

To Whom It May Concern:

Company: Topcon Corporation  
 Representative: President, Satoshi Hirano  
 (Code No.: 7732  
 1<sup>st</sup> section of the Tokyo Stock Exchange)  
 Inquiry: Director & Senior Executive Officer,  
 Haruhiko Akiyama  
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## **Notice regarding revision of financial forecast and reduction of director's compensation**

Topcon Corporation (hereafter "the Company") hereby announces that the Company revises its financial forecast for the fiscal year ended March 31, 2020 from the former announcement on January 31st, 2020 as follows in light of the impact from ongoing COVID-19 pandemic, and also announces the reduction of director's compensation.

Please note that the Company has postponed the date of announcement of the financial results to mid-May or later because closing of financial results in some subsidiaries outside Japan are being delayed due to lockdowns in many countries around the world.

### **1. Revision of financial forecast**

(1) Consolidated business forecast for FY2019 ending March 2020

(Unit: million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share(yen)
Previously announced forecast on Jan. 31, 2020(A)	147,000	10,000	8,000	4,300	40.72
Current forecast(B)	139,000	5,300	3,500	1,000	9.47
Difference(B)-(A)	(8,000)	(4,700)	(4,500)	(3,300)	(31.25)
Difference (%)	(5.4%)	(47.0%)	(56.3%)	(76.7%)	(76.7%)
(Ref.) Results of previous fiscal year (FY March 2019)	148,688	13,596	11,497	6,548	61.76

(Reference) Financial forecast by business segment

(Unit: million yen)

		Previously announced forecast on Jan. 31, 2020	Current forecast	Difference
Net sales	Smart Infrastructure business	34,500	33,400	(1,100)
	Positioning company	76,000	73,900	(2,100)
	Eye care business	50,000	45,000	(5,000)
	Others and elimination	(13,500)	(13,300)	200
Segment profit	Smart Infrastructure business	5,100	5,000	(100)
	Positioning company	6,000	4,500	(1,500)
	Eye care business	3,000	100	(2,900)
	Others and elimination	(4,100)	(4,300)	(200)

## (2) Reason for the revision

There have been significant negative impacts from lockdowns widely spread in overseas and voluntary restraint in activities in Japan due to outbreak of COVID-19 pandemic during Q4.

In terms of Positioning company and Smart Infrastructure business, both sales and profit forecast are revised downward from previous forecast, although we made best efforts in supplying our products and services to the customers who continue their construction and farm works in the context of certain restrictions in sales operations and deliveries due to the lockdown being in force particularly in the U.S. and Europe.

Regarding Eye care business, both sales and profits are significantly declined from our former forecast despite being made every endeavor to focus in our mainstream business such as OCT sales and fostering of screening business throughout the year. However, the business opportunity has suddenly shrunk since February due to COVID-19 pandemic. The business operation has started to be stalled since Lunar New Year in China, where our business has been rapidly expanded, amid lockdown. Subsequently, sales activities and deliveries to medical institutions including eye clinics are significantly restricted globally. In addition, the demands from optical chain stores are extremely depressed as well, as they temporarily shut down the shops and suspend their investments.

Please look at the chart above for financial figures in detail.

## 2. Reduction of director's compensation

According to downward revision of the financial forecast stated above, also taking this current critical situation seriously, the Company will reduce directors' compensation except for outside directors.

(Reduction of compensation)

Directors' compensation (except outside directors') consists of basic compensation and performance-based compensation (short-term performance-based compensation, mid-term performance-based compensation and stock option), of which short-term performance-based compensation and mid-term performance-based compensation for FY2019 will not be paid.

## 3. Others

"Response to COVID-19" is posted at our website for your reference. Please refer to the following URL.

<https://www.topcon.co.jp/en/topics/20200408-27977.html>

**The forecasts above were prepared on the premise of future forecasts available at the time of the release of this document. Due to unforeseen circumstances, however, the actual results may differ from these forecast data.**