

Business Division Briefing -Eye Care Business-



March 19, 2025

Eye Care Business Division FY23- FY24 Achievements



Under the ECB 2.0 Vision, implement six pillars of structural reforms and growth strategies in parallel

ECB2.0 Vision



Realize sustainable growth and OP of 10% or more



Change to project-based management



Reorganize business portfolio
(Key point of growth phase)



Improve planning and development upstream processes



Establish Grand Design and plan of execution
(Key point of growth phase)



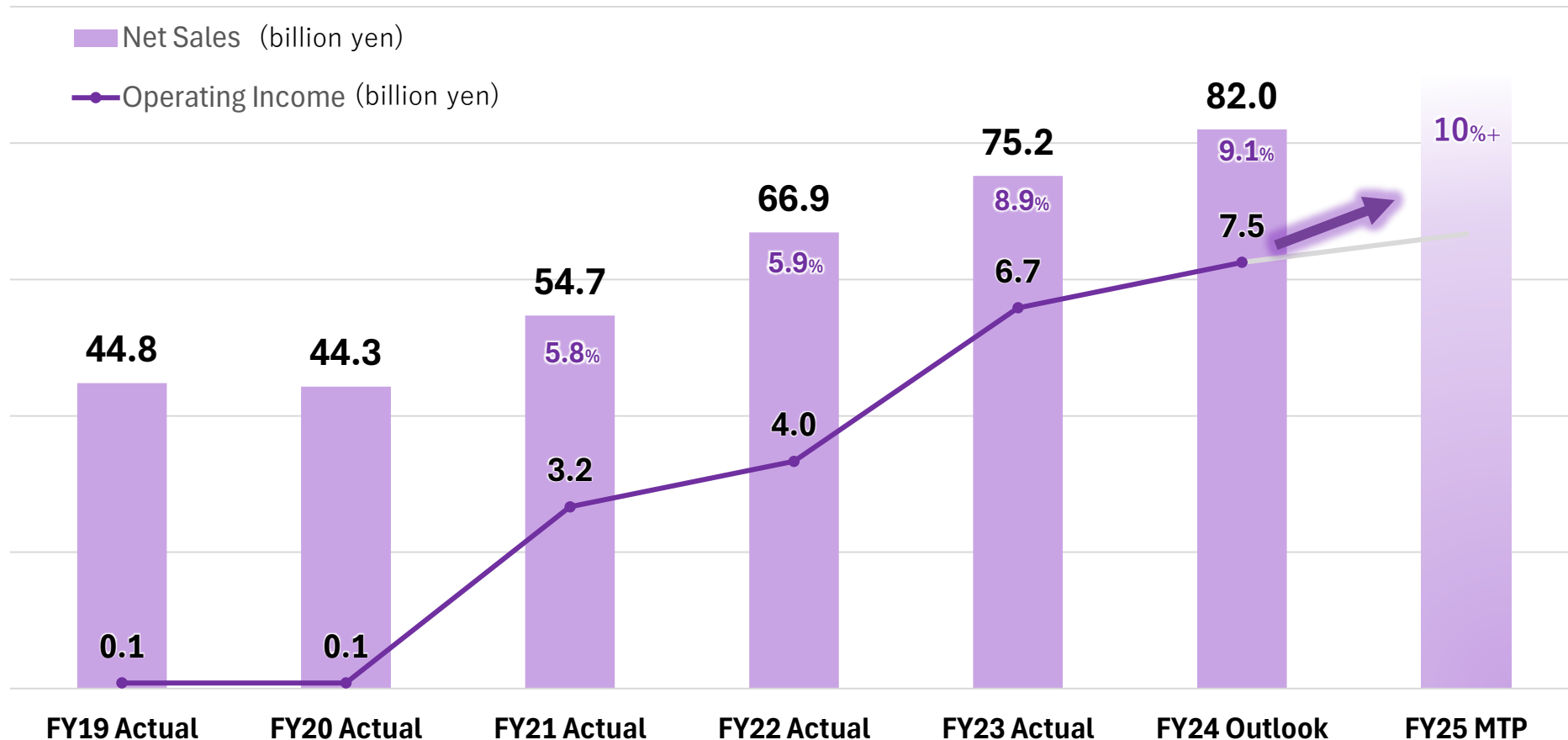
Develop and implement a human resource development plan to create next-generation global management team

Eye Care Business Division FY23- FY24 Achievements



Realized sustainable growth to aim for OP of 10% or more

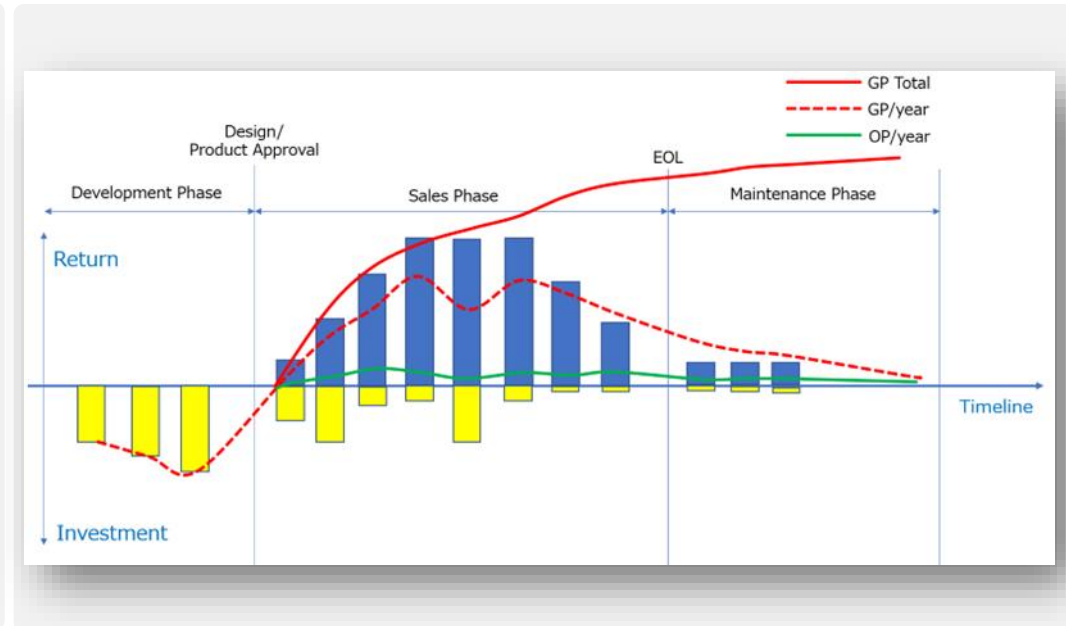
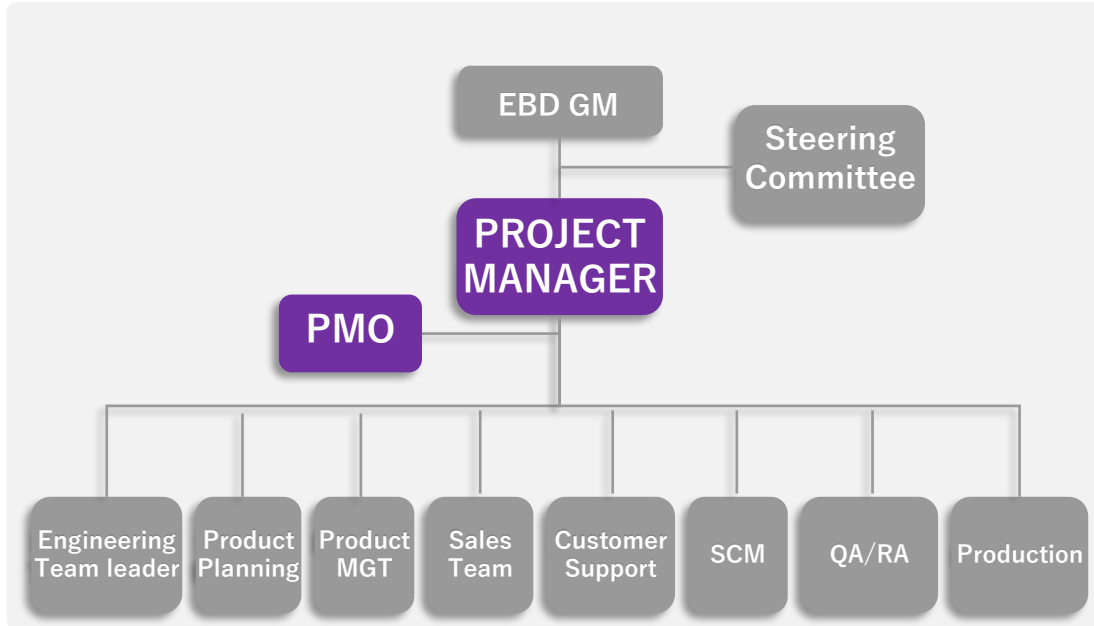
Trends in sales and operating income



Eye Care Business Division FY23- FY24 Achievements



Change to project-based management



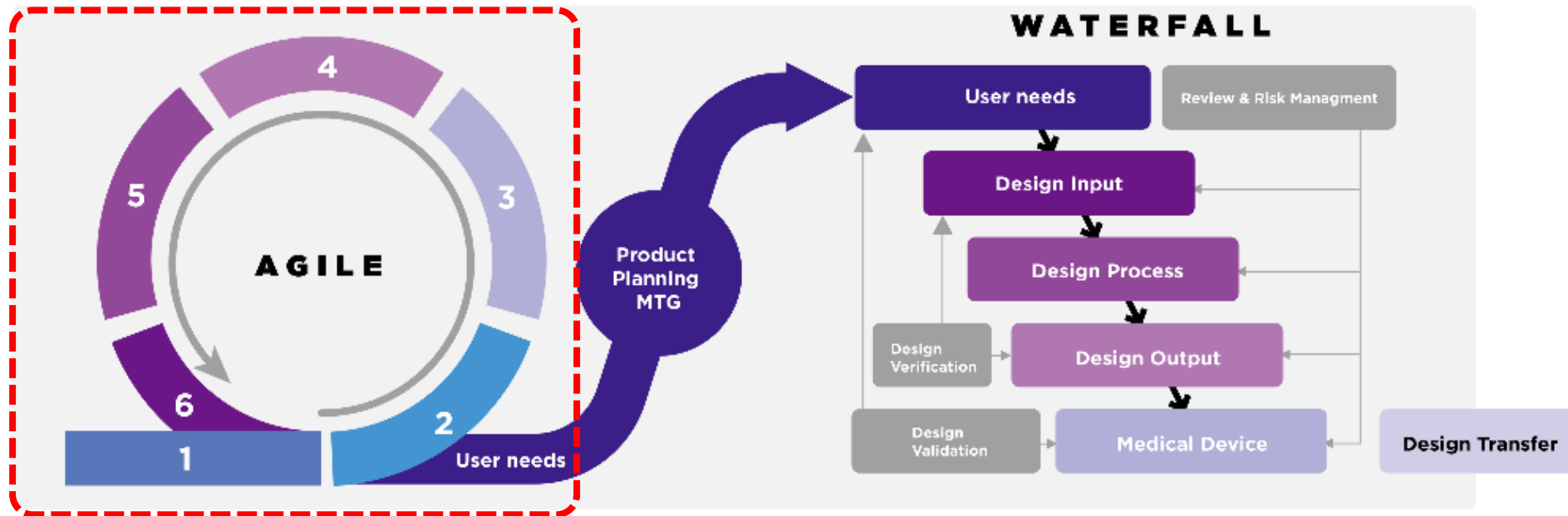
- Appoint a dedicated project manager to drive each development process
- Define the role and responsibilities of the project manager as "business owner"
- Make decisions to invest in new projects through management of product lifecycle ROI

Eye Care Business Division FY23- FY24 Achievements



Improved upstream processes

Improved planning and development upstream processes



- Set product specifications as quantitative planning requirement targets
- Implement clinical trials as part of upstream processes based on early evaluation by THINC*
- Establish clear responsibility and accountability for each gate (business event)

※Topcon Healthcare Innovation Center(THINC)

Eye Care Business Division FY23- FY24 Achievements



Developed and implemented a human resource development plan to create next-generation global management team

Created an organizational culture that continues to produce more leaders to drive change



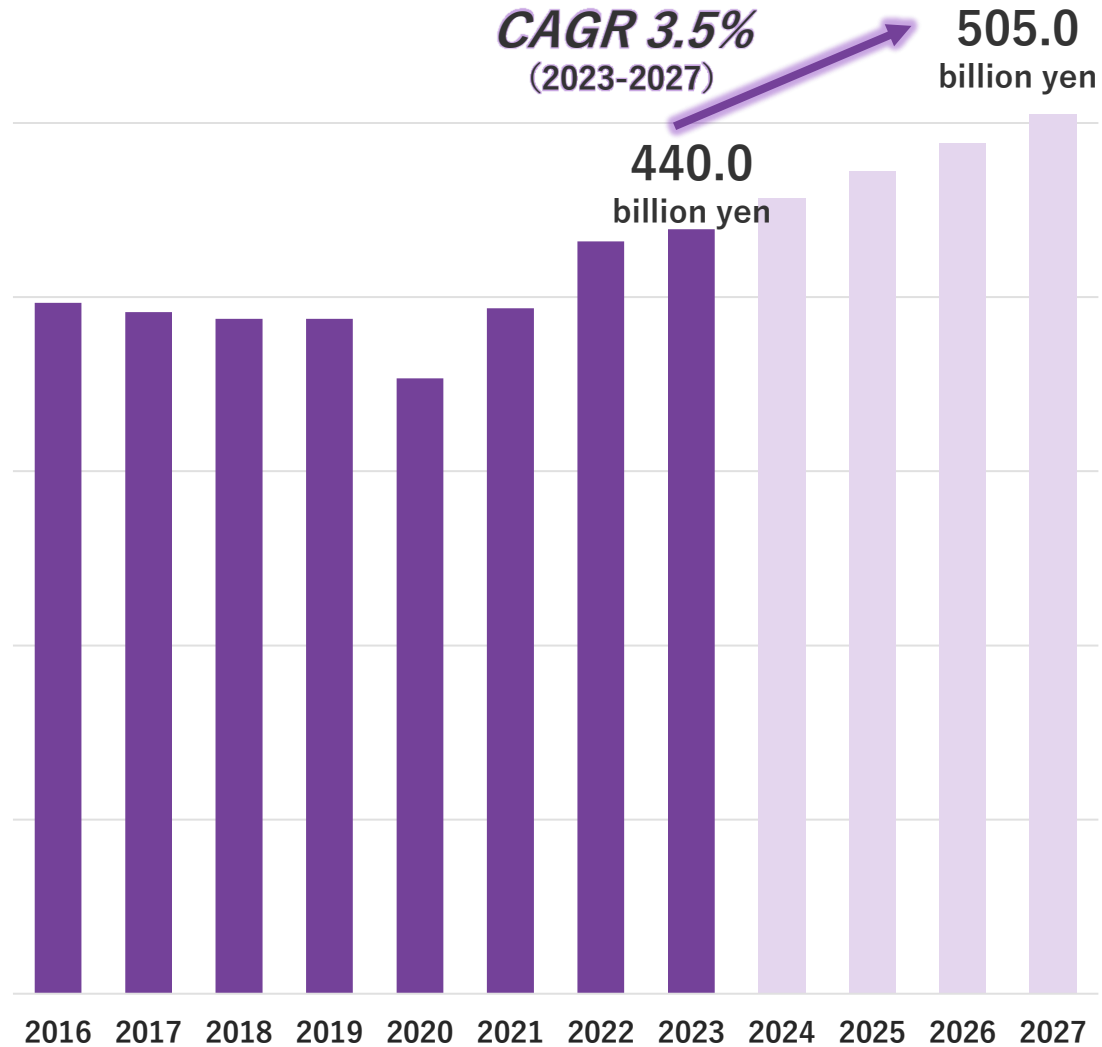
Key Points of Future Growth Phase

**New Product/Region
Portfolio**
Recuring Business
Structural Reform

Key Points of Future Growth Phase



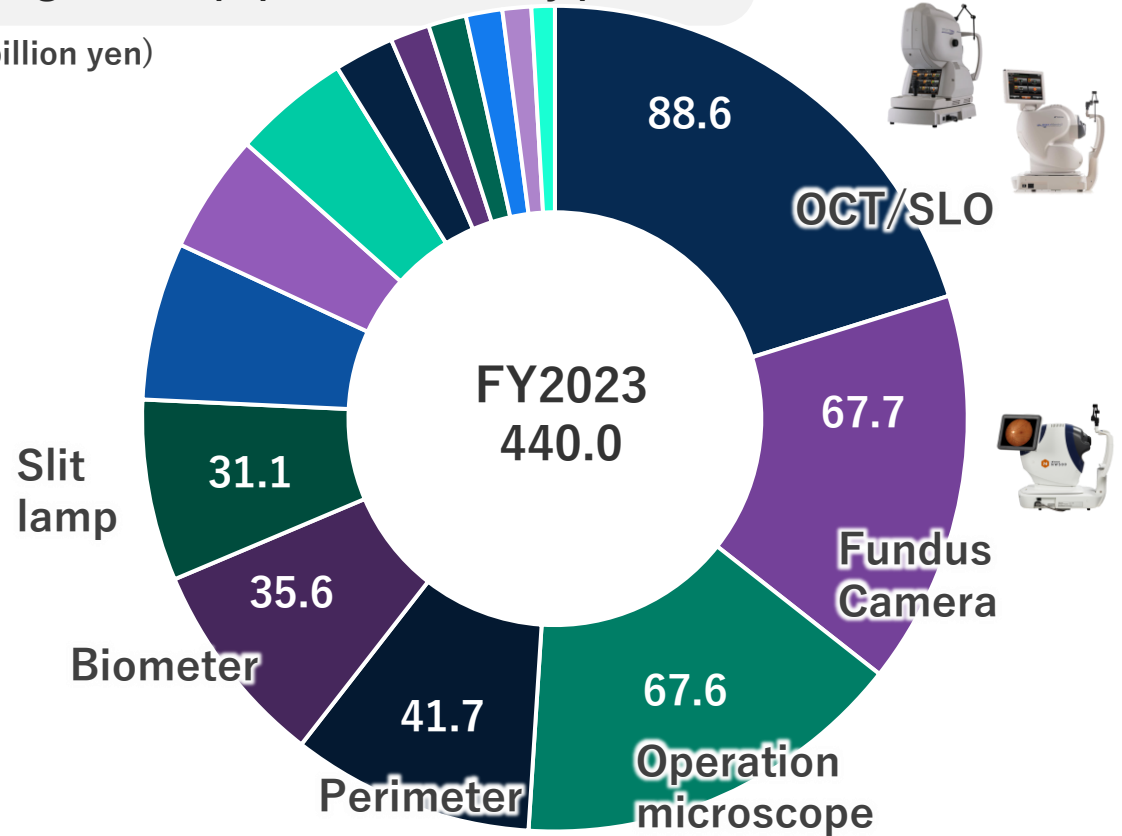
Market for eye care testing and diagnostic equipment



Reference: Market Scope

Breakdown of eye care testing and diagnostic equipment market by product

(billion yen)



- OCT/SLO
- OR Microscope
- Optical Biometer
- Tonometer
- Auto Refractor
- Data Management System
- Fundus Camera
- Primeter
- Slit Lamp
- Manual Refractor
- Lense Meter
- Topographer

Reference: Market Scope

Key Points of Future Growth Phase



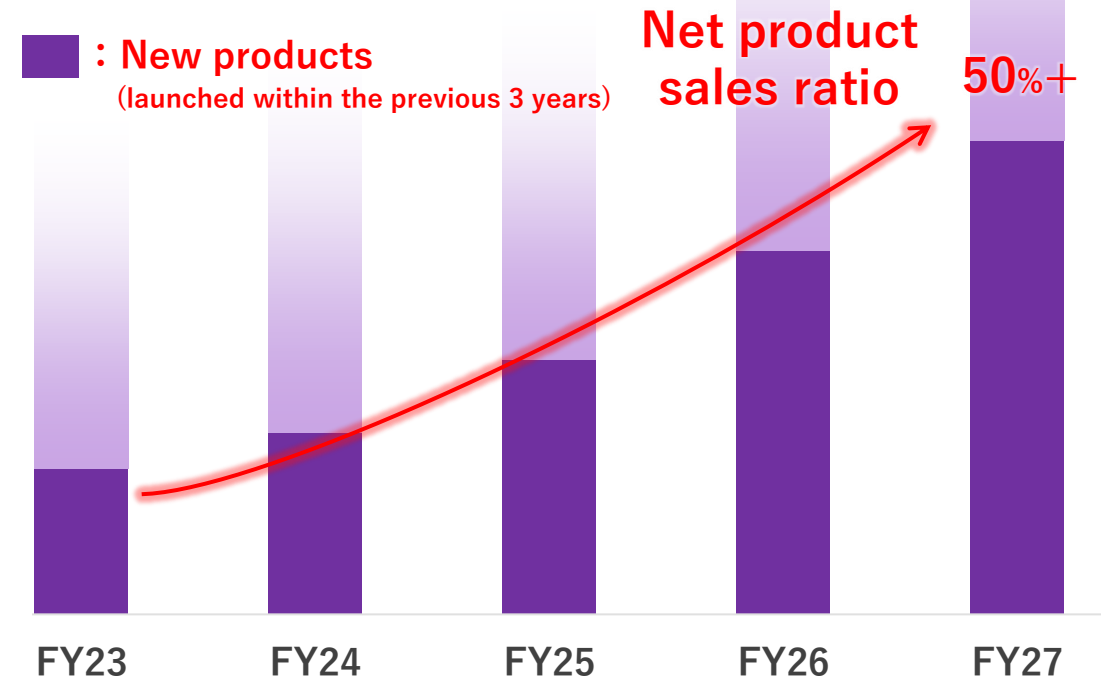
Establish Grand Design and plan of execution

- Formulate 5-year Business Plan Grand Design and development execution plan based on the analysis of market, competition and our own technical seeds
- Increase new product sales ratio to more than 50% in FY2027 through strategic new products and existing products' next-generation models to be launched over the coming 5 years

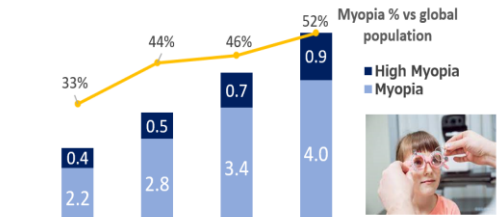
Product Roadmap

	FY24	FY25	FY26	FY27
Posterior	○	○	○	○
Anterior		○		○
Refraction	○		○	

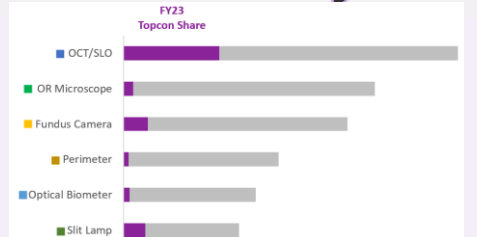
Trend in sales



Market Analysis

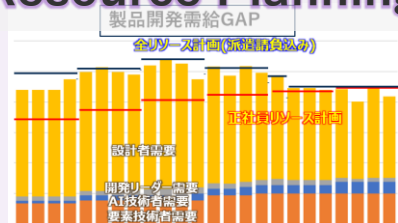


Market Analysis



- Standardization
- High-performance optics
- AI
- Robotics
- High-speed OCT scan
- Reduced size

Technical Seeds Resource Planning



Key Points of Future Growth Phase

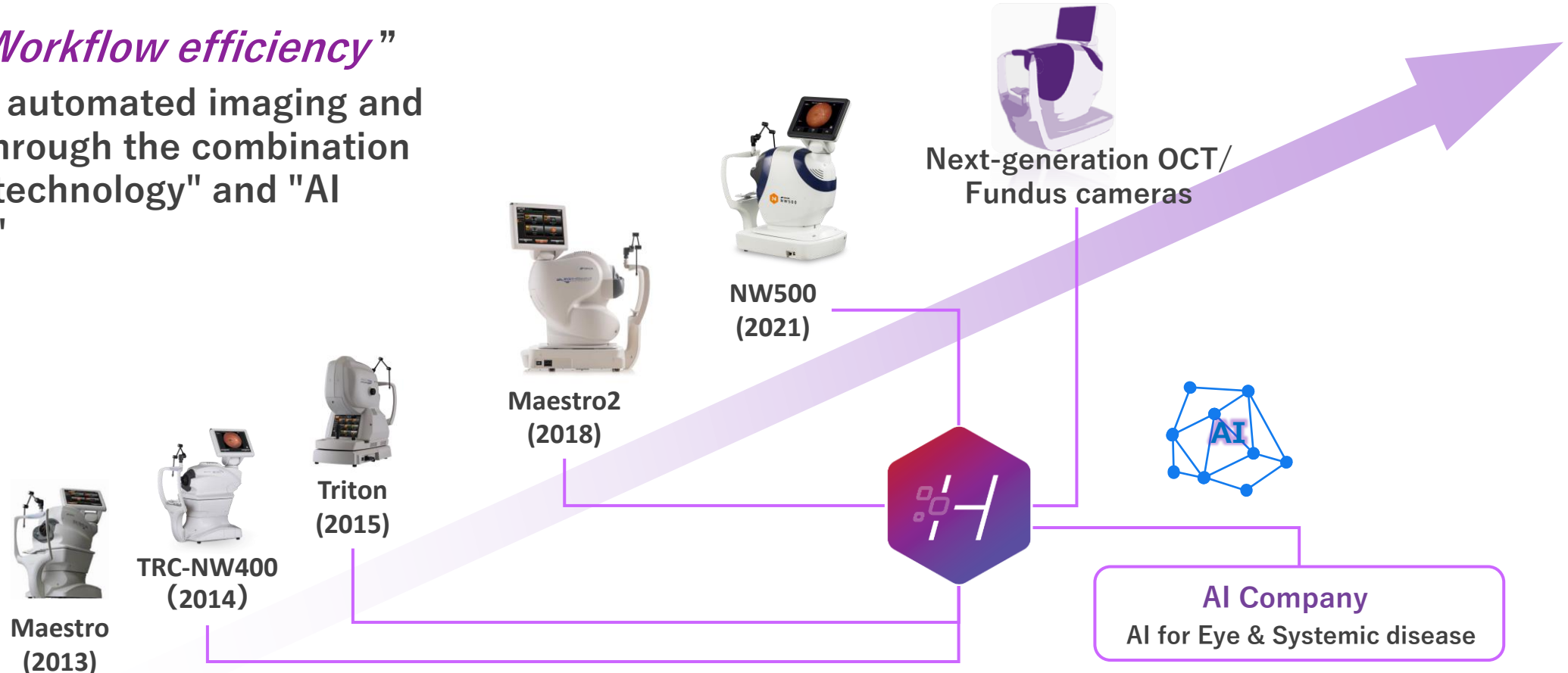


OCT/Fundus cameras: Develop software for providing high value-added data with aim of using AI

- Enable provision of high value-added data needed to support AI diagnostics through next-generation OCT/Fundas cameras
- Seek solutions for diabetic retinopathy, glaucoma, and age-related macular degeneration, the top causes of sight loss
- Expand the scope of high value-added data usage to support the diagnosis of systemic diseases

“Ultimate *Workflow efficiency*”

Support for automated imaging and diagnosis through the combination of "robotic technology" and "AI technology"

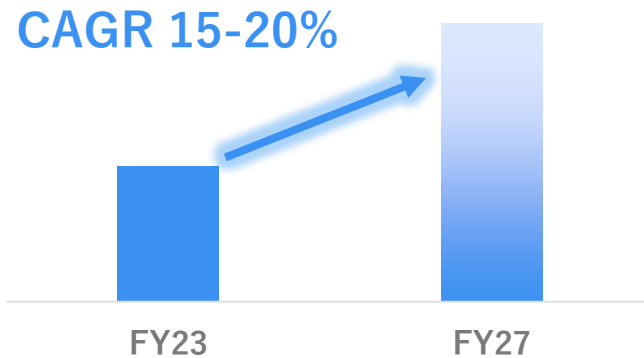


Key Points of Future Growth Phase



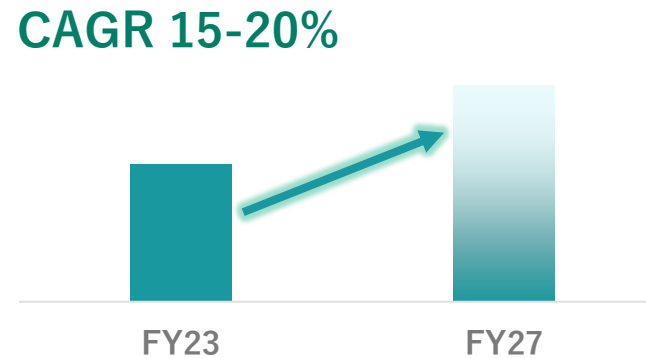
Sales Growth Based on Regional Strategies

North America



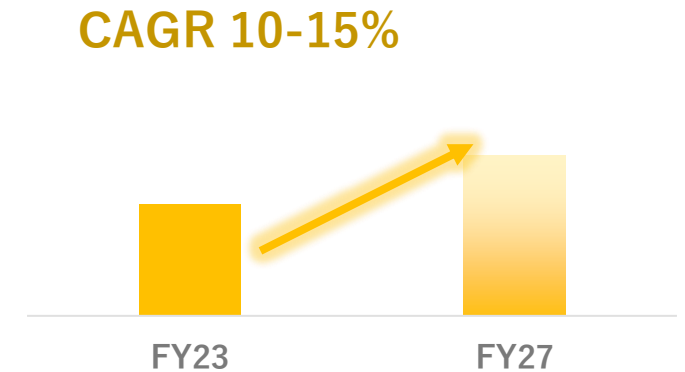
Aim for hyper growth through the effect of new products, the strengthening of solutions business for key accounts, synergies with the health care business, etc.

Europe



Set up new solutions bases, introduce new products, and strengthen direct sales

ASIA



Expand product portfolio through India growth strategy and alliances

Key Points of Future Growth Phase

New Product/Region
Portfolio
Recuring Business
Structural Reform



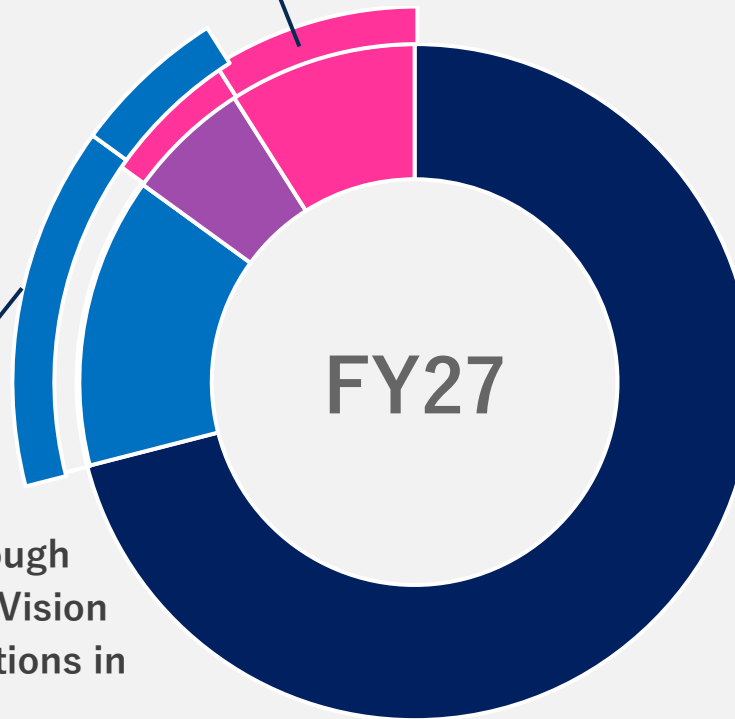
Business Category

Expansion of recurring business

- Monetization of services business (service OP 20%)
- Key customer asset management
- Preventive services
- Contract services
- Consumable business

From sales of goods to sales of services

- Establishment of recurring business through realization of Healthcare from the Eye™ Vision
- Introduction of glaucoma screening solutions in the North America region
- Remote vision testing in the EMEA region
- Provision of self examination solution



Expansion of new product sales ratio

New Product

- Next-generation OCT flagship model
- Application of slit scan technology
- Next-generation eye testing multi-process equipment
- Improvement of phoropters

Expansion of Profit Margin through Continuous Structural Reforms and Operational Improvements



- **OP:** Aim for improvement from 8.5% in FY23 to 10% or more in FY2025, and for further improvement in the medium and long term
- **SGA ratio:** Improve by 5% by FY27 compared to the FY24 level
- **Improve per-employee sales performance by 30% over next three years**

Manufacturing

- Reduce production person-hours and production-related claims through process analysis and improvement using industrial engineering
- Improve in-process First Pass Yield (FPY)
 - Reduce assembly person-hours of main products

Sales

- Improve HW/SW development and operations to increase sales and demo efficiency
- Simplified the setup of demo equipment
 - Increase efficiency in serving individual stores (Utilize online sales for individual optical stores and clinics)

Service

- Roll out new services for large customers and transform the Service Department into a profit center
- Provide asset management service (Integrated management of inspection equipment including other brands)
 - Perform remote software and firmware updates (Labor saving and efficiency)



A digital transformation
with a human touch

Cautionary Note regarding Forward-Looking Statements

These materials contain forward-looking statements, including projections of future operating performance. Such statements are based on management's best judgment, using the information available at the time the statements are made. However, please be aware that actual performance may differ from these projected figures due to unforeseen changes in the economic environment in which we operate, as well as market fluctuations.

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