December 10, 2007

To whom it may concern,

Company Name: TOPCON CORPORATION
(Code Number: 7732, First Section of the Tokyo Stock Exchange and Osaka Stock Exchange)
Representative: Takashi Yokokura,
President and Representative Director
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ANNOUNCEMENT OF COMMENCEMENT OF TENDER OFFER FOR SHARES OF SOKKIA COMPANY, LIMITED

Topcon Corporation (the "Company" or the "Tender Offeror") is pleased to announce that the Company, at a board meeting held on December 10, 2007, resolved to launch a tender offer (the "Tender Offer") with a view to acquiring all of the outstanding shares of common stock issued by Sokkia Company, Limited (Code Number: 7720, First Section of the Tokyo Stock Exchange; the "Target Company") and to making it a wholly owned subsidiary of the Company.

The Company is contemplating making the Target Company a wholly owned subsidiary through the Tender Offer and a series of procedures to be taken after the Tender Offer.

1. Purpose of the Tender Offer

(1) Outline and Background of the Tender Offer

The Company is now launching the Tender Offer with a view to acquiring all of the outstanding shares of common stock issued by the Target Company (excluding the Target Company's shares already held by the Company and treasury shares held by the Target Company) and to making it a wholly owned subsidiary of the Company.

The Company is in the business of manufacturing and selling surveying instruments, ophthalmic & medical instruments, industrial instruments and optical devices. Total assets (consolidated) for the fiscal year ending March 2007 is 99.8 billion yen, and sales (consolidated) is 110.4 billion yen. From and including the fiscal year ending March 2004, the Company has recorded historical high sales for the past four consecutive years. Surveying instruments comprises sales (consolidated) of 53.6 billion yen for the fiscal year ending March 2007 and is the Company's largest business segment with approximately 49% of total sales (consolidated). The Company, as a full line manufacturer of surveying instruments, is a global company competing with the top two companies in the US and Europe. In order to increase sales in the US and Europe utilizing its global network, the Company is investing in research capabilities in advanced technology in the US and Russia in order to improve its technological advantage and in turn to support its full lineup of surveying instruments, including GPS, machine control systems, total stations and lasers. In the mid-term business plan starting in the fiscal year 2007, the Company is targeting sales (consolidated) in surveying instruments of 82 billion yen and aiming to establish its position as a leading global surveying instruments manufacturer.

The Target Company is in the business of manufacturing and selling surveying instruments and measuring equipment. Total assets (consolidated) for the fiscal year ending March 2007 is 27.9 billion yen, and total sales (consolidated) is 22.4 billion yen. The Target Company was established in 1920 and has maintained a tradition of excellence in manufacturing as a Japanese company, pursuing measurement technologies. It has supplied high value added and high quality surveying instruments to address the needs of their users and regional requirements. Its main product is the total station which measures positioning by measuring angles and distances. The Target Company manufactures and sells GPS equipment through a joint venture with an overseas firm. Under its current mid-term business plan, it is strengthening their corporate base and pursuing growth by improving their profit structure. By implementing measures to evolve from mainly selling hardware to providing solutions, it is targeting sales (consolidated) of 26 billion yen for the fiscal year ending March 2008.

However, the market environment for the two companies is highly competitive. The leading manufacturers in the US and Europe are active in M&A on a global scale. There are also the emerging Chinese manufacturers that are penetrating the global markets based on low cost products. The Company and the Target Company are expected to compete intensively in the global surveying instruments market with the US and European manufacturers which possess technology, brand and financial strength as well as with the emerging Chinese manufacturers, which are accelerating their advancement in technology but still have a low cost basis. With intensified competition in the surveying instruments market, if the Company and the Target Company were to continue business independently, it will not be easy to maintain their current market presence. Furthermore, with their limited to ability to invest in R&D on an individual basis, there is concern that they may lag behind the leading manufacturers in the US, Europe and Asia.

With this understanding of the situation, rather than the two companies pursuing their business expansion independently, through a combination of the two companies and by utilizing each other's advanced technology and skilled human resources, the two companies aim to expand their potential as a full line surveying instruments manufacturer and compete on an equal basis into the future with the leading US, European and Asian manufacturers. The two companies also believe that this combination will lead to maximizing enterprise and equity value. Both companies firmly believe that the combination is with their best potential partner and that this combination is the best alternative not only for the shareholders of the two companies but for all stakeholders, including customers and employees.

Based on the above understanding, the Company entered into an agreement with the Target Company on March 16, 2007 to conduct a business integration in the surveying instruments business, the main business segment for both companies (the "Business Integration"), in order to increase customer satisfaction in their products and to become "a surveying and measurement instruments entity that is competitive globally" by respecting each other's historical background and by utilizing each other's respective resources. The Company and the Target Company engaged in prior consultation with the Japan Fair Trade Commission (the "JFTC") with respect to the acquisition of the Target Company's shares by the Company and received a response from the JFTC on December 10, 2007 to the effect that the JFTC does not believe such acquisition of shares to be in violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended) (the "Antimonopoly Law"), on condition that the after-mentioned measures (the "Remedial Measures") are securely taken by the Company and the Target Company. The Company then executed a basic agreement with the Target Company on the same date, setting forth the outline of the Business Integration, etc. Pursuant to the basic agreement, the Company is now launching the Tender Offer with a view to acquiring all of the outstanding shares of common stock issued by the Target Company and to making it a wholly owned subsidiary of the Company.

(2) Outline of the Terms and Conditions of the Tender Offer

As stated above, the Tender Offer is for the purpose of acquiring all of the outstanding shares of common stock issued by the Target Company, and accordingly, the Company has not set any upper limit to the number of shares to be purchased through the Tender Offer. On the other hand, the Company has set a lower limit in the Tender Offer that no shares will be purchased though the Tender Offer if the number of tendered shares is less than 17,326,000 shares.

The Tender Offer provides the shareholders of the Target Company with an opportunity to sell their shares at a higher price than recent market price. The Company has set the tender offer price at 640 yen per share, taking into consideration such factors as (i) the valuation of the Target Company's shares made by Allied Inc. ("Allied"), a financial advisor to the Company, (ii) the results of operational, legal, accounting and tax-related due diligence, (iii) the details of the Remedial Measures, (iv) whether or not the Target Company would support the Tender Offer, (v) trends in the market price of the Target Company's shares, (vi) the premiums paid over the market price in past tender offer cases for shares launched by non-issuers, and (vii) the outlook for the Tender Offer, as well as the outcome of the discussions/negotiations with the Target Company.

The purchase price in the Tender Offer is equal to the average closing price of 450 yen (rounded to the nearest whole number) of the common stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange for the past 3 months, ending on December 7, 2007, plus a premium of approximately 42% (rounded to the nearest whole number), and is equal to the closing price of 497 yen for the common stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange on December 7, 2007 plus a premium of approximately 29% (rounded to the nearest whole number).

(3) Management and Business Restructuring Plan, etc. after the Tender Offer

The Company and the Target Company make it their main goal to consummate the Business Integration by April 1, 2011. After the consummation of the Business Integration, it is expected that the Company will be responsible for (i) the development, manufacture and sales of GPS equipment and machine control systems, (ii) sales of total stations and other surveying instruments (excluding sales of non-motor-driven total stations in Japan) and (iii) the planning of the global business strategy, while the Target Company will be responsible for the development and manufacture of total stations and other surveying instruments. The Target Company plans to propose an agenda item at the first general shareholders' meeting after becoming a subsidiary of the Company to change the name of the Target Company to "SOKKIA TOPCON" by amending its articles of incorporation, but the "SOKKIA" brand will continue to be used for some time. The Company and the Target Company plan to standardize the platforms for total stations by the end of fiscal year 2010, and to mutually cooperate and strive for downsizing, weight-saving and differentiation of motor-driven total stations, and development of 3D measurement instruments (such as scanners) for the civil engineering market and measurement market. In order to achieve this main goal and the purpose of the Business Integration, the Company intends to newly establish an Integration Promotion Committee consisting of members from both companies, which will be responsible for preparation and execution of practical implementation plans for the Business Integration.

The Company aims at becoming a world leading company in each business segment of motor-driven total stations and other surveying instruments, GPS equipment, machine control systems, and precision measuring instruments including measurement instruments.

The Company intends to establish a business structure that allows for sustainable growth in a new business environment by implementing drastic business restructuring to achieve the following synergistic effects through the Business Integration:

(i) Optimization and improvement of the efficiency of the business of the whole group;
(ii) Selection and concentration of business investments;
(iii) Reduction of procurement and production cost; and
(iv) Appropriate allocation of human resources.

Upon completion of the Tender Offer, for the sake of smooth and expedited integration between the Company and the Target Company, the Company will promptly appoint one of the directors of the Target Company to be an advisor to the Company, and plans to propose an agenda item, at the annual general shareholders' meeting of the Company to be held in June 2008, to appoint the advisor as a director of the Company. Also, the Target Company plans to propose an agenda item, at the annual general shareholders' meeting of the Target Company to be held in June 2008, to elect at least two directors designated by the Company (with one of them being a part-time director).

(4) Consideration of the Antimonopoly Law

The Company executed an OEM agreement (the "OEM Agreement") with TJM Design Corporation ("TJM"), by which the Company will supply non-motor-driven total stations, which the Company is manufacturing or the Company or its affiliated companies will develop (including specification changes) and/or manufacture (the "OEM Products"), exclusively to TJM with regard to their sales in Japan, in order to clear antitrust concerns posed by the JFTC in the course of the prior consultation with respect to the Company's acquisition of the Target Company's shares. The Company will start supplying the OEM Products to TJM in February 2008 pursuant to the OEM Agreement on condition that the Tender Offer is successfully completed. The initial effective term of the OEM Agreement is five years after the start of the supply of the OEM Products, and the term will be automatically extended for an additional one year period (the same shall apply to any subsequent terms) unless TJM notifies the Company of its intention to terminate the OEM Agreement. Also, the price for the OEM Products to be paid by TJM will be the same as the present price paid by the Company's sales subsidiary to the Company, for three years after the Company's acquisition of the Target Company's shares unless certain material changes of circumstances occur.

Furthermore, during the same period, the Company and the Target Company will establish an "information barrier" in order to prevent information about non-motor-driven total stations manufactured by the Company, etc. and those manufactured by the Target Company, respectively, from being shared. The Company or its affiliated companies (excluding the Target Company, which will be a subsidiary of the Company upon completion of the Tender Offer) will stop selling non-motor-driven total stations in Japan during the effective period of the OEM Agreement, and sales of the OEM Products in Japan, excluding non-motor-driven total stations developed/manufactured and sold by the Target Company, will exclusively be made by TJM.

The Company's group sales of non-motor-driven total stations for the fiscal year ending March 2007 is approximately 2.3 billion yen, and the OEM Agreement will have only a negligible effect on the Company's consolidated or non-consolidated financial results.

(5) Possibility of Delisting

Since the Company has not set any upper limit to the number of shares to be purchased through the Tender Offer, subject to the outcome of the Tender Offer, the shares of the Target Company may be delisted upon completion of the Tender Offer following the prescribed procedures pursuant to the Tokyo Stock Exchange's standards for delisting of shares. Also, even in the event that the outcome of the Tender Offer does not make the shares of the Target Company subject to delisting under such standards, the shares will eventually be delisted in accordance with such standards if a stock for stock exchange (*kabushiki-koukan*), whereby the Target Company will become a wholly owned subsidiary of the Company, or other appropriate measures (the "Squeeze-Out Process") are taken after the Tender Offer to make the Target Company a wholly owned subsidiary. After the delisting, share certificates representing shares of the Target Company may no longer be traded on the Tokyo Stock Exchange and are expected to become difficult to sell.

Since the Company has set a lower limit in the Tender Offer that no shares will be purchased though the Tender Offer if the number of tendered shares is less than 17,326,000 shares, representing approximately 50.00% of the 34,653,771 shares, which is equal to the total of 35,790,289 outstanding shares of the Target Company as of September 30, 2007 (as shown in the 63rd Semi-annual Securities Report submitted by the Target Company on December 6, 2007) less the 1,136,518 treasury shares that the Target Company held as of September 30, 2007. The Company has not established any plan in the case of failure of the Tender Offer.

(6) Reason for Delisting

As stated above, the Company makes it the main goal of the Business Integration to become "a surveying and measurement instruments entity that is competitive globally" through optimal allocation of skills and resources held by the Company and the Target Company and through business restructuring. The delisting of the shares of the Target Company itself is not the purpose of the Tender Offer. The Company believes that it is necessary to make the Target Company its wholly owned subsidiary in order to carry out the business restructuring process under the Business Integration smoothly and effectively, which the Company believes will benefit the shareholders of the Company and the Target Company.

(7) Important Agreements between the Tender Offeror and the Shareholders of the Target Company regarding Application for the Tender Offer

There exist no important agreements executed between the Company and the shareholders of the Target Company prior to the launch of the Tender Offer with regard to application for the Tender Offer. Phoenix Capital Co., Ltd., the general partner of Japan Recovery Fund II, which is a shareholder of the Target Company, announced on March 16, 2007, in the press release "Re: Business Integration between Sokkia Company, Limited and TOPCON CORPORATION", that they believe the Business Integration will help enhance the enterprise value of the Target Company and thus they support the Business Integration.

Also, the Target Company, at a board meeting held on December 10, 2007, referring to a valuation report of the Target Company's shares prepared by Daiwa Securities SMBC Co. Ltd., an independent third party advisor, resolved to support the Tender Offer, believing that the Tender Offer and the subsequent steps to make the Target Company a wholly owned subsidiary of the Company will help enhance the Target Company's enterprise value and that the Tender Offer provides an opportunity for its shareholders to sell their shares for a reasonable price, even after the synergistic effects expected to be realized after the organizational restructuring of the Company and the Target Company is taken into consideration. The board of directors of the Target Company came to this decision after careful review of the offer price and other conditions of the Tender Offer from various points of view, such as the financial condition of the Company and the Target Company, expected synergistic effects on their business, and the progress of the market price of the Target Company's shares.

(8) The Squeeze-Out Process

As the Company intends to make the Target Company a wholly owned subsidiary, if it fails to acquire all of the outstanding shares of common stock issued by the Target Company through the Tender Offer, it plans to make the Target Company a wholly owned subsidiary through the

Squeeze-Out Process, taking into consideration such factors as tax/accounting treatment and filing/disclosure requirements under the US securities laws.

Although the details of the Squeeze-Out Process, including the timing, the method, and amount and types of the money, etc. (including the shares of the Company) to be delivered to the Target Company's shareholders in exchange for the Target Company's shares have not been decided, the economic value of such money, etc. (including the shares of the Company) is expected to be calculated based upon the offer price in the Tender Offer and to be determined upon negotiations between the Company and the Target Company after the Tender Offer, paying full attention to the benefit to the shareholders of the Company and the Target Company and taking into consideration such factors as the results of the enterprise valuation to be made by the Company and the Target Company, respectively, the trends in the market price of the Target Company's shares after the Tender Offer, and the business performance progress of the Company and the Target Company at the time, etc. Depending on the terms and conditions of the Squeeze-Out Process to be determined after the Tender Offer, the economic value of the money, etc. (including the shares of the Company) to be delivered to the Target Company's shareholders in exchange for their Target Company shares may differ from the offer price in the Tender Offer. The Tender Offer makes it possible for shareholders of the Target Company to receive consideration for their shares of the Target Company, in the form of cash, earlier, by tendering their shares in the Tender Offer rather than receiving consideration for their shares of the Target Company in the Squeeze-Out Process. Under certain circumstances, shareholders of the Target Company may have the right to request the Target Company to repurchase their shares pursuant to applicable laws; which repurchase price may differ from the offer price in the Tender Offer. The shareholders of the Target Company are kindly requested to consult with their tax advisors with respect to tax-related matters in connection with the Tender Offer, the Squeeze-Out Process and exercise of the right to request the Target Company to repurchase their shares in the Squeeze-Out Process.

2. Outline of the Tender Offer

(1) Outline of the Target Company

1) Company Name	Sokkia Company, Limited	
2) Description of Business	Manufacturing and selling of surveying instruments and measuring equipment	
3) Date of Incorporation	April 16, 1920	
4) Address of Head Office	260-63, Hase, Atsugi-shi, Kanagawa-ken	
5) Name and Title of the Representative	Hitoshi Ito President and Representative Director	
6) Amount of Paid-in Capital	5,897 million yen (As of September 30, 2007)	
7) Major Shareholders and Shareholding Ratio (As of September 30, 2007)	Japan Recovery Fund II (General Partner: Phoenix Capital Co., Ltd.) 20.12% Samuel H. Ellis 5.88% Sumitomo Mitsui Banking Corporation 4.78% Japan Trustee Services Bank, Ltd. (Trust Account) 3.26% Mitsui Life Insurance Company Limited (Japan Trustee Services Bank, Ltd., Standing Proxy) 2.69% The Master Trust Bank of Japan, Ltd. (Trust Account) 2.63% BNP Paribas Securities Services Luxembourg Jasdec Securities (The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Standing Proxy) 2.56% The Chase Manhattan Bank, N.A. London (Mizuho Corporate Bank, Ltd., Standing Proxy) 2.54% Mitsubishi UFJ Securities Co., Ltd. 2.16% UBS AG London Account-IBB Segregated Client Account (Securities Business Division, Citibank, Japan Ltd., Standing Proxy) 2.05%	
8) Relationship Between the Tender Offeror and the Target Company	Capital Relationship	The Company owns 1,000 shares of Sokkia Company, Limited.
	Personnel Relationship	N/A
	Business Relationship	N/A
	Status as a Related Party	N/A

(Note) The information in the outline of the Target Company is based on the 63rd Semi-annual Securities Report submitted by the Target Company on December 6, 2007.

(2) Duration of the Tender Offer

a. Tender Offer Period as of the filing of the Tender Offer Registration Statement (the "Registration Statement")

From Tuesday, December 11, 2007 to Tuesday, January 29, 2008 (30 business days)

b. Possible extension of the Tender Offer Period at the Target Company's request

N/A

(3) Purchase Price of the Tender Offer: 640 yen per share of common stock

(4) The Basis of Calculation, etc. of Purchase Price of the Tender Offer

a. Basis of Calculation

In determining the purchase price for the common stock of the Target Company, the Company requested Allied to value the shares of the Target Company as a reference. As described below, Allied calculated the value per share of the common stock of the Target Company, taking into account such factors as (i) the results of valuations by Average Stock Price Analysis and Discounted Cash Flow Analysis (the "DCF Analysis"), (ii) the synergistic effects to be realized by the Business Integration, and (iii) the impact of the Remedial Measures.

As a first step, based on the Target Company's financial information and financial projections prepared by the Company and the Target Company, trends in the market price of the shares of the Target Company and other publicly available information, etc., Allied calculated the following ranges for the per share value by conducting an Average Stock Price Analysis and a DCF Analysis:

Average Stock Price Analysis:	383 yen to 517 yen
DCF Analysis:	428 yen to 608 yen

Additionally, Allied valued the synergistic effects to be realized by the Business Integration by DCF Analysis, mainly focusing on possible reduction of overlapping administrative cost and reduction of procurement cost resulting from enhancement of procurement ability. Furthermore, Allied analyzed the economic value to be lost through the Remedial Measures by DCF Analysis. Allied believed it reasonable to take into account in part the synergistic effects to be realized by the Business Integration and in part the economic value to be lost through the Remedial Measures when analyzing the share value of the Target Company, and, given such synergistic effects, the economic value and the above per share value produced by Average Stock Price Analysis and DCF Analysis, calculated the range of the per share value of the Target Company to be 467 yen to 687 yen.

The offer price in the Tender Offer considered by the Company was within the range of the per share value produced by Allied. Taking into consideration such factors as (i) the valuation of the Target Company's shares made by Allied, (ii) the results of operational, legal, accounting and tax-related due diligence, (iii) the details of the Remedial Measures, (iv) whether or not the Target Company would support the Tender Offer, (v) trends in the market price of the Target Company's shares, (vi) the premiums paid over the market price in past tender offer cases for shares launched by non-issuers, and (vii) the outlook for the Tender Offer, as well as the outcome of the discussions/negotiations with the Target Company, the Company set the tender offer price at 640 yen per share.

The purchase price in the Tender Offer is equal to the average closing price of 450 yen (rounded to the nearest whole number) of the common stock of the Target Company quoted on the Fist Section of the Tokyo Stock Exchange for the past 3 months, ending on December 7, 2007, plus a premium of approximately 42% (rounded to the nearest whole number), and the closing price of 497 yen for the common stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange on December 7, 2007, plus a premium of approximately 29% (rounded to the nearest whole number).

b. Process of the Calculation

The Company has discussed and examined with the Target Company the possibility of the Business Integration since early 2006. Upon such discussion and examination, under the circumstances where the Company and the Target Company are expected to compete intensively in the global surveying instruments market with US and European manufacturers as well as with the emerging Chinese manufacturers, the Company came to believe that through the Business Integration and by utilizing its and the Target Company's advanced technology and skilled human resources, the Company will be able to expand its and the Target Company's potential as a full line surveying instruments manufacturer and compete on an equal basis into the future with the leading US, European and Asian manufacturers. The Company also believes that the Business Integration will lead to maximizing enterprise and equity value. As the Company received a response from the JFTC to the effect that it does not believe the Company's acquisition of shares of the Target Company to be in violation of the Antimonopoly Law on condition that the Remedial Measures are securely taken, the Company decided to launch the Tender Offer, and determined the tender offer price in the following manner:

i. Name of the Third Party that Provided a Valuation Report in Determining the Offer Price

The Company requested Allied, an independent third party who is not an affiliated party of either the Company or the Target Company, to value the shares of the Target Company as a reference for determining the tender offer price, and received a valuation report from Allied on December 7, 2007.

ii. Summary of Valuation performed by Allied

As described below, Allied calculated the value per share of the common stock of the Target Company, taking into account such factors as (i) the results of valuations by Average Stock Price Analysis and DCF Analysis, (ii) the synergistic effects to be realized by the Business Integration, and (iii) the impact of the Remedial Measures.

As a first step, based on the Target Company's financial information and financial projections prepared by the Company and the Target Company, trends in the market price of the shares of the Target Company and other publicly available information, etc., Allied calculated the following ranges for the per share value by conducting an Average Stock Price Analysis and a DCF Analysis:
Average Stock Price Analysis: 383 yen to 517 yen
DCF Analysis: 428 yen to 608 yen

Additionally, Allied valued the synergistic effects to be realized by the Business Integration by DCF Analysis, mainly focusing on possible reduction of overlapping administrative cost and reduction of procurement cost resulting from enhancement of procurement ability. Furthermore, Allied analyzed the economic value to be lost through the Remedial Measures by DCF Analysis. Allied believed it reasonable to take into account in part the synergistic effects to be realized by the Business Integration and in part the economic value to be lost through the Remedial Measures when analyzing the share value of the Target Company, and, given such synergistic effects, the economic value and the above per share value produced by Average Stock Price Analysis and DCF Analysis, calculated the range of the per share value of the Target Company to be 467 yen to 687 yen.

iii. Process to Reach Conclusion on the Offer Price based on the Third Party's Report

The offer price in the Tender Offer considered by the Company was within the range of the per share value produced by Allied. Taking into consideration such factors as (i) the valuation of the Target Company's shares made by Allied, (ii) the results of operational, legal, accounting and tax-related due diligence, (iii) the details of the Remedial Measures, (iv) whether or not the Target Company would support the Tender Offer, (v) trends in the market price of the Target Company's shares, (vi) the premiums paid over the market price in past tender offer cases for shares launched by non-issuers, and (vii) the outlook for the Tender Offer, as well as the outcome of the discussions/negotiations with the Target Company, the Company determined the tender offer price to be 640 yen per share, at a board meeting held on December 10, 2007.

c. Relationship with the Third Party Valuator

Allied is not a related party of either the Company or the Target Company.

(5) Number of Share Certificates, etc. to be Purchased in the Tender Offer

Type of Share Certificates, etc.	(i) Expected Number of Shares to be Purchased if Converted into Shares (if any)	(ii) Excess Number of Shares to be Purchased if Converted into Shares (if any)
Share Certificates	17,326,000 shares	— shares
Share Acquisition Right Certificates	— shares	— shares
Corporate Bond Certificates with Share Acquisition Rights	— shares	— shares
Depositary Receipts for Share Certificates, etc. ( )	— shares	— shares
Total	17,326,000 shares	— shares

(Note 1) If the total number of shares, etc. tendered in the Tender Offer is less than the number listed above in "Expected Number of Shares to be Purchased if Converted into Shares (if any)" (17,326,000 shares), none of the tendered shares, etc. will be purchased by the Tender Offeror. If the total number of shares, etc. tendered in the Tender Offer is not less than the number listed above in "Expected Number of

Shares to be Purchased if Converted into Shares (if any)" (17,326,000 shares), all of the tendered shares, etc. will be purchased by the Tender Offeror.

(Note 2) Shares constituting less than a whole unit will also be subject to purchase through the Tender Offer. However, to tender such shares, the relevant share certificates (unless such share certificates are kept in the custody of the Japan Securities Depository Center, Inc. through the Tender Offer Agent (as defined below)) must be submitted to the Tender Offer Agent. The Target Company may purchase its shares to be held as treasury shares in accordance with relevant laws and regulations during the Tender Offer Period from any shareholder who exercises the right under the Japanese Company Law to require the Target Company to purchase shares constituting less than a whole unit. The Target Company will purchase such shares at the then prevailing market price.

(Note 3) The treasury shares held by the Target Company are not planned to be purchased through the Tender Offer.

(Note 4) The largest number of shares, etc. to be purchased through the Tender Offer ("Maximum Purchase Shares") is 34,652,771, which was calculated by deducting from the total of 35,790,289 outstanding shares in the Target Company as of September 30, 2007 (as shown in the 63rd Semi-annual Securities Report submitted by the Target Company on December 6, 2007) the 1,136,518 treasury shares that the Target Company held as of September 30, 2007 and the 1,000 shares that the Company holds as of the date of the filing of the Registration Statement.

(6) Changes in Holding Ratio of Share Certificates, etc. After the Tender Offer

Number of Voting Rights of Share Certificates, etc., Owned by the Tender Offeror Before the Tender Offer	1 unit	(Holding Ratio of Share Certificates, etc. Before the Tender Offer: 0.00%)
Number of Voting Rights relating to Share Certificates, etc., to be Purchased	17,326 units	(Holding Ratio of Share Certificates, etc. After the Tender Offer: 50.00%)
Number of Voting Rights of the Shareholders in Total of the Target Company	34,181 units	

(Note 1) The “Number of Voting Rights relating to Share Certificates, etc., to be Purchased” is the number of voting rights with respect to the “Expected Number of Shares to be Purchased if Converted into Shares” (17,326,000) in the Tender Offer.

(Note 2) The “Number of Voting Rights of the Shareholders in Total of the Target Company” represents the number of voting rights of all the shareholders as of September 30, 2007 (as shown in the 63rd Semi-annual Securities Report submitted by the Target Company on December 6, 2007). However, given that shares constituting less than a whole unit are also subject to purchase through the Tender Offer, for the purpose of calculating “Holding Ratio of Share Certificates, etc. Before the Tender Offer” and “Holding Ratio of Share Certificates, etc., After the Tender Offer”, the “Number of Voting Rights of the Shareholders in Total of the Subject Company” is calculated to be 34,653 units. This number is calculated by adding the sum of the number of voting rights (472 units) represented by the number of shares constituting less than a whole unit (473,289 shares) less the number of treasury shares constituting less than a whole unit (518 shares) shown in the said 63rd Semi-annual Securities Report.

(Note 3) The “Holding Ratio of Share Certificates, etc. Before the Tender Offer” and “Holding Ratio of Share Certificates, etc., After the Tender Offer” are rounded off to the second decimal place.

(Note 4) If the total number of shares, etc. tendered in the Tender Offer is not less than the number listed above in “Expected Number of Shares to be Purchased if Converted into Shares” (17,326,000 shares), all of the tendered shares, etc. will be purchased by the Tender Offeror. Therefore, “Holding Ratio of Share Certificates, etc., After the Tender Offer” could be a maximum of 100.00%. The number of voting rights with regard to the Maximum Purchase Shares (34,652,771) is 34,652.

(7) Aggregate Purchase Price: 11,089 million yen

(Note) The amount of the Purchase Price per share (640 yen) multiplied by the “Expected Number of Shares to be Purchased if Converted into Shares” (17,326,000 shares) is shown above. If the total number of the tendered shares in the Tender Offer is not less than the number listed above in “Expected Number of Shares to be Purchased if Converted into Shares” (17,326,000 shares), all the tendered shares, etc. will be purchased by the Tender Offeror. If Maximum Purchase Shares (34,652,771) are purchased, the Aggregate Purchase Price will be 22,177,773,440 yen.

(8) Method of Settlement

a. Name and Address of Head Offices of Securities Companies and Banks, etc. in Charge of Settlement

Nomura Securities Co., Ltd.
1-9-1 Nihonbashi, Chuo-ku, Tokyo

b. Commencement Date of Settlement

Tuesday, February 5, 2008

c. Method of Settlement

A notice of purchase will be mailed to the address or location of the tendering shareholder (or the standing proxy in the case of Non-Resident Shareholders) without delay after the expiration of the Tender Offer Period. Payment of the purchase price will be made in cash. The Tender Offer Agent will, in accordance with the instructions of tendering shareholders, remit the purchase price without delay after the commencement date of settlement to the account designated by the tendering shareholder or pay at the head office or branch offices of the Tender Offer Agent.

(9) Other Conditions and Methods of Purchase, etc.

a. Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended) (the "Law")

If the total number of the tendered shares is less than the "Expected Number of Shares to be Purchased if Converted into Shares" (17,326,000 shares), none of the tendered shares, etc. will be purchased by the Tender Offeror.

If the total number of the tendered shares is not less than the number listed above in "Expected Number of Shares to be Purchased if Converted into Shares" (17,326,000 shares), all the tendered shares, etc. will be purchased.

b. Conditions of Withdrawal of Tender Offer, Details thereof and Method of Disclosure of Withdrawal

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9

and 1.12 through 1.18, Items 3.1 through 3.8, and Article 14, Paragraph 2, Items 3 through 6 of the Enforcement Order of the Financial Instruments and Exchange Law (Government Ordinance No. 321 of 1965, as amended) (the "Enforcement Order"), the Tender Offeror may withdraw the Tender Offer. In the event that the Tender Offeror plans to withdraw the Tender Offer, it must make a pubic notice electronically, and then post notice in the Nihon Keizai Shimbun that such public notice has been made; provided, however, that, if it is difficult to make such public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the Cabinet Office Ordinance on Disclosure of Take Over Bid of Shares, etc. Conducted by Non-issuers (Ministry of Finance Japan Ordinance No. 38 of 1990, as amended) (the "TOB Order") and make the public notice immediately thereafter.

c. Conditions of Reduction of Purchase Price, etc., Details thereof and Method of Disclosure of Reduction

Should the Target Company conduct any of the acts listed in Article 13, Paragraph 1 of the Enforcement Order, in accordance with Article 27-6, Paragraph 1, Item 1 of the Law, the Tender Offer Price may be reduced in accordance with the criteria set forth under Article 19, Paragraph 1 of the TOB Order. In the event that the Tender Offeror plans to reduce the Tender Offer Price, it must make a public notice electronically, and then post notice in the Nihon Keizai Shimbun that such public notice has been made; provided, however, that if it is difficult to make such public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the TOB Order and make the public notice immediately thereafter. If any reduction of the Tender Offer Price is made, purchase of the share certificates, etc. tendered before the date of such public notice will also be made in accordance with the conditions, etc. after such change(s).

d. Matters Concerning Tendering Shareholders' Right of Cancellation of Application

Any tendering shareholder may cancel the agreements relating to the Tender Offer at any time during the Tender Offer Period. Tendering shareholders who wish to cancel their tender must deliver, or send by mail, a cancellation notice stating that such tendering shareholder cancels his/her tender under the Tender Offer (the "Cancellation Notice") together with a receipt of tender under the Tender Offer, to the head office or any Japanese branch of the Tender Offer Agent by no later than 3:30 p.m. of the last day of the Tender Offer Period. Please note that the Cancellation Notice, if sent by mail, must be received by no later than 3:30 p.m. of the last day of the Tender Offer Period.

No compensation for damages or penalty payment will be demanded of any tendering shareholder, etc. by the Tender Offeror in the event that the application by the tendering shareholder, etc. is canceled. The cost of returning the share certificates, etc. held in the custody of the Tender Offeror will be borne by the Tender Offeror.

e. Method of Disclosure if the Conditions or other Terms of Tender Offer are Changed

The Tender Offeror may amend the terms of the Tender Offer during the Tender Offer Period unless prohibited in Article 27-6 of the Law and Article 13 of the Enforcement Order. In the event the Tender Offeror intends to change the terms and conditions, etc. of purchase, etc. with respect to the Tender Offer, a public notice providing the details of the change must first be issued electronically and then a public notice to such effect shall be published in the Nihon Keizai Shimbun. However, when it is difficult to issue such public notice before the last day of the Tender Offer Period, the Tender Offeror shall first make a public announcement in accordance with the procedures described in Article 20 of the TOB Order and shall release a public notice immediately thereafter. Once the amendment of the terms of the Tender Offer takes effect, the terms of the Tender Offer after such amendment shall also be applicable to the purchase of the shares already tendered before the date of such public notice.

f. Method of Disclosure if Amendment Statement is Filed

If the Tender Offeror files an Amendment to the Registration Statement with the Director of the Kanto Local Financial Bureau, it will immediately make public those parts of such Amendment that relate to the contents of the Public Announcement of the Commencement of the Tender Offer in the way prescribed in Article 20 of the TOB Order. At the same time, the Tender Offeror will immediately amend the Tender Offer Explanatory Statement and deliver the amended Tender Offer Explanatory Statement to the tendering shareholders who have already received the original Tender Offer Explanatory Statement. However, if the scope of such amendment is limited to a small portion, the Tender Offeror may, instead of delivering an amended Tender Offer Explanatory Statement, prepare and deliver a written document describing the reasons for such amendment, matters amended and the description after such amendment to the tendering shareholders.

g. Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be publicly announced in the way prescribed in Article 9-4 of the Enforcement Order and in Article 30-2 of the TOB Order on the date immediately following the last day of the Tender Offer Period.

(10) Date of Public Notice of Commencement of the Tender Offer

Tuesday, December 11, 2007

(11) Tender Offer Agent

Nomura Securities Co., Ltd.

3. Plan, etc. After the Tender Offer and Future Outlook

As the Company intends to make the Target Company a wholly owned subsidiary, if it fails to acquire all of the outstanding shares of common stock issued by the Target Company through the Tender Offer, it plans to implement a stock for stock exchange (*kabushiki-koukan*), whereby the Target Company will become a wholly owned subsidiary of the Company, or other appropriate measures after the Tender Offer, taking into consideration such factors as tax/accounting treatment and filing/disclosure requirements under the US securities laws, to make the Target Company a wholly owned subsidiary.

Although the details of the Squeeze-Out Process, including the timing, the method, and amount and types of the money, etc. (including the shares of the Company) to be delivered to the Target Company's shareholders in exchange for the Target Company's shares have not been decided, the economic value of such money, etc. (including the shares of the Company) is expected to be calculated based upon the offer price in the Tender Offer and to be determined upon negotiations between the Company and the Target Company after the Tender Offer, paying full attention to the benefit to the shareholders of the Company and the Target Company and taking into consideration such factors as the results of the enterprise valuation to be made by the Company and the Target Company, respectively, the trends in the market price of the Target Company's shares after the Tender Offer, and the business performance progress of the Company and the Target Company at the time, etc. Depending on the terms and conditions of the Squeeze-Out Process to be determined after the Tender Offer, the economic value of the money, etc. (including the shares of the Company) to be delivered to the Target Company's shareholders in exchange for their Target Company shares may differ from the offer price in the Tender Offer. The Tender Offer makes it possible for shareholders of the Target Company to receive consideration for their shares of the Target Company, in the form of cash, earlier, by tendering their shares in the Tender Offer rather than receiving consideration for their shares of the Target Company in the Squeeze-Out Process. Under certain circumstances, shareholders of the Target Company may have the right to request the

Target Company to repurchase their shares pursuant to applicable laws; which repurchase price may differ from the offer price in the Tender Offer. The shareholders of the Target Company are kindly requested to consult with their tax advisors with respect to tax-related matters in connection with the Tender Offer, the Squeeze-Out Process and exercise of the right to request the Target Company to repurchase their shares in the Squeeze-Out Process.

The Company and the Target Company make it their main goal to consummate the Business Integration by April 1, 2011. After the consummation of the Business Integration, it is expected that the Company will be responsible for (i) the development, manufacture and sales of GPS equipment and machine control systems, (ii) sales of total stations and other surveying instruments (excluding sales of non-motor-driven total stations in Japan) and (iii) the planning of the global business strategy, while the Target Company will be responsible for the development and manufacture of total stations and other surveying instruments. The Target Company plans to propose an agenda item at the first general shareholders' meeting after becoming a subsidiary of the Company to change the name of the Target Company to "SOKKIA TOPCON" by amending its articles of incorporation, but the "SOKKIA" brand will continue to be used for some time. The Company and the Target Company plan to standardize the platforms for total stations by the end of fiscal year 2010, and to mutually cooperate and strive for downsizing, weight-saving and differentiation of motor-driven total stations, and development of 3D measurement instruments (such as scanners) for the civil engineering market and measurement market. In order to achieve this main goal and the purpose of the Business Integration, the Company intends to newly establish an Integration Promotion Committee consisting of members from both companies, which will be responsible for preparation and execution of practical implementation plans for the Business Integration. The Company aims at becoming a world leading company in each business segment of motor-driven total stations and other surveying instruments, GPS equipment, machine control systems, and precision measuring instruments including measurement instruments.

Upon completion of the Tender Offer, for the sake of smooth and expedited integration between the Company and the Target Company, the Company will promptly appoint one of the directors of the Target Company to be an advisor to the Company, and plans to propose an agenda item, at the annual general shareholders' meeting of the Company to be held in June 2008, to appoint the advisor as a director of the Company. Also, the Target Company plans to propose an agenda item, at the annual general shareholders' meeting of the Target Company to be held in June 2008, to elect at least two directors designated by the Company (with one of them being a part-time director).

4. Other Items

(1) Agreements between the Tender Offeror and Target Company or its Directors/ Officers, and the Details Thereof

The Tender Offer is supported by the Target Company's board of directors.

In addition, the Tender Offeror and the Target Company executed an agreement on December 10, 2007, setting forth, among others, the following matters:

a. For the purpose of the Business Integration, the Tender Offeror will make the Target Company a wholly owned subsidiary by launching the Tender Offer followed by a stock for stock exchange (*kabushiki-koukan*) or other appropriate measures;

b. The Tender Offeror and the Target Company make it their main goal to consummate the integration of their surveying and measurement instruments business by April 1, 2011. After the consummation of the integration, it is expected that the Tender Offeror will be responsible for (i) the development, manufacture and sales of GPS equipment and machine control systems, (ii) sales of total stations and other surveying instruments (excluding sales of non-motor-driven total stations in Japan) and (iii) the planning of the global business strategy, while the Target Company will be responsible for the development and manufacture of total stations and other surveying instruments. Officer(s) of the Target Company will join the "Executive Committee", which will be established under the Target Company's Positioning Business Unit (which manages the above functions) and be responsible for facilitating interaction among the above functions and preparing general business strategies;

c. The Tender Offeror and the Target Company will standardize the platforms for total stations and mutually cooperate and strive for downsizing, weight-saving and differentiation of motor-driven total stations, and development of 3D measurement instruments (such as scanners) for the civil engineering market and measurement market;

d. Upon completion of the business integration described in b. above, the Tender Offeror and the Target Company will attempt to unify the working conditions, etc. of the Tender Offeror's employees in the Positioning Business Unit or head office, and the Target Company's employees.

e. The Target Company's directors will, in principle, remain in their position until the annual general shareholders' meeting to be held in 2011;

f. The Target Company will propose an agenda, at the annual general shareholders' meeting of the Target Company to be held in June 2008, to elect at least two directors designated by the Tender Offeror (with one of them being a part-time director);

g. Upon completion of the Tender Offer, the Tender Offeror will promptly appoint one of the directors of the Target Company to be an advisor to the Tender Offeror, and will propose an agenda item, at the annual general shareholders' meeting of the Tender Offeror to be held in June 2008, to appoint the advisor as a director of the Tender Offeror;

h. The Target Company will propose an agenda item at the first general shareholders' meeting after becoming a subsidiary of the Tender Offeror to change the name of the Target Company to "SOKKIA TOPCON" by amending its articles of incorporation; and

i. The "SOKKIA" brand will continue to be used for some time.

(2) Other Information Deemed to be Necessary for the Target Company's Shareholders to Determine whether to Tender Their Shares

a. The Target Company made public, under the press release "Notice concerning the revision of the business forecast" on November 8, 2007, its revision of the business forecast announced on May 15, 2007. The Target company's revised business forecasts for the fiscal year and the first half of the fiscal year ending March 2008 (from April 1, 2007 to March 31, 2008) are as follows:

i. Revision of Consolidated Business Forecast for six months ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

	Net Sales (in million yen)	Operating Income (in million yen)	Ordinary Income (in million yen)	Interim Net Income (in million yen)	Interim Net Income Per Share (in yen)
Previous Forecast (A) (Announced on May 15, 2007)	13,000	1,000	900	500	14.12
Revised Forecast (B)	11,780	1,050	1,290	2,370	68.36
Change (B-A)	△ 1,220	50	390	1,870	-
Percentage Change (%)	△ 9.4%	5.0%	43.3%	374.0%	-
(Reference) Six months ended September 30, 2006	11,274	1,016	1,123	561	16.19

ii. Revision of Consolidated Business Forecast for the fiscal year ending March 2008 (from April 1, 2007 to March 31, 2008)

	Net Sales (in million yen)	Operating Income (in million yen)	Ordinary Income (in million yen)	Interim Net Income (in million yen)	Interim Net Income Per Share (in yen)
Previous Forecast (A) (Announced on May 15, 2007)	28,000	2,600	2,350	1,450	41.82
Revised Forecast (B)	26,000	2,600	2,350	2,820	81.34
Change (B-A)	△ 2,000	-	-	1,370	-
Percentage Change (%)	△ 7.1%	-	-	94.5%	-
(Reference) The fiscal year ended March 31, 2007	22,410	1,636	1,833	1,255	36.19

iii. Revision of Non-consolidated Business Forecast for the six months ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

	Net Sales (in million yen)	Operating Income (in million yen)	Ordinary Income (in million yen)	Interim Net Income (in million yen)	Interim Net Income Per Share (in yen)
Previous Forecast (A) (Announced on May 15, 2007)	9,000	450	300	250	7.21
Revised Forecast (B)	8,620	660	730	2,140	61.73
Change (B-A)	△ 380	210	430	1,890	-
Percentage Change (%)	△ 4.2%	46.7%	143.3%	756.0%	-
(Reference) Six months ended September 30, 2006	8,442	591	745	535	15.43

iv. Revision of Non-consolidated Business Forecast for the fiscal year ending March 2008 (from April 1, 2007 to March 31, 2008)

	Net Sales (in million yen)	Operating Income (in million yen)	Ordinary Income (in million yen)	Interim Net Income (in million	Interim Net Income Per Share

				yen)	(in yen)
Previous Forecast (A) (Announced on May 15, 2007)	20,000	1,400	1,200	900	25.96
Revised Forecast (B)	18,000	1,400	1,200	2,270	65.48
Change (B-A)	△ 2,000	-	-	1,370	-
Percentage Change (%)	△ 10.0%	-	-	152.2%	-
(Reference) The fiscal year ended March 31, 2007	16,242	834	1,271	1,108	31.98

b. The Target Company made public, in the 63rd Semi-annual Securities Report submitted by the Target Company on December 6, 2007, that (i) on April 23,2007 (EDT) the Target Company learned that the U.S. Department of State had announced that it would impose sanctions, in accordance with the United States' Iran and Syria Nonproliferation Act, on Sokkia Singapore Pte, Ltd. ("SSG"), and (ii) in response, SSG stopped selling its products to Iran and Syria, which did not have material impact on the Target Company's group's business performance for the interim period of the 63rd consolidated fiscal year (i.e., the six-month period from April 1, 2007 to September 30, 2007.).

c. The Target Company, at a board meeting held on December 10, 2007, resolved not to pay a dividend to its shareholders with regard to the fiscal year ending March 31, 2008.

- End of Statement -

The Company obtained a copy of the shareholder registry of the Target Company for the purpose of communicating regarding the Tender Offer and of examining the status of the shares in the Target Company held by interested parties of the Company.

This Press Release is for the announcement of the Tender Offer to the public and is not prepared for the purpose of sales solicitation. If you would like to offer for sale your shares in the Tender Offer, please ensure that you review the Tender Offer Explanatory Statement (*kokai kaitsuke setsumeisho*) prepared by us in advance and offer your shares for sale at your own discretion as a shareholder. This Press Release does not fall under the categories of an offer to purchase securities or solicitation of the sale of securities, or solicitation of an offer for purchase of securities, nor does it constitute a part of such solicitation. This Press Release (or any part of it) or the distribution thereof shall not constitute grounds for any agreement in connection with the Tender Offer, and no agreement may be concluded on the basis of this Press Release (or a part of it) or the distribution thereof.

There may be some nations or regions which legally restrict the announcement, issuance or distribution of this Press Release. In such case, please pay attention to and comply with those restrictions. In the nations or regions where the execution of the Tender Offer is illegal, even if this Press Release is received, it shall not be deemed as a solicitation to apply to buy or to sell share certificates in connection with the Tender Offer, and it shall be deemed to be distribution of materials for reference purpose only.

Please be advised that any person who has accessed the information concerning the Tender Offer contained in this Press Release may be restricted from purchasing or otherwise trading the shares, etc. of the Target Company, as a first recipient of information under the regulations on insider trading, until 12 hours have passed since the publication of this Press Release (i.e., since this press release is published on the Tokyo Stock Exchange’s Timely Disclosure Information Access Service in the afternoon of December 10, 2007), pursuant to Article 167, Paragraph 3 of the Law and Article 30 of the Enforcement Order thereunder. In addition, please note that the Company shall not be held responsible for any criminal, civil or administrative charges brought against any person for his/her purchase or other trade.