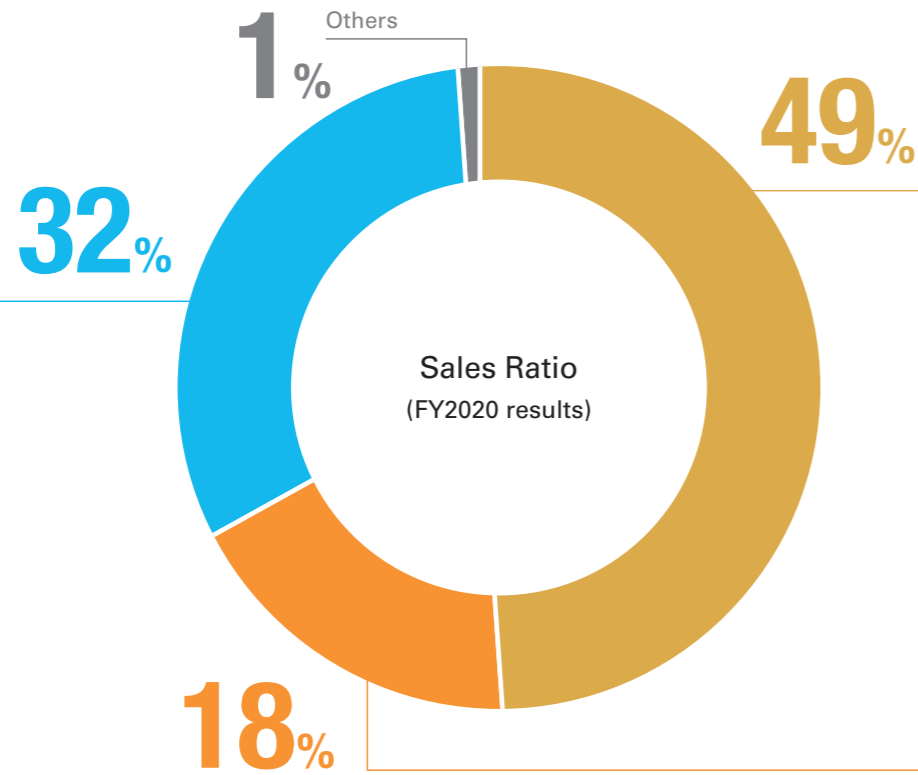


Business Overview

Topcon operates businesses in three segments: Positioning, Smart Infrastructure, and Eye Care.



POSITIONING COMPANY

Business domains

- 住 Infrastructure
- 食 Agriculture

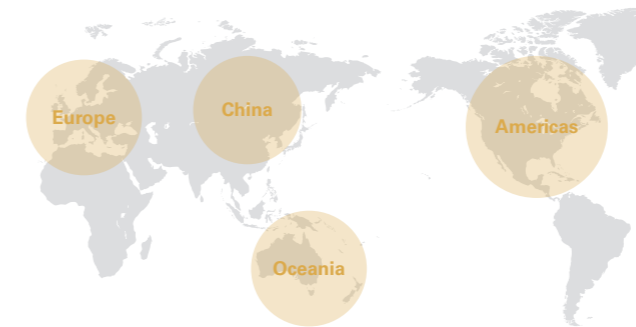
Corresponding SDGs

- 11 Sustainable Cities and Communities
- 2 Zero Hunger

■ Surveying
■ Civil Engineering

■ Construction/Building
■ Agriculture

Major Sales Areas



Major Products Manufactured by the Segment

- Products and software based on core technology of GNSS receiver**
- IT Construction System
 - IT Agriculture System
 - GNSS Receiver for Surveying
 - Construction Site Management Software
 - Surveying & Civil Engineering Software

Major Products Sold by the Segment

- Total Station
- 3D Laser Scanner
- IT Construction System
- IT Agriculture System
- GNSS Receiver for Surveying
- Laser Instruments
- 3D Mobile Mapping System
- Software (Construction Site Management System, Surveying & Civil Engineering System, System for 3D Point Cloud Data Management and Modeling, etc.)

SMART INFRASTRUCTURE BUSINESS

Business domains

- 住 Infrastructure
- 食 Agriculture

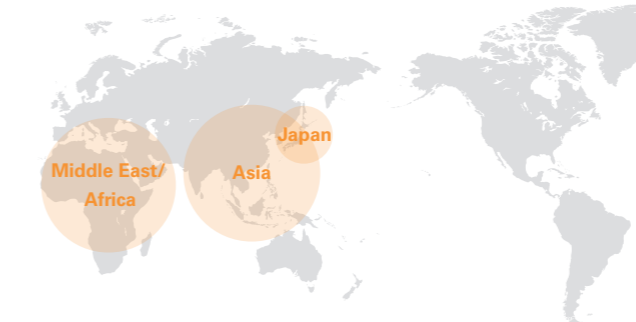
Corresponding SDGs

- 11 Sustainable Cities and Communities
- 2 Zero Hunger

■ Surveying
■ Civil Engineering

■ Construction/Building
■ Agriculture

Major Sales Areas



Major Products Manufactured by the Segment

- Optical products including surveying instruments and software**
- Total Station
 - 3D Laser Scanner
 - Laser Instruments
 - 3D Mobile Mapping System
 - Surveying & Civil Engineering Software
 - Software for 3D Point Cloud Data Management/Modeling

Major Products Sold by the Segment

- Total Station
- 3D Laser Scanner
- IT Construction System
- IT Agriculture System
- GNSS Receiver for Surveying
- Laser Instruments
- 3D Mobile Mapping System
- Software (Construction Site Management System, Surveying & Civil Engineering System, System for 3D Point Cloud Data Management and Modeling, etc.)

EYE CARE BUSINESS

Business domains

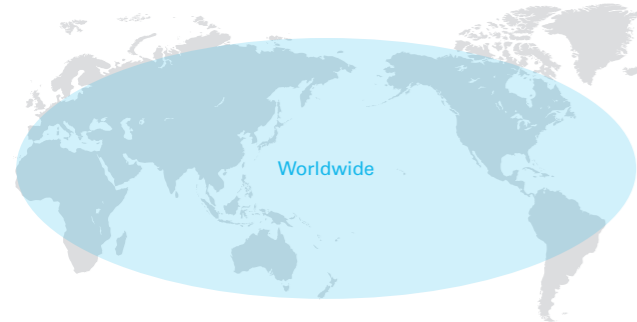
- 医 Healthcare

Corresponding SDGs

- 3 Good Health and Well-being

■ Examination/Diagnosis/Treatment for ophthalmology
■ Screening (Preventive/Prognostic)
■ Phoropter for Optical Stores

Major Sales Areas



Major Products Manufactured and Sold by the Segment

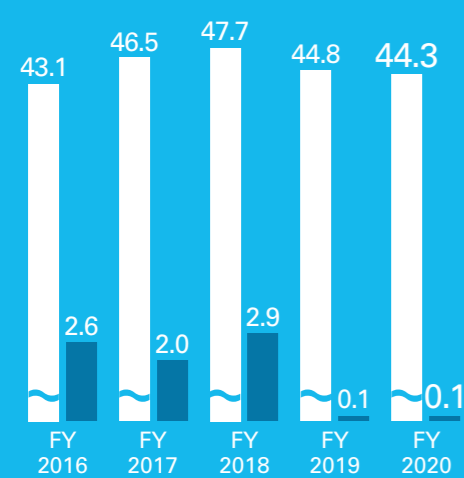
- 3D Optical Coherence Tomography systems (3D OCT)
- Fundus Camera
- Auto Refractometer/Auto Kerato-refractometer
- Slit Lamp
- Tonometer
- Lens Meter
- Ophthalmic Laser Photocoagulator
- Software (Image Filing, Data Management, EMR, etc.)
- Optometry Systems

EYE CARE BUSINESS

Net Sales: **¥44.3 billion**
(down 1.1% year-on-year)

Operating Income: **¥0.1 billion**
(down 10.5% year-on-year)

■ Net Sales ■ Operating Income
(Billion yen)



FY2020 Financial Results

In the Eye Care Business, demands dropped sharply as a result of lockdowns imposed due to COVID-19. However, demand has been on a recovery trend after bottoming out in April 2020. The market recovered rapidly from the third quarter onward due to vigorous demand for tele-optometry system that supports social distancing as well as the market recovery and the effects of reorganization of our sales network in China. As a result, net sales decreased by 1.1% year-on-year to ¥44,251 million. Although we worked to reduce fixed expenses, operating income decreased by 10.5% year-on-year to ¥122 million mainly due to the impact of a decline in net sales.

Outlook for Business Conditions in FY2021 and Beyond

We expect screening demand to grow strongly in the U.S. and Europe. The growth trend for the business in China is continuing despite some uncertainties. Meanwhile, the timing of the recovery in Southeast Asia is uncertain due to the spread of COVID-19 variants. Additionally, there are causes for concern, including rising prices of components and logistics costs, and the impact of semiconductor shortages on production and the resulting prolongation of lead times.

Growth Strategy under the Third Mid-term Business Plan

We have identified the Screening Business and our China Business as our two main growth businesses, and are focusing our efforts on expanding them.

With regard to the Screening Business, our development subsidiary in the U.S. has actively recruited from outside the Company. The subsidiary is developing proprietary software to support optical chain stores and primary care physicians to enable them, non-ophthalmologists, to conduct eye screenings. We will work to expand our Screening Business with solutions that bundle this software with 3D OCT-1 Maestro and TRC-NW4 0 0, our fully automatic screening equipment, that can be operated with a single touch. As many AI development companies enter the screening market and AI automatic diagnosis services using our products are expanding, we will work to expand sales of our products.

In our business in China, we will continue to capture vigorous demands by reinforcing our system for approaching customers such as large hospitals, exam chains, and optical stores through the reorganization of our sales network.

* Optical chain stores in Japan are not in the scope of our Screening Business.

TOPICS

Topcon is selected Digital Transformation Stocks (DX Stocks) 2021 for two consecutive years by Ministry of Economy, Trade and Industry and Tokyo Stock Exchange

DX Stocks are designated for companies that establish internal structures to promote DX that leads to the improvement of corporate values, and aggressively continue to take on challenges to transform their management and the entire business model based on the premise of digital technology. Topcon was selected as one of the 28 domestic listed companies that scored highest in the overall rating of this year's assessment among approximately 3,700 domestic listed companies in the Tokyo Stock Exchange (First Section, Second Section, Mothers, JASDAQ). In the fields of healthcare, agriculture and infrastructure, our business model and growth strategy toward creating new value, and our comprehensive efforts to support it, such as global organizational reform, human resource management, and the development of the IT environment, were highly appreciated.

We have set a corporate identity of contributes to enrich human life by solving the societal challenges within healthcare, agriculture and infrastructure, and is promoting efforts to aim to solve societal challenges in each business field utilizing DX solutions.

Productivity and quality improvement in building construction work and cloud-based agricultural management IoT software solutions were highly acclaimed for 2021.



METI presentation material

1 DX solution to improve productivity and quality in building construction work

Although BIM has already been introduced and spread in the design stage of construction work, there is no solution to connect the three-dimensional digital model (virtual) created by BIM to the construction site (real). What is occurring is that construction works are carried out by printing out on two-dimensional paper drawings.

We develop software that links BIM data with sensing devices such as 3D digital surveying instruments and laser scanners. Then, we propose DX solutions that realize automation of construction work, and improve labor saving, construction quality and productivity by using BIM linkage solutions that bridge the gap between real and virtual.

2 Cloud-based agricultural management IoT software solution

We are promoting automation of farm operations by providing Auto Steering System for tractors, various crop growth and yield sensors, and software for fertilizer application design and dairy farming.

TAP (Topcon Agriculture Platform) is a software to propose further improvement of work efficiency by collecting and analyzing data, and the control of equipment related to the farming cycle in the cloud.

It is vendor-free and can be connected to any farming machinery and system, providing a DX solution that addresses food shortages resulting from global population growth.

DX: Digital Transformation

A status in which a company responds to significant changes in its business environment by using data and digital technology to establish a competitive advantage based on transformation of its products, services, or business model, as well as innovating its operations, organization, processes, or corporate culture in accordance with the needs of its customers and society.

News Release by the Ministry of Economy, Trade and Industry Announcing DX Stocks
<https://www.meti.go.jp/press/2021/06/20210607003/20210607003.html> (Japanese only)