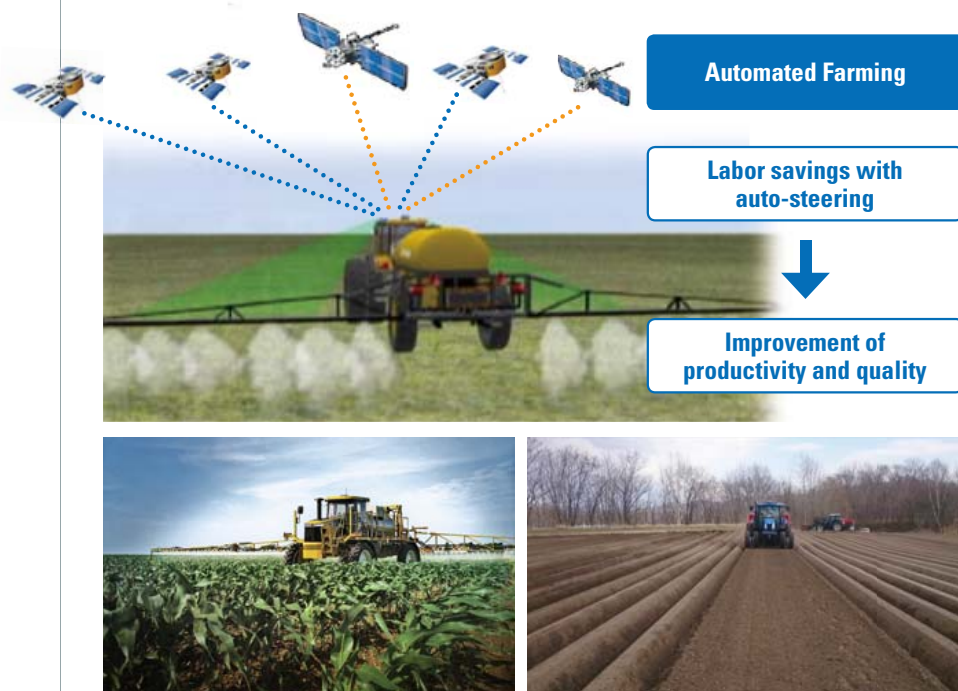
When spraying fertilizer, automated guidance follows driving line aligned with fertilizer spread width. This prevents overlapped spraying and eliminates wasted work.



Since the tractor can run straight along the configured traveling width, farmers can work efficiently without any of the crop going unharvested.

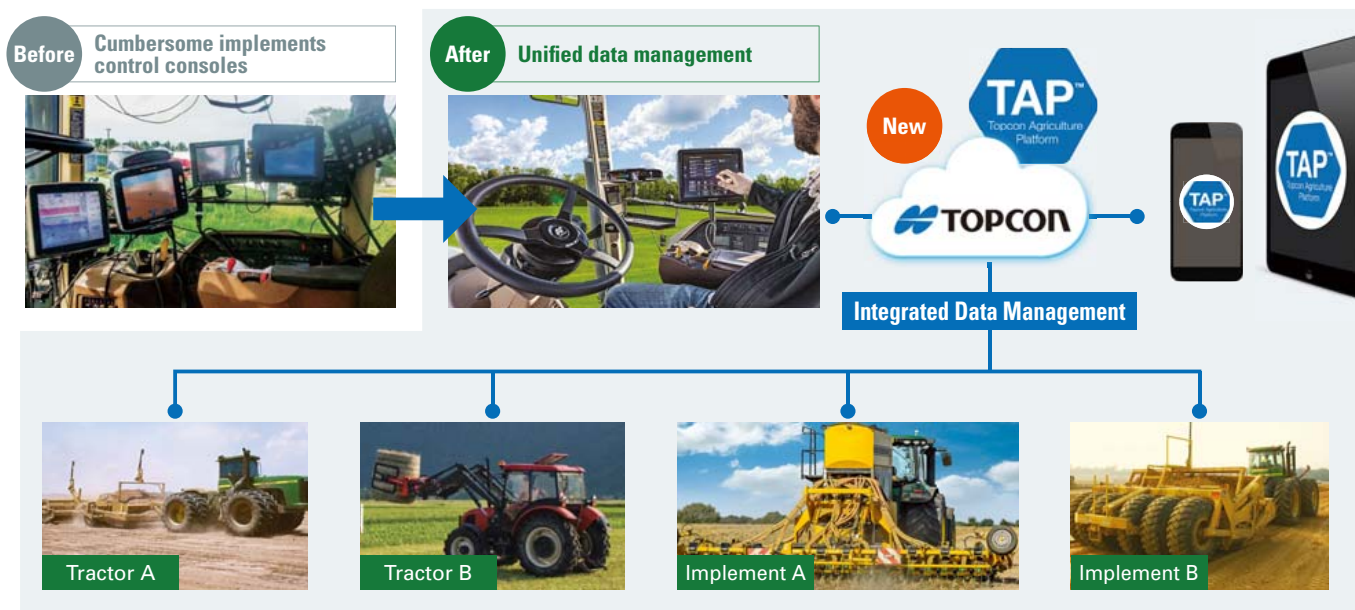
Solutions Sought in Agriculture Field

IT agriculture solutions seek to automate farming processes and dramatically enhance efficiency.



Promoting IT Business—Release of TAP™ (Topcon Agriculture Platform)

To promote the IT business, we have developed TAP, a cloud-based platform that can unify management of data from tractors and other agricultural machinery working on a farm. With integrated management of multiple machines from a single control panel, we expect TAP will deliver efficiency enhancement to agriculture.





Infrastructure

Societal Challenges

Global Demand on Infrastructure

Engineer Shortage

Solutions

Infrastructure Investment on Rapidly Growing Developing Countries

	Railway construction project (2016-2030) 17 trillion yen
	13th Five-Year plan (2016-2020) Railway & road construction 40 trillion yen
	Infrastructure development master plan (2015-2022) Infrastructure construction 10 trillion yen
	Medium-term development plan (2015-2019) Infrastructure construction 55 trillion yen
	Four-year national development plan (2016-2019) Logistics & transport network construction 13 trillion yen

Source: Report No. 142, Policy Research Institute for Land, Infrastructure, Transport and Tourism, Ministry of Land, Infrastructure, Transport and Tourism

IT Construction

Automated Construction Work

Experts Unrequired
High-Precision

Inputting on-site 3D design data into Topcon's IT automated control system mounted on construction machinery enables its automated control and helps its operation. This realizes high-precision construction work regardless of the operator's skill level.





Solution to Labor Shortage





Infrastructure

Solution to Labor Shortage

Construction machinery equipped with Topcon's IT automated control system carrying a GNSS receiver allows operators to input 3D design data on site and use those data at the work site. This revolutionize infrastructure construction by eliminating the need for skilled machinery operators while achieving high precision in construction work.

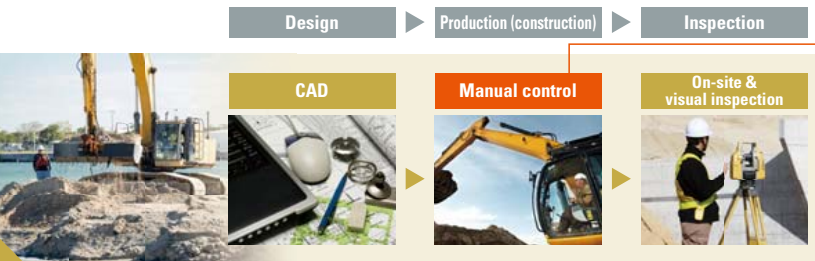


Solutions Sought in Infrastructure Field

We achieve huge efficiency gains by turning civil engineering and construction work into factory-like operations with IT and automation that the industry has been relatively slow in adopting.

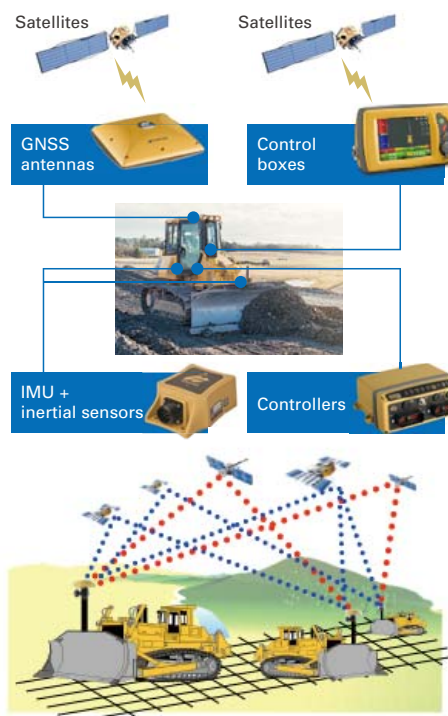
Factory vs **Construction**

Automobile Plants: advanced process automation has greatly enhanced productivity.



Construction Sites: one of the world's biggest industries, yet slower to adopt IT and automation.

Automated Civil Engineering



The SmoothRide™ Solution

Fully adopting digitalize for road surface measurement and milling overlay work streamlines the work of laying down asphalt because it allows automated control of depth of milling and thickness of asphalt layer, thereby shortening road closure time.



Minimize
road closure
time

Milling
thickness
management

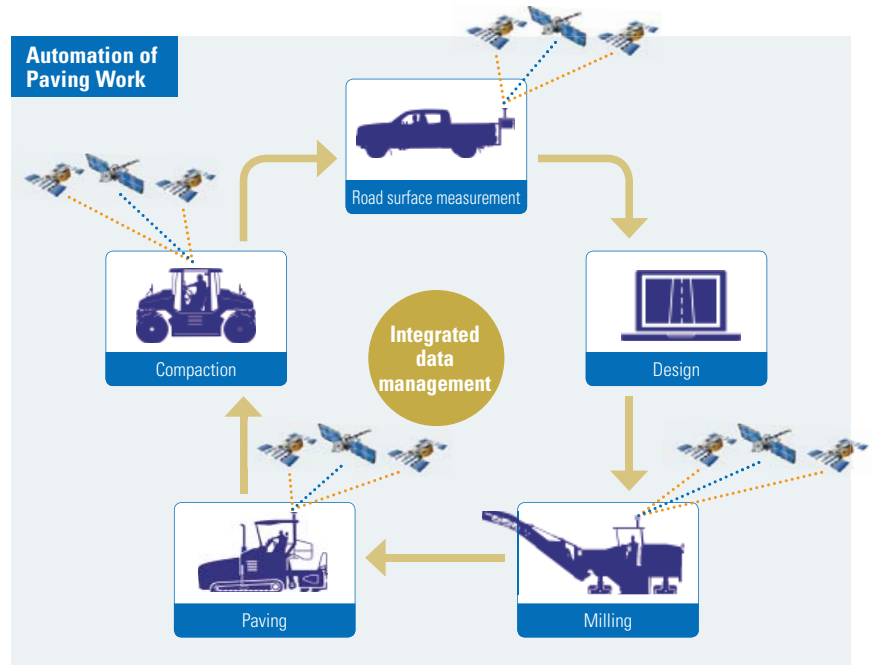
Pavement
thickness
management

Milling time

36% shorter

Streamlined milling

76% more efficient



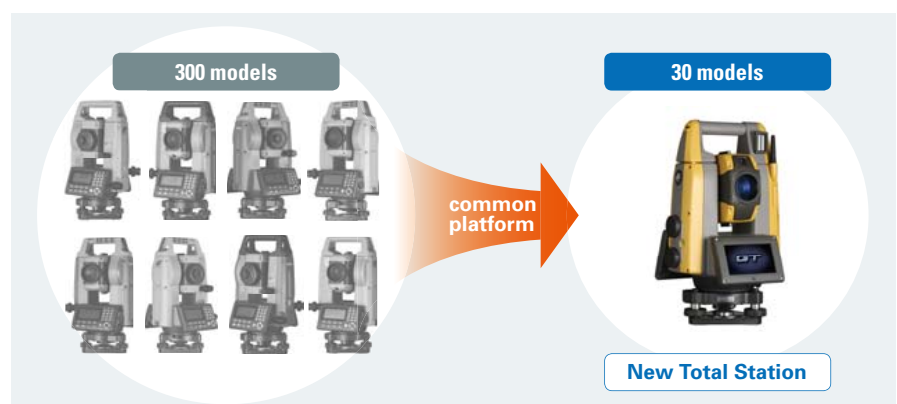
Growth in the Profitability of Total Stations

Integration of Production Base at Topcon Yamagata

We have consolidated manufacturing operations at Topcon Yamagata. Topcon Yamagata was originally the main plant for our eye care business. We have transferred to Yamagata the facilities for our Total Stations, which are the mainstay products in our smart infrastructure line. This integration enables us to optimize our production environment by giving us better ability to deal with fluctuations in production and simplifying reallocation of personnel. Our aim here is to maximize production efficiencies which will eventually contribute to profitability.

Commonalized Platform

There used to be around 300 models in the lineup of Total Stations. By standardizing the platform, we've managed to consolidate those 300 models down to 30 models. This way we're able to build systems with high functionality and high quality, delivering an excellent product to our customers while generating a highly profitable product line. This change is contributing to profitability and we are expecting to see the growth in our profits throughout the year of 2018.



Business Overview

(For the year ending March 31, 2018)

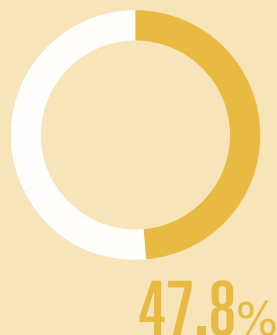


POSITIONING COMPANY



P22

Sales Ratio (%)



Fields

- IT construction
- IT agriculture
- GNSS surveying

Major Products

- GNSS receiver
- Machine control system
- IT agriculture system
- IT site management solution

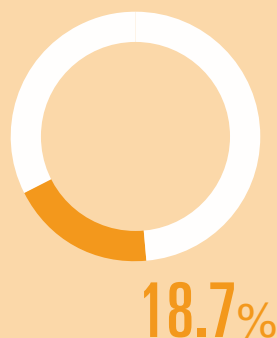


SMART INFRASTRUCTURE BUSINESS



P23

Sales Ratio (%)



Fields

- Surveying/ Construction/ Building
- 3D measurement/ monitoring
- BIM
- IT agriculture

Major Products

- Total Station (Motorized robotic Total Station, Imaging Station)
- Mobile mapping system
- 3D laser scanner
- Data collector
- Theodolite
- Levels/digital level
- Self-leveling construction laser
- Pipe Laser
- Asset management system (Cloud-based Total Station management system)

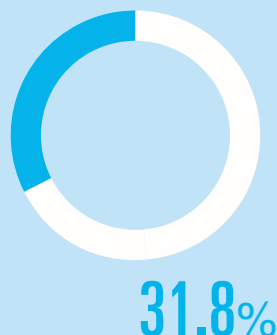


EYE CARE BUSINESS



P24

Sales Ratio (%)



Fields

- Preventive medicine/ physical checkups
- Examination
- Diagnosis
- Treatment

Major Products

- 3D optical coherence tomography system (3D OCT)
- Retinal camera
- Ophthalmic digital image filing system
- Auto refractometer/ Auto kerato-refractometer
- Slit lamp
- Computerized tonometer
- Lens edger
- Lens meter
- Ophthalmic laser photocoagulator

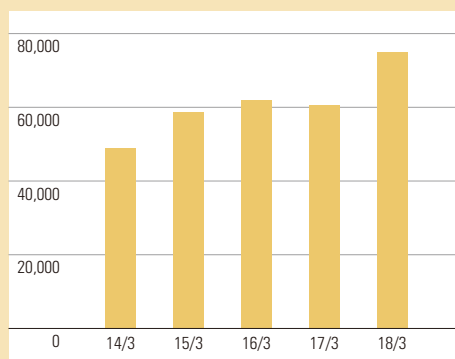
*Sales ratio figures are calculated based on sales to external customers.

Strengths/Strategies

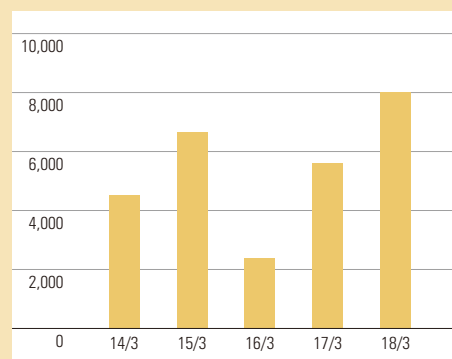
Strengths We are providing products and systems using high-precision GNSS positioning technology in the fields of GNSS surveying, IT construction, and IT agriculture on a global scale.

Strategies With GNSS positioning technology at the heart of our activities, we will lead the market in IT construction by the innovative technology not found in other companies. We will also expand our share in new IT agricultural field through generating synergy effects through M&As.

Net Sales (million yen)



Operating Income (million yen)

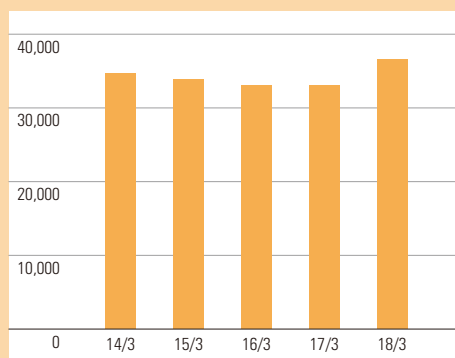


Strengths/Strategies

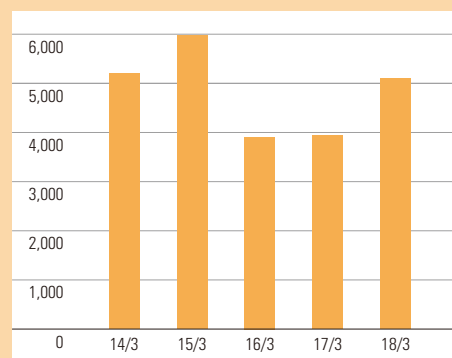
Strengths We are utilizing high-precision position data acquired through combining optical technologies we have developed since our founding with cutting-edge technologies including lasers and image processing.

Strategies We will work to strengthen core businesses and develop high value-added growing businesses. At the same time, we will build global manufacturing, sales, and engineering structures and work toward becoming an industry leader.

Net Sales (million yen)



Operating Income (million yen)

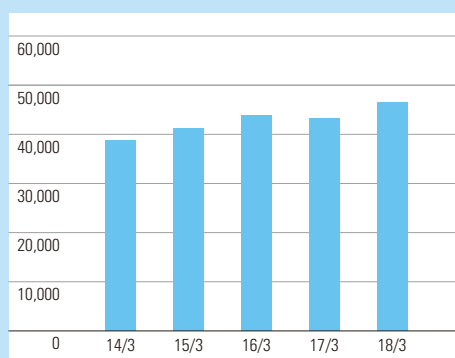


Strengths/Strategies

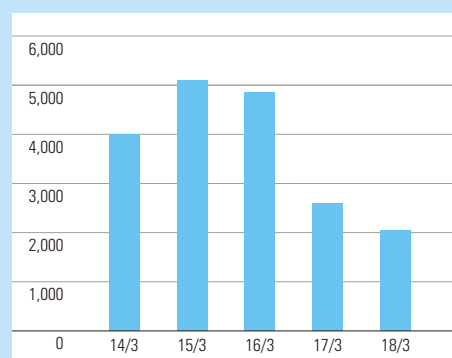
Strengths We will provide total IoT medical network solutions through our expanded product lineup, ranging from examination and diagnostic systems (hardware) using optomechatronic technology to IT solutions including image processing software, and telemedicine systems.

Strategies We are expanding our business domains from the core fields of examination, diagnostic, and treatment to include physical checkups, screening, and prognostic management. In addition, we will make every effort to generate stable profits on a worldwide basis.

Net Sales (million yen)



Operating Income (million yen)



POSITIONING COMPANY

Net Sales **74.9 billion yen**  (up 23.7% year-on-year)

Operating Income **8 billion yen**  (up 43.3% year-on-year)



FY2017 Financial Results

The Positioning Company posted net sales of ¥74,945 million, up 23.7% year on year, backed by solid growth in IT construction and IT agriculture systems in various regions. Operating income rose 43.3% to ¥8,018 million mainly due to increase in net sales. Thanks to substantial increases in revenue and earnings, we reported record highs for both net sales and operating income.

In particular, we posted a 20% year-on-year increase in sales of IT construction systems which had entered a period of widespread use. In IT agriculture, we enjoyed 30% growth in sales, thanks to recovery in grain prices and expanding OEM sales. In preparation for future market growth, we made investments to develop advanced technologies and enhance our sales network.

By region, we reported sales growth in North America, where our IT construction and IT agriculture systems performed well, and posted higher sales in regions including Europe, Asia and Oceania, China.

Future Initiatives

The Positioning Company has developed a paving work system as a new pillar supporting its IT construction systems business. Called “integrated resurfacing system,” it features a mechanism for automating all of the processes—pavement measurement, design, milling, paving, and compaction—through integrated data. Centralized control of data also helps in terms of maintenance. For example, it enables decisions on resurfacing after the paving work has been completed.

In IT agriculture, we will strengthen our sales capabilities, especially in the aftermarket, through the acquisition of one of Europe’s largest distributors. We will also aim to increase sales in the OEM market by expanding cross-selling in collaboration with more than 200 OEM partners.

TOPICS

Release of Topcon Agriculture Platform (TAP™)

Topcon has developed Topcon Agriculture Platform (TAP), which brings together multiple agricultural work systems and displays that are fitted into different tractors into a single unit to improve operational efficiency and productivity.

In the United States and Europe, advances in IT agriculture have led to widespread use of systems that manage information using independent displays by each agricultural task such as irrigating and composting. This results in situations where multiple displays are installed in the cockpit, which is burdensome for operators.

With TAP, information related to agricultural work is centrally managed in the cloud, enabling operators to recall only the information necessary for tasks of the moment onto one display. In addition to improving the productivity of individual tractors, TAP provides operators with centrally controlled information for use to manage all aspects of agricultural work. We position TAP as the core system of our agriculture-related businesses because it allows centralized management of all processes pertaining to IT agriculture.



SMART INFRASTRUCTURE BUSINESS

Net Sales 36.6 billion yen (up 10.7% year-on-year)

Operating Income 5.1 billion yen (up 29.5% year-on-year)



FY2017 Financial Results

The Smart Infrastructure Business posted net sales of ¥36,626 million, up 10.7% year on year mainly due to growth in i-Construction and IT agriculture in Japan. Operating income surged 29.5% to ¥5,102 million due to higher net sales.

The current year saw a remarkable improvement in profitability with the operating margin rising 2% from 11.9% to 13.9%. The main driving forces were i-Construction and IT agriculture in Japan: the former increased by 40% year-on-year in operating income, and the latter almost tripled with a 190% jump in operating income.

In the year under review, we promoted the use of a common platform for our Total Stations, which are our core products, with the aim of improving profitability.

We performed well outside Japan as well. We reported steady sales of Total Stations in North America and Europe. We also enjoyed sales growth in Asia and Oceania, as well as in other regions such as the Middle East and Latin America.

Future Initiatives

In the Smart Infrastructure Business, we will target ongoing sales growth in i-Construction and IT agriculture. In i-Construction, under the initiative of Japan's Ministry of Land, Infrastructure, Transport and Tourism in its third year, we will further enhance educational support and systems to address the shortage of technicians and engineers, which has become a serious issue. In IT agriculture, we will step up sales to small farms.

Furthermore, we will complete our shift to common platforms for our Total Stations, thereby reducing the number of models from 300 to 30. At the same time, we will consolidate our production operations in Topcon Yamagata. In addition, we will target full-scale entry into the Building Information Modeling (BIM) market, taking advantage of our ability to easily link measurement with design data thanks to our acquisition of ClearEdge3D.

* "i-Construction" is a registered trademark of National Institute for Land and Infrastructure Management, MLIT, Japan.

TOPICS

Full-scale Entry into Building Information Modeling (BIM) Market

On February 2018, Topcon has acquired ClearEdge3D, a U.S. company offering software technologies and products for the efficient 3D modeling of point cloud data obtained from drones, laser scanners and other devices. This marks our full-scale entry into the BIM market which brings about more efficient production processes in the construction field.

By combining ClearEdge3D's three-dimensional (3D) model construction technology with our own 3D measurement technologies using drones and 3D scanners, we can seamlessly link basic design data—using measurement data—with construction data from the site (these two data sets were previously fragmented). As a result, the work that it took nine weeks to complete previously is now expected to be completed in three days, ensuring improved productivity and major reductions in construction periods. The construction industry has been thought to be slow in improving efficiency of production process. Nevertheless, recent moves in the United Kingdom and other countries to make BIM mandatory focus on efficiency improvement. Going forward, we will aim to grow in the BIM market by leveraging our 3D measurement technologies along with the 3D modeling technologies of ClearEdge3D.



EYE CARE BUSINESS

Net Sales **46.5 billion yen**  (up 7.8% year-on-year)

Operating Income **2 billion yen**  (down 21.6% year-on-year)



FY2017 Financial Results

The Eye Care Business recorded a 7.8% year-on-year increase to ¥46,515 million in net sales owing largely to growth in sales of 3D optical coherence tomography (OCT) systems mainly in the United States. On the other hand, operating income declined by 21.6% to ¥2,038 million due to an increase in the costs of upfront investments in IoT-related fields as well as sluggish sales in Europe.

Our 3D OCT systems, the core products of the Eye Care Business, performed well, with 3D OCT Maestro enjoying particularly healthy sales. During the year, we also obtained Food and Drug Administration (FDA) approval in the United States for our top-end 3D OCT Triton which we subsequently started selling. In addition, sales of the Topcon TRC-NW400 retinal camera in the screening market grew significantly.

In addition to North America, we posted increased sales of 3D OCT Maestro in Asia and Oceania.

Future Initiatives

In the Eye Care Business, we will focus on expanding sales of the top-end 3D OCT Triton, which we launched in the United States in fiscal 2017. We will expand our sales targets from university hospitals and other research organizations to clinical practices that have broader horizons. As for 3D-OCT Maestro, which received FDA approval in July 2016, we will broaden sales coverage to include health screenings at clinics where there is greater market potential than existing clinical uses. We aim to expand sales in markets other than North America through focusing on our two main OCT systems—Triton and Maestro.

In addition, we will work to expand our businesses in the eye care field, specifically preventive and prognostic care areas. To this end, we will promote upfront investments and commercialization aimed at launching an IoT business in this field.

TOPICS

Upfront Investments and Commercialization aimed at IoT Business Launch

One of our growth strategies in the eye care business is to expand our presence in the screening field. As part of this strategy, we acquired KIDE Clinical Systems, a Finland-based data management company specializing in ophthalmology.

KIDE has a system that allows remote diagnosis in image-reading centers of examination data taken by examination equipment. Its vendor-neutral system is compatible with equipment made by any company. Despite our enhanced performances of Maestro, Triton, and other equipment, we have not developed a system for accurately diagnosing data measured by the equipment. With KIDE's system, we will establish a remote diagnosis capability. In addition to Northern Europe, where we have developed our business centered on large-scale optical chainstores, we will reinforce sales in Central Europe and Southern Europe.

In the meantime, we have formed an alliance with U.S.-based IDx in the eye care business. IDx is the world's first company to obtain FDA approval for an AI automated diagnostic system, which it developed using our Topcon TRC-NW400 retinal camera. Going forward, we will use this system to perform diagnoses related to diabetic retinopathy, thus aiming for early detection and treatment of eye diseases as well as improved medical efficiency.



Topcon's ESG

ESG

The Topcon Group has pledged its support for the principles of the United Nations Global Compact (UN GC) from its inception. Guided by the spirit of the UN GC, the Company is committed to engaging in activities that will help ensure profitable growth. In particular, we are working to expand our business through resolving societal challenges in the growth markets of "Healthcare," "Agriculture," and "Infrastructure." We pride ourselves in making a significant contribution to the Sustainable Development Goals (SDGs) while resolving such social issues.

Topcon has put in place a basic policy for CSR that underpins all of its CSR-related activities. The Company also puts forward annual action plans based on this policy. In addition to providing products that help address societal issues, we attach considerable importance to promoting communication with stakeholders and contributing to society through our business activities.

Based on a corporate philosophy of "coexistence," we are committed to global environmental solutions, CSR activities that contribute to society, optimal corporate governance structure and systems, and compliance with all legal and regulatory requirements as well as social norms.

Basic Policy for CSR

- 1 TOPCON will position CSR activities as the cornerstone of business and make CSR efforts based on action plan in order to build, share and implement the values and standards suitable for global enterprise.
- 2 TOPCON will, within our sphere of influence, follow and implement global rules and regulations regarding Human Rights, Labor Standards, Environment and/or Anti-Corruption as set forth in the UN Global Compact.
- 3 TOPCON will make active social contributions through development, production, sales and services of useful products.
- 4 TOPCON will promote environmental management through creating and providing environmentally-conscious business processes, products, and services.
- 5 Every officer and employee at TOPCON will strive to perform CSR activities when doing his/her daily work and to instill him/her with sense of CSR both within the TOPCON Group and globally.
- 6 TOPCON will earn the understanding and trust of all stakeholders of TOPCON Group through proactively providing information.

Topcon's ESG

In promoting ESG activities, the Topcon Group attaches great importance to communications with the Group's stakeholders, conducts checks and evaluations of the performance of individual activities every fiscal year, and draws on these evaluation results for the activities of the following fiscal year and beyond. In addition, we place priority on international frameworks such as UN GC and SDGs and engage in ESG activities expected of a global company.

Relationship with Stakeholders

Based on the basic policy for CSR, the Topcon Group offers products and services that will help address societal issues. At the same time, we attach great importance to communications with the Group's diverse stakeholders and endeavors to make social contributions through its business activities.

The Group conducts checks and evaluations of the performance of its ESG activities every fiscal year and draws on these evaluation results to set goals for the activities of the following fiscal year.

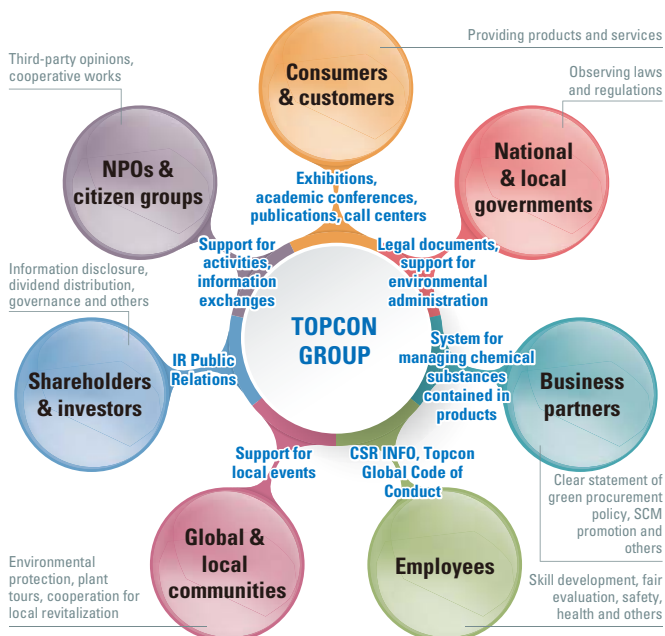
For customer satisfaction, our mission is to improve product quality and respond swiftly to customer complaints. In this regard, we conduct risk analyses and strengthen design reviews which, in turn, contributes to compliance with development schedule and quality improvement. We also pledge to conduct fair transactions with our clients such as through clarifying material procurement policies.

For our employees, we strive to raise their satisfaction level while improving their work environment. We aim to create a comfortable, highly satisfactory workplace environment through raising awareness of health and safety and enhancing diversity and other efforts.

We contribute mainly to environmental aspects for sales agents and other business partners, national and local governments, global and local communities, as well as NPOs and citizen groups. In addition to providing environmentally-conscious and resource-saving products as well as products and services useful for improving medical care, health and life, we seek to reduce our environmental footprint in our development, production and sales processes and make environmental contributions asked for by these stakeholders.

We also seek to communicate with shareholders and investors by strengthening information dissemination and maintaining external evaluations.

Our website is our primary channel for disclosing information on our communications with all stakeholders. We also use various other means such as IR public relations, local events, exhibitions, academic conferences, and publications to disclose information and communicate with stakeholders in a multifaceted and multilayered manner.



In addition to the Integration Reports and our websites, TOPCON Group utilizes various channels of communication, as described above.



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UN GC and SDGs

The Topcon Group, with its sales outside Japan accounting for nearly 80%, is actively involved in international frameworks such as the United Nations Global Compact (UN GC) and the Sustainable Development Goals (SDGs).

Since joining the UN GC in October 2007, the Topcon Group has established the TOPCON WAY as well as a basic policy for CSR. At the same time, we have named “Topconian” to describe efforts aimed at incorporating the 10 principles of the UN GC into our strategies, initiatives and systems. Moving forward, we are engaging in a wide range of awareness-raising activities to put the principles of the UN GC into practice.

Furthermore, the Topcon Group is committed to taking actions for the SDGs adopted at the UN Summit in 2015. Companies are encouraged to participate in the SDGs to work toward the 17 goals of reducing poverty and inequality, ensuring sustainable consumption and production, and combating climate change. With this international backdrop in mind, Topcon is taking initiatives through clarifying the priority issues.



Given many overlaps between the SDGs and our social contributions, particularly in our core “healthcare,” “agriculture,” and “infrastructure,” businesses, we strive to adapt them to the SDGs through resolving the respective issues in our core businesses.

In addition, Topcon was selected as a constituent of the MSCI Japan ESG Select Leaders Index which consists of companies selected from the MSCI Japan IMI Top 500 Index for high Environmental, Social and Governance (ESG) performance. In July 2017, the Index was selected by the Government Pension Investment Fund (GPIF) as one of the ESG indices for passive investment tracking.

Corporate Identity


Topcon contributes to enrich human life by solving the societal challenges within healthcare, agriculture and infrastructure.

Contributing Societal Challenges

医 Healthcare	食 Agriculture	住 Infrastructure
Increase in Eye Disease Resulting from Global Population Aging	Food Shortages Resulting from Global Population Growth	Global Infrastructure Demand in order to Solve Labor Shortages at Construction Sites
3 GOOD HEALTH AND WELL-BEING	2 ZERO HUNGER	11 SUSTAINABLE CITIES AND COMMUNITIES



Environmental Initiatives



As a corporate group expanding globally, the Topcon Group believes that it is essential to address global environmental issues and strengthen environmental management.

Topcon Group Environmental Vision 2020

As a corporate group providing products globally, the Topcon Group works toward sustainable society, upholding “Topcon Group Environmental Vision 2020” to fulfill its social responsibility in environmental protection.

1. Mitigating Global Warming

The Topcon Group regards global warming as the most important environmental problem and aims to reduce its CO₂ emissions from its sites in Japan by 25% by the end of fiscal 2020 below the fiscal 1990 level, and within the same framework, we work to reduce CO₂ emissions at its overseas sites.

2. Contribution through Products

We strive to reduce energy use and conserve resources so as to further reduce our environmental impact across the product lifecycle. We also work with our customers to offer products, technologies, and services that help mitigate global warming, make effective use of natural resources, and conserve biodiversity. Moreover, as part of our manufacturing-based corporate culture, we endeavor to recycle and make effective use of waste products from our corporate activities such as R&D, manufacturing, and marketing.

Environmental Management System: ISO14001-related Initiatives

The Topcon Group has acquired ISO14001 certification, an international standard for environmental management systems, particularly among manufacturing-related companies. This year, we have passed the audit for transition to ISO14001:2015 and maintained our certification.

Topcon's Environmental Footprint Report (FY2017)

1. Mitigating Global Warming (CO₂ Emissions Reduction)

Considering global warming as top environmental priority, we sought to reduce our emissions to 5,275.2t-CO₂, equivalent to a 16% emissions reduction below the benchmark emissions, that is, three-year average for FY2005-FY2007, stipulated by an ordinance of the Tokyo Metropolitan Government. As a result, we reduced our emissions by 43.0% to 3,576.6t-CO₂. We also seek to reduce our CO₂ emissions accordingly at our overseas bases.

2. Effective Use of Resources (Total Emissions Reduction)

To make effective use of the Earth's limited resources, we strive to reduce our total emissions based on zero

emission initiative. In FY2017, we reduced our total emissions to 220.9 tons, exceeding our total emissions target of 226.7 tons.

3. Management of Chemical Substances (VOC Reduction)

We are working to reduce VOC as part of the management of chemical substances. In FY2017, whereas our total emissions target was 4,150 kg, or 77.8% reduction below the FY2000 level, we reduced VOC usage to 2,727 kg (85.4% reduction), far exceeding our total emissions target.

TOPICS

Helping Protect
the Global Environment



Adverse Environmental Effects of Global Warming

Atmospheric warming has become an environmental problem on a global scale. Over the past century, the average air temperature has risen 0.74°C (1.33°F), causing fears that sea level rise and extreme weather could adversely affect our lives and the ecosystem.

Using an Artificial Satellite to Measure Greenhouse Gases

Global warming is considered to be caused by greenhouse gases. To combat global warming, we must grasp the present state. The Japanese government is making an effort to measure greenhouse gases on a global scale with an observation satellite.

GOSAT-2 (Greenhouse gases Observing SATellite) measures the density of greenhouse gases in the earth's atmosphere.

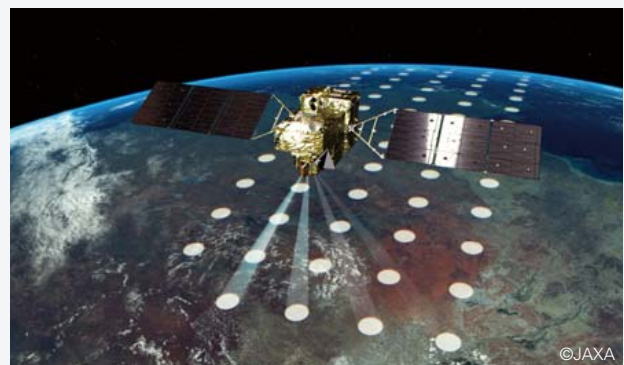
Onboard GOSAT-2 are optical system units manufactured by Topcon. They measure clouds and other aerosols, enabling more accurate measurements of the density of greenhouse gases. It is hoped that the data obtained will be used to devise ways to combat

global warming and to evaluate their effectiveness, thereby maintaining comfortable living environment into the future for people around the world.

Topcon Technology Onboard the Observation Satellite for Measuring Greenhouse Gases

[Wide-angle, High-resolution Optical System]

The optical system units, which function as the eyes of the observation satellite for measuring greenhouse gases, incorporate Topcon's technology. The satellite is fitted with a total of five of these optical system units, enabling highly accurate observation of conditions over a wide area.





Valuing People (Respect for Human Rights)

The Topcon Group has a global diverse workforce with a wide variety of backgrounds, origins, experiences and cultures. We respect diverse values, fundamental human rights, individual personalities and characters in light of human dignity, and seek to maintain a workplace where every individual is respected.

We are committed to providing equal opportunity in employment and business. We will not tolerate unlawful discrimination in the workplace, and ensure that all employees, job applicants, customers and suppliers are treated equally and respectfully regardless of race, color, religion, sex, national origin, age, veteran status, physical or mental disability, sexual orientation, gender identity or other attributes protected by law. Our commitment to a safe and secure work environment means that we will not tolerate workplace violence or threats of violence. Prohibited conduct includes not only physical violence or abuse, but also abusive, intimidating or disorderly conduct and abusive or threatening language. Moreover, we will not use child labor or forced labor.

The Topcon Group considers a direct exchange of views between labor and management as critical for protecting the rights of employed workers. In Japan, we have the Topcon Labor Union and the Topcon Group Labor Union Council for affiliated group manufacturers. In our efforts to enhance communication, Topcon holds regular labor-management gatherings and councils where we explain the company's business condition to the Topcon Labor Union.

Diversity

•Policy of Respecting Diversity

The Topcon Group values communication with employees so that its employees with different personalities and values can make the most of their capabilities and thrive with creativity and innovative spirit regardless of nationality, race or gender. To this end, we disseminate and implement the Topcon Global Code of Conduct, action guideline for all Topcon Group employees, and ensure compliance with applicable laws and regulations.

•Promoting Active Involvement of Women in the Workplace

The Topcon Group is a company with overseas sales accounting for about 80%, non-Japanese around 70% of its entire workforce, and a global business network with some 87 companies. Accordingly, we have hired the right people from highly diverse pool of talent for the right jobs from a global perspective. To create a workplace culture conducive to leveraging the resources of diverse workforce, we consider it essential to provide a setting where women can display their

competence as they pursue the career path that suits each one of them. We support career development of women in the workplace as follows.

First, we arrange an environment where women can thrive more regardless of their line of work to create a support system to build continuous careers. Second, we create opportunities for female employees to work overseas. In recent years, three young female employees have taken on overseas assignments. By granting opportunities to ambitious individuals regardless of gender or age, we provide a setting where our female staff can develop a global mindset.

[Topcon's Equal Opportunity Efforts]

- A female Executive Officer has served since April 2018.
- A female Outside Director has served since June 2018.
- Female employees make up 14.8% and seven women in management positions as of March 2018.
- Our target ratio of female new hires is 30% or more.

•Labor Practices

The Topcon Group thinks ensuring safety and health is essential to avoid workplace accidents and enable our employees to perform at their best. With this in mind, the Group has adopted necessary safety measures for buildings and facilities and established work standards that prioritize employee safety and health. Recognizing that safety comes first, employees are to comply with laws, regulations, and internal company rules on safety and health.

We have established a crisis response system for unforeseen events to ensure the safety of employees on business trips and overseas assignments as well as their families regardless of country or region, and we are working to establish and strengthen safety measures mainly to prevent incidents and accidents.

•Providing Flexible Working Arrangements

Topcon supports "Work Style Reform" to balance work and private life while boosting labor productivity. As part of such efforts, we have established various support programs for childbirth and childrearing.

Our Maternity Work Exemption program allows a pregnant employee or employee who gave birth within the past year to take leave for the time necessary for her medical examinations and others at the direction of a physician or obstetric nurse. In addition, when a male employee's spouse gives birth, the employee may take a Spousal Maternity Leave of three days. These programs

show how we make having children easier for employees and their families.

As for childrearing, a female employee raising a baby under a year old may use the Childcare Break Program to take two 30-minute breaks every workday in addition to normal break time. A female employee can also take Child Care Leave until the last day of the month in which her child reaches two years of age. We also offer Child Nursing Leave allowing an employee raising an elementary school child to take five days off a year for each child, and ten days a year for two or more such children. These programs help working parents raise their children and arrange flexible working.

Human Resource Development

The Topcon Group provides employees and other personnel with fair and equitable opportunities to grow through independent learning, and strives to foster a workplace culture conducive to make the most of their qualities. We provide these personnel with opportunities for self-improvement so they can perform duties commensurate with their assigned areas, responsibilities and authority, while improving their skills both at and outside of work.

Nurturing "Topconian" is Topcon Group's strategic human resource theme to realize its management vision. Topconians has three qualities: 1) Seek to develop and maintain a high level of expertise, utilizing their expertise to generate business success and profits.; 2) Act with universal values including thinking globally and respecting cultural diversity.; and 3) Team player making the most out of collaboration.



A training session

Maintaining and Strengthening Global Export Control System

With overseas sales accounting for about 80% of the group-wide sales, the Topcon Group has the objective of “Maintaining and Strengthening Global Export Control System.” If our export control compliance were lax, the company would be subject to penalties such as an export ban due to violations of applicable laws and regulations. In the worst-case scenario, this could threaten our existence as a corporation. As a global company, the Topcon Group is strictly held responsible for “maintaining international peace and security.” To maintain and bolster the global system of export controls, we will focus on the following five activities: 1) Conducting internal audits; 2) Educating employees on export control; 3) Fostering experts in export control; 4) Holding regular meetings of export control promotion council; and 5) Designating regions that need special control and strictly overseeing the regions.

Anti-corruption

The Topcon Group stipulates that employees shall not give bribes or inappropriate benefits or profits that violate laws, regulations or sound business practices. The Group’s employees recognize that not only public-sector officials and employees but also employees at private-sector companies are prohibited from giving bribery depending on the countries involved, and we require our employees to understand the contents of laws and regulations in countries and regions related to their work and comply with them.

The Group defines bribery as offering something valuable to such parties as identified below, either as a way to receive inappropriate benefits or profits in business activities or in exchange for providing such inappropriate benefits or profits.

Bribery is not limited to monetary payments but can include business entertainment, receptions, gifts, donations, gratuities or other forms of benefits regardless of the monetary value involved. In cases where active intermediaries such as agents are working on behalf of the Topcon Group, rules have been established to prohibit employees

CSR Activities 2018

1 USA

Topcon Positioning Group sponsored the Corporate Sponsored Senior Projects Program (CSSPP) at the University of California, Santa Cruz. We worked with students to develop technology that would allow one to program a bulldozer to travel to a construction site on its own and perform excavation work.

2 USA

Employees of Topcon Positioning Systems, Inc. and Topcon Medical Laser Systems, Inc. participated in the 13th Bras for the Cause, a walk to support breast cancer patients. The event is run by Tri-Valley SOCKs (Stepping Out for Cancer Kures), an organization that provides financial assistance to organizations involved in treating breast cancer. Through joining the walk, Topcon Group participants raised contributions in the form of money and recycled items, which were then donated to breast cancer support groups.

3 Ireland

Topcon Europe Positioning B.V. invited the charity Childhood Cancer Ireland to join the company’s booth at the National Ploughing Show to raise money and hand out flyers with information. They also used social media to help raise awareness about childhood cancer over the three days.

4 Australia

Topcon Precision Agriculture Pty. Ltd. worked with students from TAFE, a college in Adelaide, to help them develop a Solar Articulated Vehicle (SAV) for the World Solar Challenge.

5 Singapore

Topcon Singapore Medical Pte. Ltd. has supported various events and programs held throughout Singapore as a sponsor. National Eyecare Day (Singapore Optometrist Association)



and others from coercing agents to commit any of the aforementioned deeds and to clearly determine in advance a reasonable set of boundaries for the services and compensation of intermediaries such as agents.

Internal Reporting System (Hotline)

Since establishing an internal reporting system with a hotline in 2006, Topcon has worked to identify risks and compliance issues (i.e., known or suspected conduct that violates laws, regulations, or internal rules or that runs counter to social norms) at an early stage and take corrective actions against them. Apart from information that comes through regular routes internally, the system enables tipplers to directly contact the division responsible, the Corporate Audit Division.

In response to any information reported directly, the Corporate Audit Division takes prompt and appropriate actions to discover and address the risks involved at an early stage. Every year we pave the way to expand adoption of the system among Group companies with nine

Group companies in Japan and 24 overseas now having systems in place modeled on the parent's. On this basis, we promote compliance management across the Group.

Personal Data

The Topcon has established a basic policy for protecting personal data, carefully handles personal data obtained in the course of its business activities, and strives to protect it. Personal data here refers to information that employees handle during work and that enables them to identify a particular individual using such information concerning customers, executives at suppliers, job applicants, employees, or other individuals. We will collect, manage and use Personal Data properly and fairly in compliance with all applicable laws and regulations regarding protection of Personal Information in countries or regions where the Topcon Group does business.

6 Malaysia

Topcon Instruments (Malaysia) Sdn. Bhd. lent out ophthalmic equipment and sent employees to support the Free Eye Screening event organized by Ranu Eye Specialist on World Sight Day.

7 GB & Ireland

As part of its ongoing efforts to help improve skills throughout the construction industry, Topcon Positioning (Great Britain) Ltd. donated a sophisticated system comprising the latest surveying equipment used in the industry including a Hiper SR Network GNSS receiver, data collector and integrated MAGNET Field software package.

8 Germany

Topcon Electronics GmbH & Co.KG donated 1,500 euros to Zukunft schenken, a charity that supports children in poor households. The contribution will help educate children and give them a future.

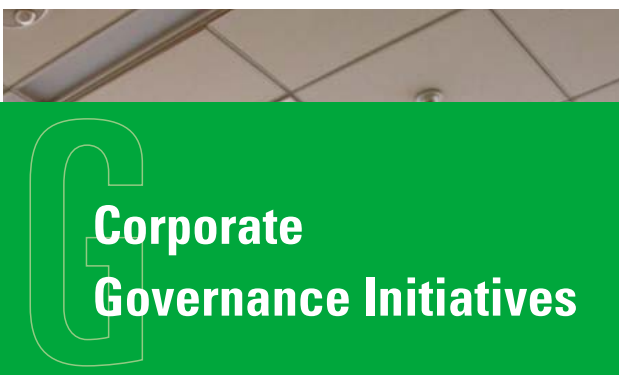
9 China

To improve awareness of the physical and mental health of employees, Topcon Optical (Dongguan) Technology Ltd. invited a clinical psychologist to hold a mental health seminar. Through the seminar, employees gained deeper knowledge about health management as well as industrial safety and health.

Others (Assistance through Donations and Endowments)

- Topcon Agriculture Americas, LLC donated USD 2,300 to the local Future Farmers of America through Fort Atkinson High School.
- Topcon Singapore Medical Pte. Ltd. supported an event, The Eye Ball 2017, by donating SGD 5,000.
- Topcon Instruments (Thailand) Co., Ltd. donated THB 39,500 to a food bank.





Basic Approach to Corporate Governance

Topcon has established the TOPCON Corporate Governance Guidelines in pursuit of the sustainable growth and medium- to long-term enhancement of corporate value of the Topcon Group (hereinafter referred to as the “Group”), comprising the Company and its affiliated companies, based on TOPCON WAY that forms a set of the fundamental values, evaluation standards, and basic principles of conduct to be shared by directors, corporate auditors, officers and employees of the Group to achieve effective corporate governance.

Corporate Governance Structure

1. Corporate Organization

Topcon has adopted the corporate structure of a “company with a Board of Corporate Auditors” under the Companies Act. The Board of Corporate Auditors and Corporate Audit Division (internal audit department) discuss each of their audit plans and policies and others in advance. They work in mutual cooperation by regularly sharing information throughout the fiscal year to increase the efficiency and effectiveness of the operations of the Corporate Auditors.

The Company appoints multiple outside directors and directly incorporates external viewpoints into management in order to enhance the supervisory function. In addition, we have corporate auditors (including outside ones), a Board of Auditors, and an accounting auditor—all of whom conduct audits in collaboration with the Corporate Audit Division responsible for internal audits. We have adopted this system based on our judgment that the management oversight function is performed effectively.

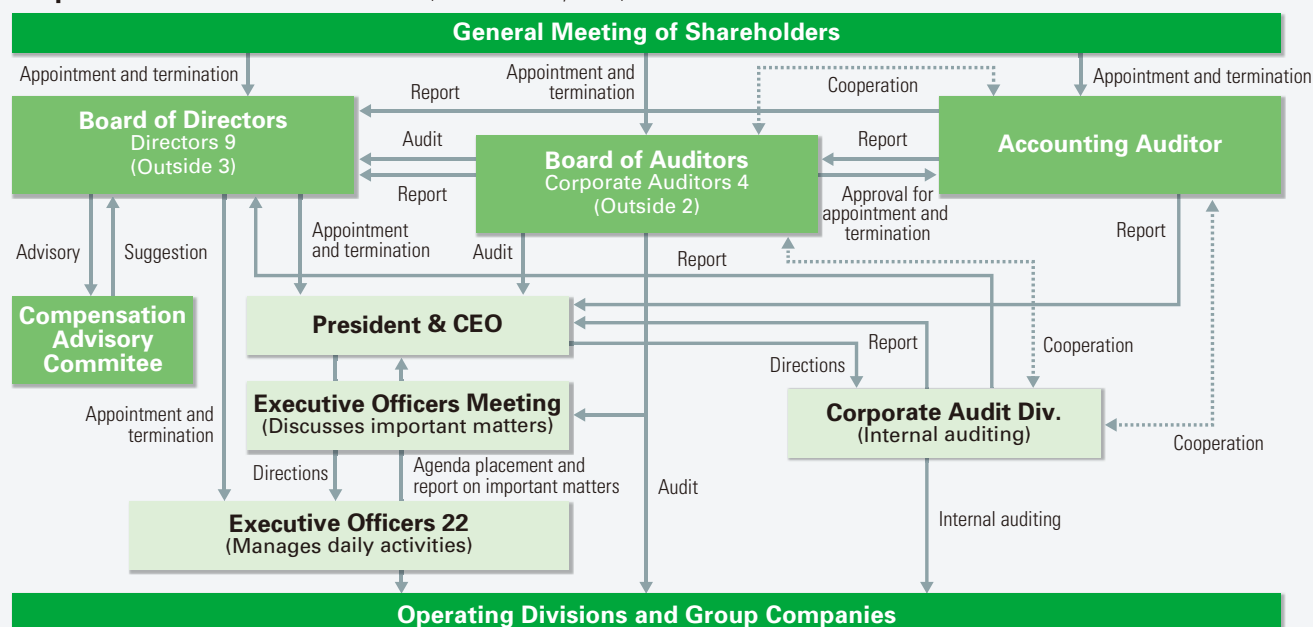
2. Board of Directors

1) Roles and Responsibilities of the Board of Directors

The Board of Directors recognizes its fiduciary responsibility to shareholders towards the sustainable growth and medium- to long-term enhancement of corporate value of the Group. Based on such recognition, the Board of Directors works to achieve “improved management efficiency” in addition to “maintaining management soundness” and “ensuring transparency in management”, as well as to fulfill its responsibilities towards all stakeholders in the management of the Group.

- To fulfill the responsibilities as stated above, the Board of Directors conducts the assessment of the performance, appropriate development and implementation of internal control systems and risk management system, as well as the supervision of the overall business management of the Company from an independent and objective standpoint.
- The Board of Directors makes decisions on matters provided for in laws and regulations and the Articles of

Corporate Governance Structure (As of June 27, 2018)



Incorporation as well as on important matters relating to business management. The Board of Directors has adopted the "Executive Officer System" as a business execution system based on its decision making, and delegates day-to-day business execution to Executive Officers. Executive Officers are appointed by a resolution of the Board of Directors, taking into account their level of knowledge and experience as required in the relevant business field of the Company.

- The Board of Directors establishes a system to respond to cases where a Corporate Auditor or the Accounting Auditor discovers misconduct and requests appropriate measures, or identifies any inadequacies or problems.

2) Composition of the Board of Directors

- The Board of Directors of the Company consists of nine directors (including three outside directors).
- The Company ensures the system to supervise the operation of the Company by appointing more than one Independent Outside Director who express their opinions from an independent and objective standpoint at the meetings of the Board of Directors.
- The Board of Directors is composed of Directors who have different backgrounds in terms of expertise and experience, and maintains the proper number of Directors so that the Board of Directors can effectively exercise its

decision-making and supervisory functions.

- If any Outside Director holds concurrent positions, such as an officer (as defined in the Companies Act) at another company, the Company shall limit the scope of holding such concurrent positions to the extent that the Outside Director can secure the time necessary to appropriately fulfill his or her roles and responsibilities at the Company.
- The Board of Directors conducts an analysis and assessment of its overall effectiveness and discloses a summary of the results thereof.

3) Internal Control Systems

To ensure smooth business operations under appropriate control, the Board of Directors sets forth basic policies regarding the development of internal control systems, and supervises the establishment of the Group's structure and the status of implementation thereof to ensure compliance, appropriate financial reporting, and risk management.

- The Company has established the Corporate Audit Division as an internal audit department to validate the appropriateness and effectiveness of internal management systems, and maintains a system that facilitates the timely reporting of any significant matters to the Board of Directors.
- The Company has established the Basic Rules for Risk

and Compliance for the development of a risk management system capable of responding to any risk that arises within the Group in a timely and appropriate manner depending on the nature of the risk.

- The competing transactions of Directors, transactions between Directors and the Company, and transactions that involve conflicts of interest of both parties shall be matters to be approved by the Board of Directors.

3. Board of Corporate Auditors

1) Roles and Responsibilities of the Board of Corporate Auditors

The Board of Corporate Auditors recognizes its fiduciary responsibility to shareholders towards the sustainable growth and medium- to long-term enhancement of corporate value. Based on such recognition, the Board of Corporate Auditors ensures corporate soundness and works to contribute to the common interests of shareholders.

- The Board of Corporate Auditors of the Company consists of 4 Corporate Auditors (including 2 Outside Corporate Auditors).
- To ensure transparency and fairness, at least half of the Board of Corporate Auditors shall be Independent Outside Corporate Auditors. In addition, at least one Corporate Auditor who has knowledge of financial and accounting affairs shall be appointed.
- If any Outside Corporate Auditor holds concurrent positions, such as an officer (as defined in the Companies Act) at another company, the Company shall limit the scope of holding such concurrent positions to the extent that the Outside Corporate Auditor can secure the time necessary to appropriately fulfill his or her roles and responsibilities at the Company.
- The Board of Corporate Auditors collaborates with Outside Directors and the internal audit department.

Corporate Auditors proactively collect information necessary for audits by attending important meetings of the Company and provide opinions in an appropriate manner on related matters to Directors as necessary.

2) Relationships with the Accounting Auditor and Internal Audit Department

The Board of Corporate Auditors has established a system to conduct sufficient and appropriate audits in collaboration with the Accounting Auditor and the internal audit department.

- The Board of Corporate Auditors evaluates the independence and expertise of the Accounting Auditor by

formulating assessment and appointment standards of the Accounting Auditor for the purpose of appropriate selection and assessment.

- The Board of Corporate Auditors establishes a system to respond to cases where the Accounting Auditor or internal audit department discovers misconduct and requests appropriate measures, or identifies any inadequacies or problems.

4. Accounting Auditor

The Accounting Auditor assumes an important role to secure the reliability of the financial information of the Group and bears responsibility for shareholders and investors.

- The Accounting Auditor ensures a system under which he/she can conduct appropriate audits in collaboration with the Board of Corporate Auditors.
- The Accounting Auditor ensures independence and expertise.
- The Accounting Auditor complies with quality control standards for audits to properly conduct accounting audits.

5. Compensation Advisory Committee

To ensure objectivity and transparency in relation to the handling of director's compensation, we have established an independent Compensation Advisory Committee which falls under the Board of Directors. The Compensation Advisory Committee provides recommendations to the Board of Directors when it receives requests for advice from the Board of Directors.

6. Internal Audit Department and Others

The Company has established the Corporate Audit Division, which consists of six people, as an internal audit department to validate the appropriateness and effectiveness of internal management systems as follows:

- The Corporate Audit Division aims to contribute to enhancing the corporate governance and risk management of the Group. The Corporate Audit Division is responsible for the internal audit process, and develops a system under which the Corporate Audit Division validates the appropriateness and effectiveness of internal management systems such as compliance, and reports to the Board of Directors, the Board of Corporate Auditors, and Representative Director in a timely manner if a significant issue arises.
- The Corporate Audit Division conducts group company audits in collaboration with Corporate Auditors and the Accounting Auditor to ensure the appropriate business conduct of the entire Group.

- With respect to whistleblowing, the Corporate Audit Division shall contribute to the early discovery of risk information and respond to whistleblower complaints in a swift and appropriate manner.

7. Directors and Corporate Auditors

1) Directors

Directors recognize their fiduciary responsibility to shareholders and execute their duties as Directors towards the sustainable growth and medium- to long-term enhancement of corporate value.

- Directors, as members of the Board of Directors, supervise the execution of business operations by Executive Directors and Executive Officers.
- Directors collect sufficient information to execute their duties, while requesting explanations on various matters, proactively expressing opinions and holding open and constructive discussions at meetings of the Board of Directors.
- Directors proactively collect information for appropriately fulfilling their roles and responsibilities, and if necessary, seek the advice of external experts at the expense of the Company.
- As an executive incentive for Directors (excluding Outside Directors), the Company adopts a compensation system linked to its medium- to long-term business performance, with a view to sustained improvement in the Group's business performance as well as the medium- to long-term enhancement of its corporate value.

2) Corporate Auditors

Corporate Auditors recognize their fiduciary responsibility to shareholders and execute their duties as Corporate Auditors, ensuring corporate soundness towards the sustainable growth and medium- to long-term enhancement of corporate value.

- In accordance with policies and assigned duties set forth by the Board of Corporate Auditors, Corporate Auditors conduct audits on the status of the execution of duties by the Directors and Executive Officers of the Company, through the following activities: attending important meetings of the Company including the meetings of the Board of Directors; receiving reports from Directors on the status of their execution of duties; receiving materials and information on related matters; and collaborating with the internal audit department and the Accounting Auditor.
- Corporate Auditors audit the decision making by the Board of Directors and the status of the development and implementation of internal control systems.
- Corporate Auditors proactively collect information for

appropriately fulfilling their roles and responsibilities, and if necessary, seek the advice of external experts at the expense of the Company.

Independent Outside Directors and Independent Outside Corporate Auditors

The company has three independent outside directors and two independent outside corporate auditors. Independent Outside Directors and Independent Outside Corporate Auditors supervise the execution of business operations, provide advice for the sustainable growth and medium- to long-term enhancement of corporate value, and manage conflicts of interest, while conveying the opinions of stakeholders including minority shareholders to the Board of Directors.

- Independent Outside Directors share information regarding matters related to the business and corporate governance of the Group and exchange opinions with each Director, Executive Officer, and Corporate Auditor.
- The Company appoints the Outside Directors and Outside Corporate Auditors who meet the criteria for independence specified by financial instruments exchanges.
- Independent Outside Directors and Independent Outside Corporate Auditors work to exchange information and share perspectives based on an independent and objective standpoint by holding of regular meetings.

Training Policy for Directors

The Company provides information and knowledge on business activities necessary for Directors and Corporate Auditors to fulfill their roles and responsibilities appropriately in accordance with the following provisions.

- When Directors or Corporate Auditors are newly appointed, the Company provides training regarding laws and regulations related to the business of the Group and the Group's corporate governance, and provides such training on an ongoing basis even after assuming office as Directors and Corporate Auditors.
- In addition to the aforementioned, when Outside Directors and Outside Corporate Auditors are newly appointed, the Company provides the information regarding the Group's business and overall organization, as well as the necessary information on an ongoing basis regarding the Group's business strategies and issues to be addressed even after assuming office.

Accounting Auditors

Topcon has appointed Ernst & Young ShinNihon LLC as its accounting auditor. The accounting auditor works in close collaboration with the Board of Auditors and corporate auditors. The three parties hold preliminary discussions on audit planning and audit implementation policy, exchanging information on the progress of audits during the fiscal year, and informing one another of audit results when drafting the audit reports.

Compensation for Directors and Corporate Auditors

Compensation for Topcon directors, excluding outside directors, consists of base salary and performance-linked compensation. Base salary reflects standards that have been established for the function and rank of director, while performance-linked compensation is determined based on prescribed benchmarks for the relevant fiscal year.

Compensation for outside directors and corporate auditors (including outside corporate auditors) consists only of a base salary.

In accordance with these standards, the Board of Directors determines director compensation based on its resolution, while compensation for corporate auditors is determined in consultation with corporate auditors.

Total compensation of directors and corporate auditors for the fiscal year ending March 2018 is shown below.

Revitalizing the General Meetings of Shareholders and Facilitating the Exercise of their Voting Rights

To revitalize the General Meeting of Stockholders, the Company distributes a notice of convocation three weeks before each ordinary general meeting of shareholders. When scheduling such meetings, we endeavor to avoid dates on which those of other companies are concentrated. To make it easier to exercise voting rights, we have provided a dedicated website to enable shareholders to exercise their voting rights via the Internet. Adopting an electronic voting platform in this way increases the convenience for institutional and other investors.

Information Disclosure

Topcon conducts its IR activities so that all shareholders and investors will better understand the Company to make an accurate evaluation of its value. The Company thus makes every effort to faithfully, proactively, and continuously disclose information about medium-to long-term management policy and business strategy, and financial position fairly and swiftly.

Specifically, we have held a series of briefing sessions for individual investors at securities companies and the like. (We held 12 such sessions in fiscal 2017.) For institutional investors, we hold briefing meetings to explain our results four times a year, as well as other meetings as needed.

Executive Compensation in Fiscal 2017

Classification	Total Compensation (Million yen)	Compensation by Position (Million yen)			Number of Individuals
		Basic Compensation	Stock Option	Bonuses	
Directors (excluding outside directors)	273	179	29	65	7
Corporate Auditors (excluding outside corporate auditors)	38	38	—	—	2
Outside Officers	33	33	—	—	4

Notes: 1. As of March 31, 2018, Topcon had six directors, two corporate auditors, and four outside officers (two outside directors and two outside corporate auditors).
 2. As of March 31, 2018, the maximum compensation levels for directors was ¥700 million as resolved at the 124th Ordinary General Meeting of Shareholders held on June 28, 2017, with maximums for the fixed portion of ¥300 million and the performance-linked portion of ¥400 million as determined based on prescribed benchmarks for the relevant fiscal year. The maximum total fixed annual compensation for an outside director is ¥30 million.
 3. As of March 31, 2018, the maximum compensation level for corporate auditors was ¥100 million as resolved at the 120th Ordinary General Meeting of Shareholders held on June 26, 2013.

Corporate Auditor Compensation in Fiscal 2017

(Million yen)

Accounting Auditor's compensation in fiscal 2017	118
Total amount of cash and other material benefits payable to Accounting Auditor by the Company and its subsidiaries	118

Directors, Corporate Auditors and Executive Officers

Directors



Satoshi Hirano
Representative Director,
President & CEO



Makoto Iwasaki
Representative Director
Senior Managing Executive
Officer



Takashi Eto
Director
Managing Executive Officer



Yasufumi Fukuma
Director
Managing Executive Officer



Haruhiko Akiyama
Director
Executive Officer



Takayuki Yamazaki
Director
Executive Officer



Kazuyuki Matsumoto
Outside Director



Akira Sudo
Outside Director



Naoko Yamazaki
Outside Director
(new appointment)

Corporate Auditors



Hiroshi Sakai
Corporate Auditor



Akinori Mitake
Corporate Auditor
(new appointment)



Tatsuya Kuroyanagi
Outside Corporate Auditor



Keiji Taketani
Outside Corporate Auditor

Executive Officers

Raymond O'Connor
Senior Managing Executive Officer

Fumio Ohue
Managing Executive Officer

Masami Tsukada
Executive Officer

Kaoru Kumagai
Executive Officer

Shigehiro Ogino
Executive Officer

Takaaki Hirayama
Executive Officer

Nobuyuki Ryu
Executive Officer

David Alan Mudrick
Executive Officer

Ivan Di Federico
Executive Officer

Eric Franken
Executive Officer

Hitoshi Sadachika
Executive Officer

Hiroyuki Nishizawa
Executive Officer

Kinpui Chan
Executive Officer

Shokyu Nakamura
Executive Officer

Nobuo Ichiki
Executive Officer

Reiko Watanabe
Executive Officer

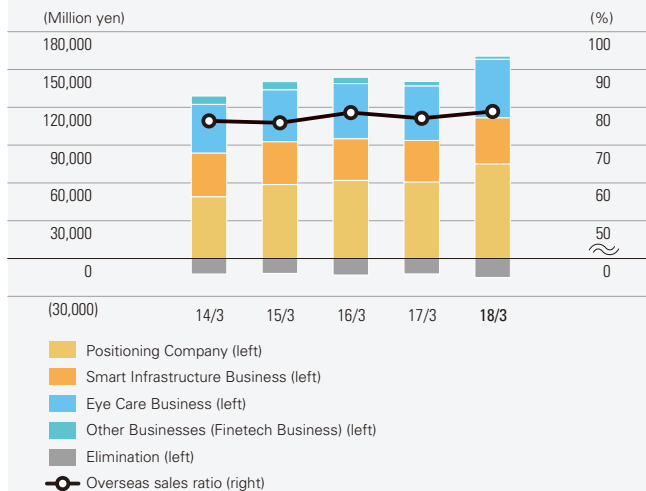
Consolidated Financial Highlights

Topcon Corporation and Consolidated Subsidiaries

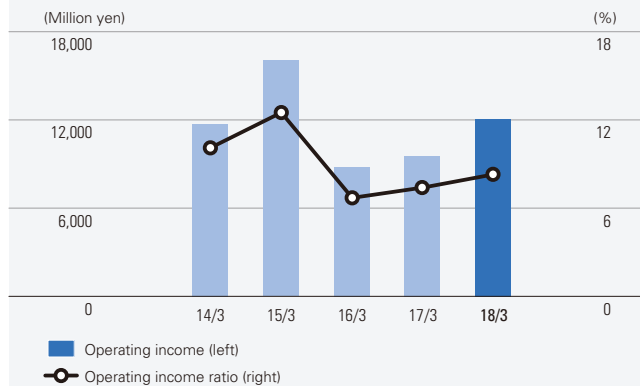
	Million yen					Thousand U.S. dollars
	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3
Operating results						
Net sales	¥116,685	¥128,569	¥130,735	¥128,387	¥145,558	\$ 1,369,829
Positioning Company	48,959	58,672	61,977	60,602	74,945	705,298
Smart Infrastructure Business	34,621	33,909	32,989	33,091	36,626	344,683
Eye Care Business	38,736	41,240	43,834	43,148	46,515	437,747
Other Businesses (Finetech Business)	6,625	6,558	4,997	3,708	2,493	23,461
Elimination	(12,258)	(11,812)	(13,063)	(12,163)	(15,023)	(141,380)
Overseas sales	89,187	97,568	102,794	98,937	114,847	1,080,811
Operating income	11,730	16,041	8,803	9,551	12,073	113,618
Ordinary income	11,300	14,880	7,366	7,622	10,674	100,452
Profit attributable to owners of the parent	5,963	8,670	4,197	4,395	6,028	56,729
Capital expenditures	3,692	5,070	5,203	4,438	5,138	48,353
Depreciation and amortization	3,803	3,732	4,715	4,660	5,408	50,894
Amortization of goodwill	1,782	1,833	2,546	2,451	2,651	24,948
R&D expenditures	9,184	10,677	11,329	10,411	12,964	122,003
Free cash flows	4,599	7,951	(23,121)	13,238	5,488	51,647
Financial position						
Shareholders' equity	¥ 53,598	¥ 63,460	¥ 58,311	¥ 59,716	¥ 65,173	\$ 613,335
Total assets	135,818	143,181	166,542	158,280	160,751	1,512,808
Interest-bearing liabilities	47,733	44,014	70,442	58,640	53,286	501,468
Per share data (¥, \$)						
Earnings per share (EPS)	¥ 55.21	¥ 80.27	¥ 38.97	¥ 41.46	¥ 56.87	\$ 0.54
Net assets per share (BPS)	496.22	587.52	550.04	563.30	614.78	5.79
Management indicators						
Gross profit ratio (%)	47.7	51.5	50.2	51.1	51.5	
Operating income ratio (%)	10.1	12.5	6.7	7.4	8.3	
Net income ratio (%)	5.1	6.7	3.2	3.4	4.1	
Ratio of R&D expenditures to net sales (%)	7.9	8.3	8.7	8.1	8.9	
Overseas sales ratio (%)	76.4	75.9	78.6	77.1	78.9	
Return on assets (ROA) (%)	4.4	6.1	2.7	2.7	3.8	
Return on equity (ROE) (%)	11.7	14.8	6.9	7.4	9.7	
Return on invested capital (ROIC) (%)	7.9	10.9	5.4	5.5	7.1	
Price earnings ratio (PER) (times)	30.6	36.7	38.1	48.0	36.5	
Price book-value ratio (PBR) (times)	3.4	5.0	2.7	3.5	3.4	
Equity ratio (%)	39.5	44.3	35.0	37.7	40.5	
Total assets turnover ratio (times/year)	0.88	0.92	0.84	0.79	0.91	
D/E ratio (%)	89.1	69.3	120.8	98.1	81.8	
Dividend payout ratio (%)	18.1	19.9	61.6	38.6	35.2	

Notes: 1. For the sake of convenience, the US\$ is converted at a rate of ¥106.26/US\$ as of March 31, 2018. We referenced the Tokyo foreign exchange market rate.
2. Data in parentheses represent negative figures/amounts.

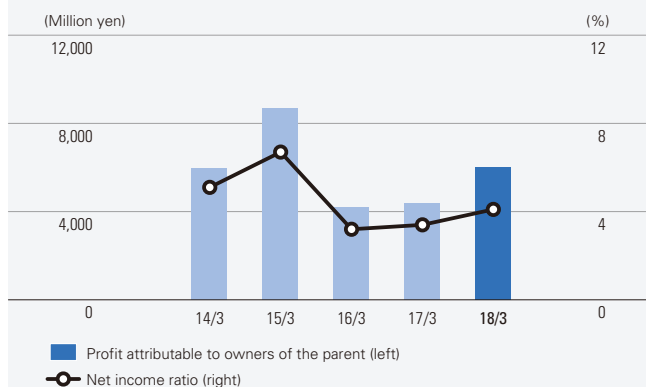
Net Sales and Overseas Sales Ratio



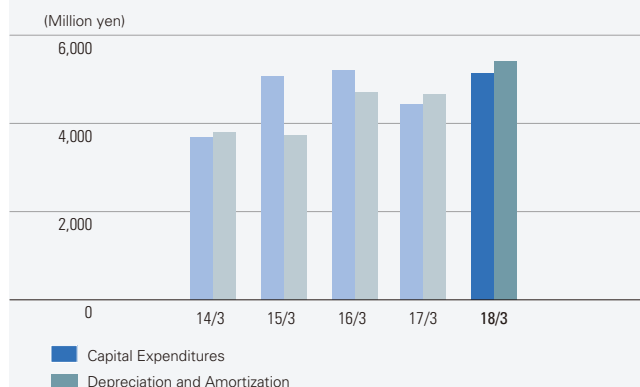
Operating Income and Operating Income Ratio



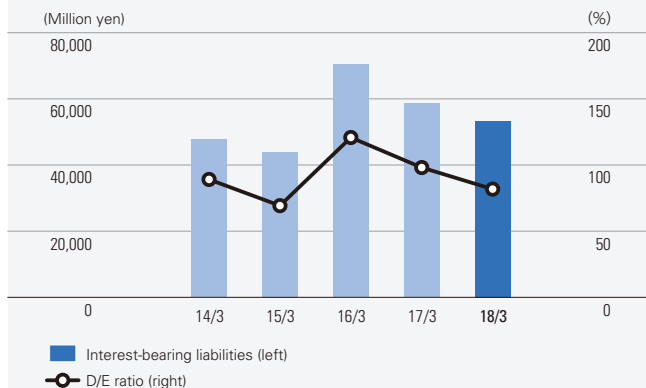
Profit Attributable to Owners of the Parent and Net Income Ratio



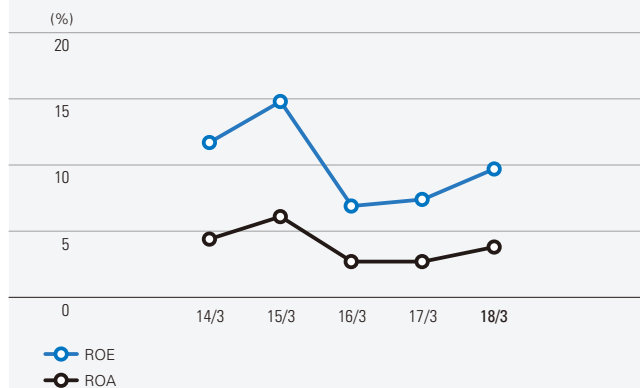
Capital Expenditures and Depreciation and Amortization



Interest-Bearing Liabilities and D/E Ratio



ROE and ROA



Fiscal 2017 Management's Discussion and Analysis

Market Environment

In fiscal 2017 ending March 31, 2018, global economic conditions were characterized by steady corporate sector activity and personal consumption in the United States, and signs of recovery in exports and domestic demand in Europe. Meanwhile, Japan also benefited from moderate recovery on personal consumption, public demand, exports, and the like.

In this economic environment, the Topcon Group worked to ensure the sustainable enhancement of its corporate value, guided by its mission to enrich people's lives through solving societal challenges related to healthcare, agriculture, and infrastructure.

In healthcare, we strive to enhance IoT-based healthcare network solutions to address increases in eye diseases associated with aging of global population with the aim of detecting diseases early and improving medical efficiency. In agriculture, we strive to enhance IT agriculture solutions to address food shortages associated with the increasing global population, with the aim of improving agricultural productivity and quality. In infrastructure, we strive to enhance our IT construction solutions to address the shortage of engineers associated with increasing global demand for infrastructure, with the aim of eliminating labor shortages at construction sites.

Consolidated Results

In fiscal 2017, consolidated net sales increased 13.4% year-on-year to ¥145,558 million, owing mainly to sales growth in Japan, the United States, Europe, and Asia and Oceania.

On the earnings side, operating income rose 26.4% to ¥12,073 million, and ordinary income jumped 40.0% to ¥10,674

million, thanks to the increase in net sales. As a result, profit attributable to owners of the parent climbed 37.2% to ¥6,028 million.

Segment Information

The Positioning Company posted sales of ¥74,945 million, up 23.7% year-on-year, and operating income of ¥8,018 million, up 43.3%. This segment benefited from solid growth in IT construction systems and IT agriculture in various regions.

In the Smart Infrastructure Business, sales rose 10.7% to ¥36,626 million, and operating income jumped 29.5% to ¥5,102 million. This segment benefited mainly from domestic growth in i-Construction sales and IT agriculture.

The Eye Care Business reported a 7.8% increase in sales to ¥46,515 million, owing mainly to growth in sales of 3D optical coherence tomography (OCT) systems in the United States. On the other hand, operating income in this segment declined 21.6% to ¥2,038 million due mainly to an increase in upfront investments and sluggish sales in Europe.

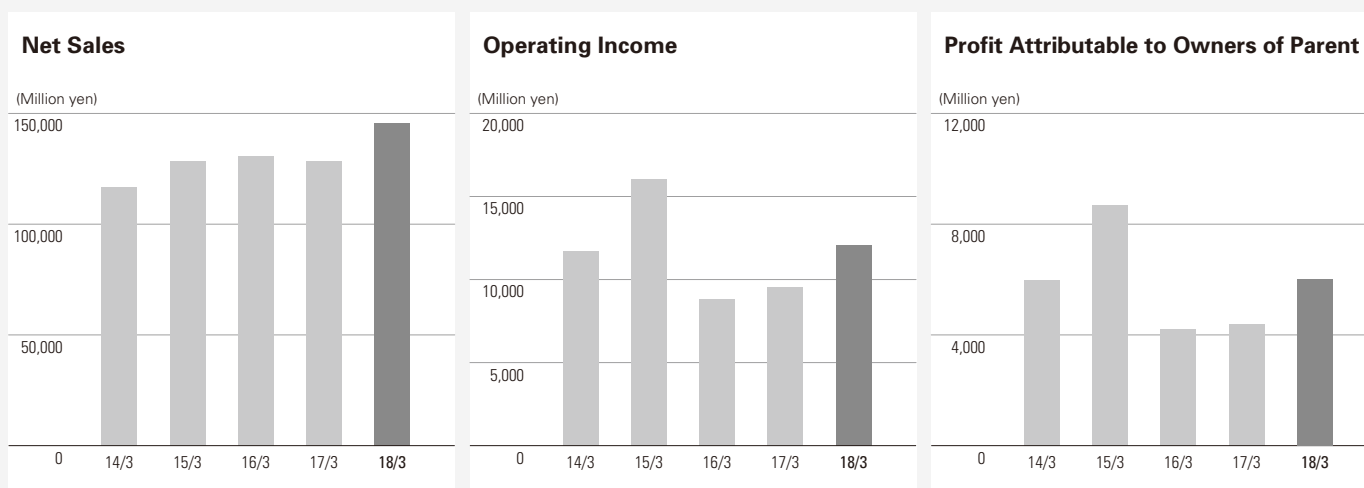
* "i-Construction" is a registered trademark of National Institute for Land and Infrastructure Management, MLIT, Japan.

Financial Position

Assets

As of March 31, 2018, total assets stood at ¥160,751 million, up ¥2,471 million from a year earlier.

1. Current assets: Current assets rose ¥2,067 million year-on-year to ¥101,156 million at fiscal year-end. This was due mainly to an increase in notes and accounts receivable in contrast to decreases in cash and deposits as well as inventories.



2. Non-current assets: Non-current assets rose ¥404 million to ¥59,595 million. This was due mainly to increases in property, plant, and equipment and investments and other assets in contrast to a decrease in intangible fixed assets.

Liabilities

As of March 31, 2018, total liabilities stood at ¥92,415 million, down ¥2,551 million from a year earlier.

1. Current liabilities: Current liabilities rose ¥5,715 million to ¥47,869 million due mainly to increases in notes and accounts payable and short-term loans payable.
2. Non-current liabilities: Non-current liabilities declined ¥8,267 million to ¥44,545 million, due mainly to a decrease in long-term loans payable.

Net Assets

At fiscal year-end, total net assets stood at ¥68,336 million, up ¥5,023 million from a year earlier. The increase stemmed mainly from rises in retained earnings and valuation difference on available-for-sale securities.

Cash Flows

As of March 31, 2018, cash and cash equivalents (hereinafter referred to as “net cash”) stood at ¥12,698 million, down ¥2,004 million from a year earlier. The downturn in net cash was largely the result of purchase of property, plant, and equipment, as well as repayments of loans payable. This was despite an increase in net cash stemming from a decrease in inventories and an increase in notes and accounts payable.

Net Cash Provided by Operating Activities

In fiscal 2017, net cash provided by operating activities rose ¥14,541 million, compared with ¥18,192 million rise in fiscal 2016. Main factors included net cash increase due to profit before income taxes, a decrease in inventories, and an increase in notes and accounts payable in contrast to an increase in notes and accounts receivable.

Net Cash Used in Investing Activities

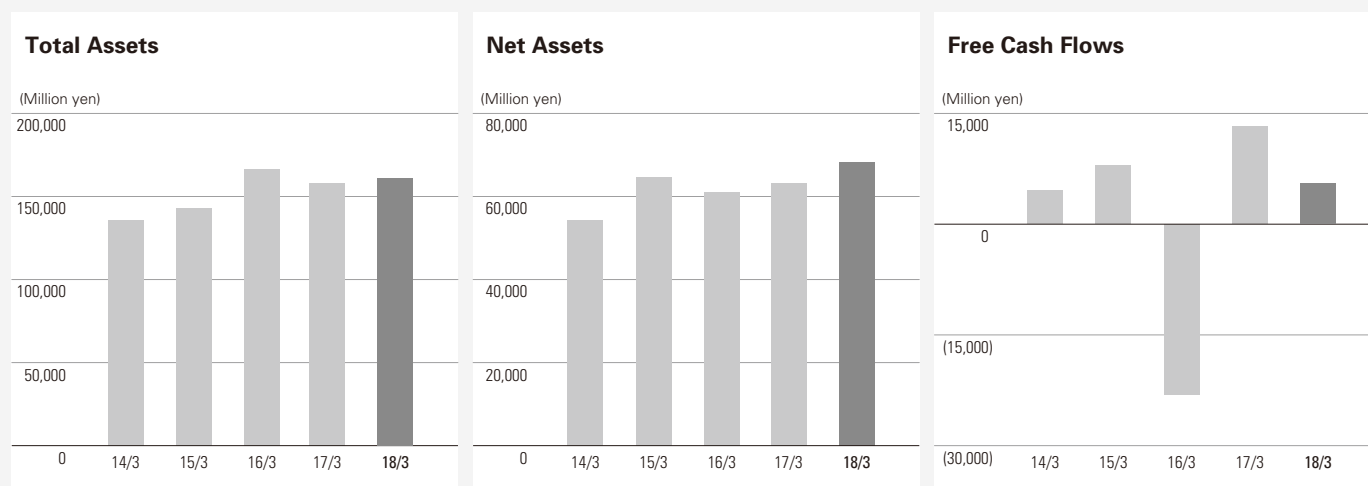
Net cash used in investing activities totaled ¥9,053 million, compared with ¥4,954 million in the previous year. This was due mainly to ¥3,032 million in purchase of shares of subsidiaries and ¥3,192 million in purchase of property, plant, and equipment.

Net Cash Used in Financing Activities

Net cash used in financing activities was ¥7,258 million, compared with ¥13,807 million in the previous year. This was due mainly to ¥4,454 million in repayments of loans payable.

Capital Expenditures

In fiscal 2017, total capital expenditures for the Topcon Group amounted to ¥5,138 million. By business segment, ¥1,105 million was allocated to the Smart Infrastructure Business, ¥2,550 million to the Positioning Company, and ¥1,279 million to the Eye Care Business. The main objectives of these expenditures were to advance research and development, enhance production systems, improve operating efficiency, and replace product molds and other items.



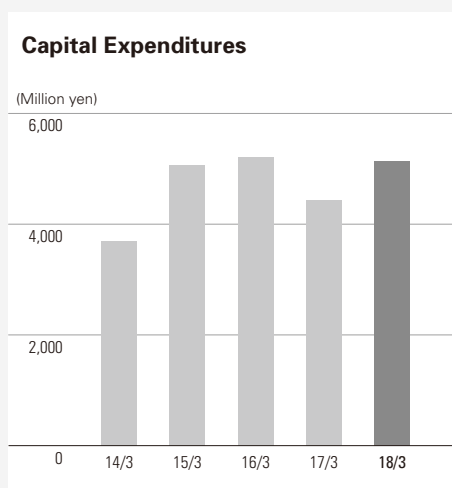
Fiscal 2017 Management's Discussion and Analysis

Dividend Policy

Topcon places priority on the payment of dividends as a means of returning profits to shareholders. Our basic profit appropriation policy is to ensure the continuous and stable payment of dividends in line with growth in consolidated earnings.

In principle, Topcon makes dividend payments twice a year in the form of interim and year-end dividends. The Company's Articles of Incorporation allow for the payment of dividends by resolution of the Board of Directors without a resolution of the General Meeting of Shareholders, and provide the record date for the year-end dividend as March 31 and for the interim dividend as September 30 each year. The Articles also allow for the payment of dividends at other times, with the record date to be determined.

The Company achieved its consolidated earnings forecasts for fiscal 2017 as announced on January 30, 2018. As a result, in addition to paying an interim dividend of ¥10.00 per share as planned (compared with the ¥8.00 interim dividend in fiscal 2016), Topcon paid a year-end dividend ¥10.00 per share (compared with the ¥8.00 year-end dividend in fiscal 2016), bringing total full-year dividends to ¥20.00 per share (compared with ¥16.00 per share in fiscal 2016). The Company effectively uses internal reserves for the proactive development of its future business, including research and development and capital expenditures.



Risk Factors

Business risks related to business conditions, financial status, and other factors that may have a potentially significant impact on investor decisions include the following.

1. Economic Conditions Affecting Product Demand

The Topcon Group (hereinafter "the Group") conducts business in three segments: Positioning, Smart Infrastructure and Eye Care. Demand for the Group's products is influenced by the trends in each of the markets where the segments conduct business (construction, ophthalmic and others). A significant changes/fluctuations in these markets may thus impact the business results and financial position of the Group.

The Group maintains a high ratio of overseas sales, selling products in Japan as well as around the world including the United States, Europe, China and other Asian countries. Therefore, economic conditions in these countries may also impact the business results and financial position of the Group.

2. Overseas Business Development

The Group conducts a wide range of business activities overseas including exporting products and undertaking local production at overseas sites. Accordingly, a deterioration in overseas political or economic conditions, restrictions on foreign trade or foreign currency, revisions to laws and regulations or taxation systems, worsening public security such as the occurrence of terrorist actions, war, or natural disasters may obstruct business activities overseas and impact the business results and financial position of the Group.

3. Intensifying Competition

(Price and Non-price Competition)

Competitors supplying products similar to the Group's products are present for each business. The Group works toward early introduction of new products to the market, development of new technologies, cost reduction to create a competitive advantage for the Group. However, delayed development of new products or new technologies, sharp rises in raw material costs and other factors may weaken the Group's growth potential or profitability, which may impact the business results and financial position of the Group.

4. Fluctuations in Interest Rates, Foreign Exchange Rates, or Other Conditions in Financial Markets

The Group maintains a high ratio of overseas sales in its total consolidated sales. Since this presents exposure to exchange-rate fluctuation risk, the Group uses forward exchange contracts

to maintain an appropriate level of exchange hedge within the scope of actual demand. Despite these precautions, volatility in exchange rates may impact the business results and financial position of the Group. The Group also borrows funds from financial institutions, which presents exposure to interest-rate fluctuation risk. Changes in financial market conditions could lead to sharp rises in interest rates. Such fluctuations could increase the Group's interest payments, which may impact the business results and financial position of the Group.

5. Fund Procurement

The Group procures funds necessary for its operations by borrowing from financial institutions, issuing bonds and other means. In the event of worsening conditions in financial market or poor business performance, the Group may become unable to continue its loan arrangements or take out new loans.

Furthermore, the lowering of the Group's credit rating by a rating agency could constrain fund procurement and/or result in increased fund-raising costs. Such events may impact the business results and financial position of the Group.

6. New Business Strategies

The Group considers initiatives for new businesses for the future growth of the Group as needed. However, new businesses entail various uncertainties. Failing to develop such businesses according to plan may impact the business results and financial position of the Group.

7. Corporate Acquisitions

The Group strives to build a system that can foster optimal business forms suited for business characteristics, and at times takes steps such as corporate acquisitions to expand operations. Nonetheless, such actions can affect the Group's business results and financial position if sharp changes in the market and competitive environment cause the acquired businesses to underperform or management resources cannot be put to effective use.

8. Fixed Assets

The Group maintains property, plant and equipment and intangible assets, such as goodwill assumed through corporate acquisitions. Decreases in the asset value of these noncurrent assets due to declining profitability, falling market prices, and other factors could lead to impairment losses or loss on sale at the time of sale. Such conditions may impact the business results and financial position of the Group.

9. Procurement of Materials and Other Items

The manufacturing activities of the Group in some cases require the use of special materials for which suppliers are very limited, or for which it would be difficult to change suppliers. Delays or disruptions in supply of such materials could lead to a rise in purchase costs and production delays, which may impact the business results and financial position of the Group.

10. Product Quality Issues

The Group puts all its efforts into quality control to maintain an optimal quality according to the features of its products. However, it is virtually impossible to eliminate the possibility that unforeseen conditions could cause quality issues that result in a product recall, litigation, or other action. Such an event may impact the business results and financial position of the Group.

11. Intellectual Property Rights

The Group utilizes a wide range of intellectual property rights in its research and recognizes these rights are the property of the Group or are being used under a legal licensing agreement. However, the possibility exists that a third party may file infringement litigation concerning intellectual property rights against the Group. In the event that a dispute over intellectual property rights occurs, it may impact the business results and financial position of the Group.

12. Laws and Regulations

Some of the products that the Group manufactures for Eye Care are medical devices subject to the Pharmaceuticals Affairs Act in Japan and laws and regulations concerning medical devices in the various countries in which the Group conducts business. Changes in regulations or the inability to secure the necessary approvals and authorization in various countries in a timely manner for business activities may impact the business results and financial position of the Group.

13. Natural Disasters and Accidents

Unforeseen natural disasters or man-made disasters including earthquakes, acts of terrorism, wars, and epidemics that occur in regions where the Group conducts business can cause human casualties, property damage, suspension of business activities to the Group. Such an event may impact the business results and financial position of the Group.

14. Seasonality

Our sales and profits tend to be disproportionately weighted toward the fourth quarter.

Subsidiaries and Associated Companies

(As of March 31, 2018)

Asia/Oceania/Middle East

- Topcon Singapore Holdings Pte. Ltd.
- Topcon Singapore Medical Pte. Ltd.
- Topcon Singapore Positioning Pte. Ltd.
- Topcon Singapore Positioning Sales Pte. Ltd.
- Sokkia Singapore Positioning Sales Pte. Ltd.
- Topcon Instruments (Malaysia) Sdn. Bhd.
- Topcon Instruments (Thailand) Co., Ltd.
- Topcon Sokkia India Pvt. Ltd.
- Mehra Eyetech Pvt. Ltd.
- Topcon Optical (H.K.) Ltd.
- Topcon (Beijing) Opto-Electronics Development Corporation
- Topcon Optical (Dongguan) Technology Ltd.
- Shanghai Topcon-Sokkia Technology and Trading Co., Ltd.
- Sokkia Korea Co., Ltd.
- TPS Australia Holdings Pty Ltd.
- Topcon HK (BD) Ltd.
- Topcon Positioning Middle East and Africa FZE

Japan

- Sokkia Topcon Co., Ltd.
- Topcon Yamagata Co., Ltd.
- Optonexus Co., Ltd.
- Topcon Sokkia Positioning Japan Co., Ltd.
- Topcon Medical Japan Co., Ltd.
- Topcon Service Co., Ltd.
- Topcon Technohouse Corporation

Europe/Africa

- Topcon Europe B.V.
- Topcon Europe Positioning B.V.
- Topcon Europe Medical B.V.
- Topcon Agriculture S.p.A.
- Topcon Deutschland Positioning GmbH
- Topcon Deutschland Medical GmbH
- Topcon S.A.R.L.
- Topcon España, S.A.
- Topcon Scandinavia A.B.
- Topcon (Great Britain) Ltd.
- Topcon Polska Sp. Zo.o.
- TIERRA S.P.A.
- Mirage Technologies S.L.
- Topcon Positioning Belgium N.V.
- Topcon Positioning Italy s.r.l.
- GEOPRO s.r.l.
- Topcon Electronics GmbH & Co. KG
- ifa systems AG
- Topcon Precision Ag Europe S.L.
- Dynaroad Oy
- Viasys VDC Oy

North America

- Topcon America Corporation
- Topcon Positioning Systems, Inc.
- Cacioppe Communications Companies, Inc.
- Bunce Industries, LLC
- Topcon Agriculture Americas, LLC
- Topcon Agriculture Canada, Inc.
- Portland Precision Instrument & Repair Co.
- Productivity Products and Services Inc.
- ClearEdge3D, Inc.
- Topcon Medical Systems, Inc.
- Topcon Canada, Inc.
- Topcon Medical Laser Systems, Inc.
- Topcon Healthcare Solutions, Inc.

Corporate Profile and Stock Information

(As of March 31, 2018)

Corporate Profile

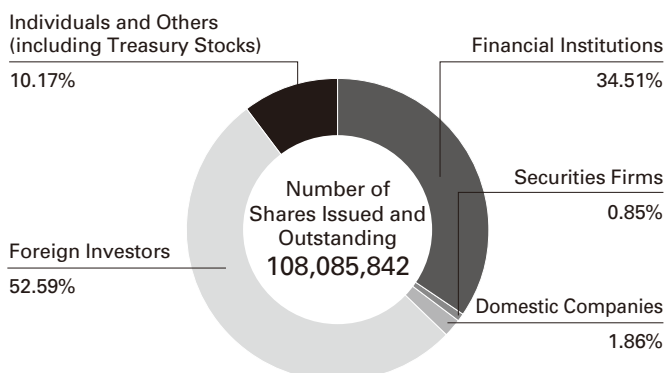
Corporate Name	TOPCON CORPORATION
Headquarters	75-1, Hasunuma-cho, Itabashi-ku, Tokyo 174-8580 Japan
Established	September 1, 1932
Paid in Capital	¥16,638 million
Business Outline	Positioning (GNSS, Machine control systems, IT agriculture) Smart Infrastructure (Surveying instruments, 3D measurement, Monitoring, BIM) Eye Care (Ophthalmic instruments, Ophthalmologic net- work systems, Optometric instruments)
Topcon Group	Consolidated subsidiaries 77 Equity method affiliate 10
Employees	4,723 (Consolidated) 681 (Non-consolidated)
Number of Authorized Shares	160,000,000
Number of Shares Issued and Outstanding	108,085,842
Number of Shareholders	11,654
Stock Exchange Listings	First Section, Tokyo Stock Exchange
Securities Code	7732
Number of Shares per unit	100
Transfer Agent for Common Stock	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Ordinary General Meeting of Shareholders	June

Major Shareholders (As of March 31, 2018)

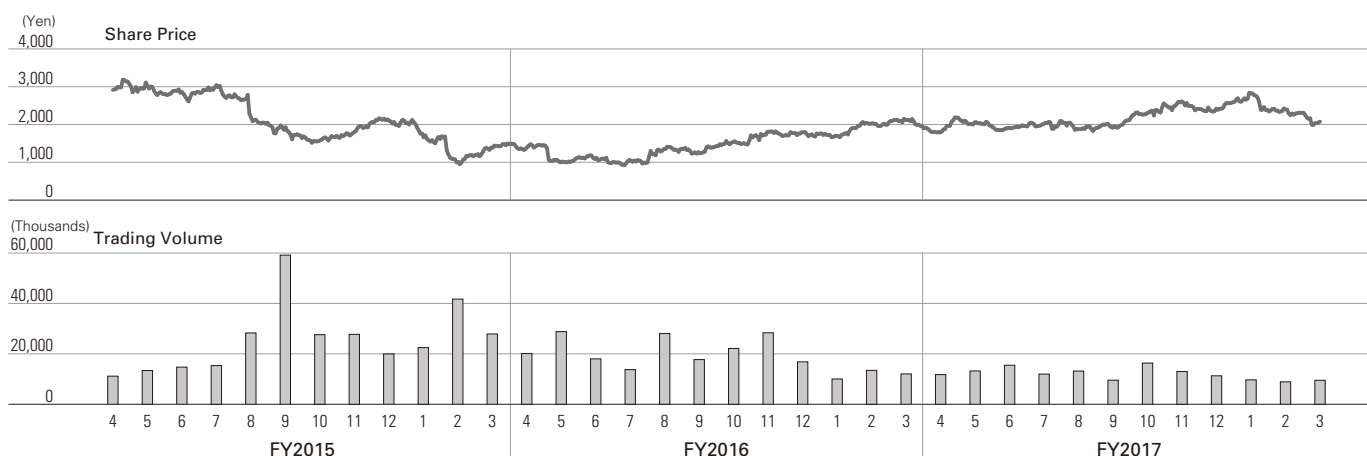
* Number of shares held are rounded down to the hundred and percentage of shares held are rounded down to the second decimal places.

Shareholder	Number of shares held (Hundreds)	Percentage of total shares issued (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	113,433	10.70%
STATE STREET BANK AND TRUST COMPANY	92,783	8.75%
The Master Trust Bank of Japan, Ltd. (Trust Account)	46,693	4.40%
The Dai-ichi Life Insurance Company, Limited	43,500	4.10%
JPMC OPPENHEIMER JASDEC LENDING ACCOUNT	32,988	3.11%
THE BANK OF NEW YORK 133524	28,184	2.65%
GOVERNMENT OF NORWAY	24,323	2.29%
SAJAP	23,692	2.23%
JP MORGAN CHASE BANK 380055	21,150	1.99%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	20,518	1.93%

Breakdown by Type of Shareholders



Share Price and Trading Volume



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