

Consolidated Financial Results
FY 2011 ended March 2012
TOPCON CORPORATION
Release Date: April 27, 2012

1. Summary of Business Results for FY2011 ended March 2012 (April 1, 2011 – March 31, 2012)

“%” indicate year-to-year increase (decrease)
(Rounded down to the nearest million yen)

(1) Consolidated business results

	Net Sales		Operating income		Ordinary income		Net income (loss)	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2011 ended Mar. 2012	98,834	(3.5)	2,080	15.6	467	(23.2)	(3,686)	—
FY2010 ended Mar. 2011	102,470	8.0	1,799	28.1	608	11.7	(1,288)	—

Comprehensive income

FY2011 ended Mar. 2012 (3,832 million yen) (—%)

FY2010 ended Mar. 2011 (2,820 million yen) (—%)

	Net income (loss) per share	Diluted net income per share	Net income (loss) to shareholders' equity	Ordinary income to total assets	Operating income ratio to total sales
	yen	yen	%	%	%
FY2011 ended Mar. 2012	(39.80)	—	(10.6)	0.4	2.1
FY2010 ended Mar. 2011	(13.91)	—	(3.3)	0.5	1.8

Note: Equity in earnings (losses) of affiliates
FY2011 ended March 2012 (130 million yen)
FY2010 ended March 2011 59 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
FY2011 ended Mar. 2012	120,777	33,064	27.0	352.71
FY2010 ended Mar. 2011	124,816	37,238	29.6	398.50

Note: Shareholders' equity (Minority interests are excluded)
FY2011 ended Mar. 2012 32,667 million yen
FY2010 ended Mar. 2011 36,908 million yen

(3) Consolidated cash flow

	C/F from operating activities	C/F from investing activities	C/F from financing activities	Balance of Cash and cash equivalents at year-end
	million yen	million yen	million yen	million yen
FY2011 ended Mar. 2012	47	(3,622)	3,467	13,606
FY2010 ended Mar. 2011	(934)	(6,969)	4,761	13,770

2. Dividends

(date of record)	Dividends per share					Dividends paid (Annual)	Dividends payout ratio (Consolidated)	Dividends on equity (Consolidated)
	end of 1st quarter	end of 2nd quarter	end of 3rd quarter	year-end	annual			
FY2010 ended Mar. 2011	—	2.00	—	2.00	4.00	370	—	1.0
FY2011 ending Mar. 2012	—	2.00	—	2.00	4.00	370	—	1.1
FY2012 ending Mar. 2013	—	2.00	—	4.00	6.00		18.5	

3. Business Forecast for FY 2011 ending Mar. 2013 (April 1, 2012 – March 31, 2013)

	Net Sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)		Net income (loss) per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending September 30	51,000	2.9	2,000	286.8	1,400	—	400	—	4.32
Annual	108,000	9.3	8,000	284.5	6,800	—	3,000	—	32.39

Consolidated financial statements

Consolidated balance sheets

(Unit: Million Yen)

	FY 2010 ended March 2011	FY 2011 ended March 2012	Increase (decrease)
Assets			
Current assets			
Cash and deposits	13,927	13,775	(151)
Notes and accounts receivable- trade	35,542	35,871	329
Merchandise and finished goods	12,759	11,744	(1,015)
Work in process	7,187	4,215	(2,972)
Raw materials and supplies	5,198	5,638	440
Deferred tax assets	4,519	4,784	265
Other	3,823	3,920	96
Allowance for doubtful accounts	(1,387)	(1,743)	(356)
Total current assets	81,571	78,207	(3,363)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	5,516	5,632	115
Machinery, equipment and vehicles, net	2,741	2,040	(700)
Land	2,957	2,894	(62)
Construction in progress	185	170	(14)
Other, net	2,053	2,111	57
Total property, plant and equipment	13,455	12,850	(604)
Intangible assets			
Goodwill	11,261	10,048	(1,213)
Other	5,934	8,296	2,361
Total intangible assets	17,196	18,344	1,148
Investments and other assets			
Investment securities	4,686	3,005	(1,681)
Long-term loans receivable	1,452	1,327	(125)
Deferred tax assets	3,836	4,561	724
Other	2,745	2,566	(178)
Allowance for doubtful accounts	(127)	(85)	41
Total investments and other assets	12,593	11,374	(1,218)
Total noncurrent assets	43,245	42,569	(675)
Total assets	124,816	120,777	(4,039)

(Unit: Million Yen)

	FY 2010 ended March 2011	FY 2011 ended March 2012	Increase (decrease)
Liabilities			
Current liabilities			
Notes and accounts payable-trade	13,536	12,206	(1,329)
Short-term loans payable	28,223	33,625	5,402
Accrued expenses	5,283	4,996	(287)
Income taxes payable	1,194	627	(567)
Provision for product warranties	708	827	118
Other	2,963	3,091	128
Total current liabilities	51,910	55,375	3,465
Noncurrent liabilities			
Long-term loans payable	27,077	25,256	(1,820)
Deferred tax liabilities	353	3	(350)
Provision for retirement benefits	6,937	5,802	(1,134)
Provision for directors' retirement benefits	59	30	(28)
Other	1,239	1,243	3
Total noncurrent liabilities	35,667	32,337	(3,330)
Total liabilities	87,577	87,713	135
Net assets			
Shareholders' equity			
Capital stock	10,297	10,297	—
Capital surplus	14,711	14,711	—
Retained earnings	16,799	12,717	(4,081)
Treasury stock	(56)	(56)	(0)
Total shareholders' equity	41,751	37,669	(4,081)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	(299)	(246)	53
Deferred gains or losses on hedges	2	(0)	(3)
Foreign currency translation adjustment	(4,545)	(4,755)	(209)
Total accumulated other comprehensive income	(4,843)	(5,002)	(159)
Minority interests	329	397	67
Total net assets	37,238	33,064	(4,174)
Total liabilities and net assets	124,816	120,777	(4,039)

Consolidated statements of income

(Unit: Million Yen)

	FY 2010 ended March 2011	FY 2011 ended March 2012	Increase (decrease)
Net sales	102,470	98,834	(3,635)
Cost of sales	61,408	60,716	(692)
Gross profit	41,061	38,118	(2,943)
Selling, general and administrative expenses	39,261	36,037	(3,224)
Operating income	1,799	2,080	280
Non-operating income			
Interest income	68	74	6
Dividends income	54	37	(16)
Equity in earnings of affiliates	59	—	(59)
Other	628	458	(169)
Total non-operating income	810	571	(239)
Non-operating expenses			
Interest expenses	1,207	1,194	(12)
Equity in losses of affiliates	—	130	130
Foreign exchange losses	431	397	(34)
Other	362	462	100
Total non-operating expenses	2,001	2,185	183
Ordinary income	608	467	(141)
Extraordinary income			
Gain on sales of subsidiaries and affiliates' stocks	—	605	605
Gain on sales of land	—	325	325
Total extraordinary income	—	931	931
Extraordinary loss			
Loss on business withdrawal	—	4,809	4,809
Special retirement expenses	—	701	701
Loss on sales of investment securities	69	282	213
Loss on sales of stocks of subsidiaries and affiliates	—	158	158
Loss on liquidation of subsidiaries and affiliates	198	55	(143)
Loss on transfer of business	281	—	(281)
Loss on valuation of investment securities	43	—	(43)
Loss on adjustment for changes of accounting standard for asset retirement obligations	28	—	(28)
Total extraordinary losses	621	6,007	5,386
Loss before income taxes and minority interests	(12)	(4,608)	(4,596)
Income taxes-current	1,013	613	(400)
Income taxes-deferred	96	(1,540)	(1,637)
Total income taxes	1,109	(927)	(2,037)
Loss before minority interests	(1,122)	(3,681)	(2,558)
Minority interests in income	166	5	(161)
Net loss	(1,288)	(3,686)	(2,397)

Consolidated statements of cash flows

(Unit: Million Yen)

	FY 2010 ended March 2011	FY 2011 ended March 2012	Increase (decrease)
Net cash provided by (used in) operating activities			
Loss before income taxes and minority interests	(12)	(4,608)	(4,596)
Depreciation and amortization	3,689	3,115	(574)
Amortization of goodwill	1,596	1,660	63
Increase (decrease) in allowance for doubtful accounts	(54)	81	135
Interest and dividends income	(122)	(112)	10
Interest expenses	1,207	1,194	(12)
Loss on retirement of property, plant and equipment	173	191	18
Loss (gain) on sales of property, plant and equipment	(32)	(270)	(238)
Loss (gain) on valuation of investment securities	44	27	(16)
Loss (gain) on sales of investment securities	20	(223)	(244)
Equity in (earnings) losses of affiliates	(59)	130	189
Loss on withdrawal from business	-	4,809	4,809
Extra retirement payment	-	701	701
Increase (decrease) in provision for retirement benefits	(125)	(1,134)	(1,008)
Decrease (increase) in notes and accounts receivable-trade	(1,973)	(882)	1,091
Decrease (increase) in inventories	(3,741)	(815)	2,925
Decrease (increase) in prepaid expenses	(135)	417	552
Increase (decrease) in notes and accounts payable-trade	1,769	(987)	(2,756)
Increase (decrease) in accrued expenses	(420)	(141)	279
Other, net	(993)	(223)	769
Subtotal	832	2,929	2,097
Interest and dividends income received	176	145	(30)
Interest expenses paid	(1,221)	(1,184)	36
Payments for extra retirement payments	-	(701)	(701)
Income taxes paid	(721)	(1,142)	(420)
Net cash provided by (used in) operating activities	(934)	47	981

(Unit: Million Yen)

	FY 2010 ended March 2011	FY 2011 ended March 2012	Increase (decrease)
Net cash provided by (used in) investing activities			
Payments into time deposits	(192)	(304)	(112)
Proceeds from withdrawal of time deposits	192	289	97
Purchase of property, plant and equipment	(1,899)	(2,198)	(298)
Proceeds from sales of property, plant and equipment	134	600	466
Purchase of intangible assets	(857)	(2,229)	(1,372)
Purchase of investment securities	(2)	(496)	(494)
Proceeds from sales of investment securities	206	950	744
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(47)	(47)
Additional purchase of investments in subsidiaries	(159)	(15)	144
Proceeds from transfer of business	1,016	-	(1,016)
Payments for transfer of business	(5,141)	-	5,141
Payments of long-term loans receivable	(15)	(0)	15
Collection of long-term loans receivable	20	13	(7)
Other, net	(271)	(184)	86
Net cash provided by (used in) investing activities	(6,969)	(3,622)	3,346
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	4,109	3,978	(131)
Proceeds from long-term loans payable	15,000	3,500	(11,500)
Repayment of long-term loans payable	(13,615)	(3,738)	9,877
Proceeds from sale and leaseback	-	301	301
Repayments of finance lease obligations	(177)	(149)	28
Purchase of treasury stock	(0)	(0)	0
Cash dividends paid	(370)	(370)	0
Proceeds from stock issuance to minority shareholders	-	5	5
Cash dividends paid to minority shareholders	(184)	(59)	124
Net cash provided by (used in) financing activities	4,761	3,467	(1,294)
Effect of exchange rate change on cash and cash equivalents	(296)	(55)	241
Net increase (decrease) in cash and cash equivalents	(3,439)	(163)	3,275
Cash and cash equivalents at beginning of period	17,209	13,770	(3,439)
Cash and cash equivalents at end of period	13,770	13,606	(163)