

Consolidated Financial Results
(Japanese GAAP)
FY 2010 ending March 2011
TOPCON CORPORATION
Release Date: July 30, 2010

1. Summary of First Quarter Business Results for FY2010 ending March 2011 (April 1, 2010 – June 30, 2010)

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

(1) Consolidated business results

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	million yen	%	million yen	%	million yen	%	million yen	%
1st Quarter of FY 2010	21,950	9.1	(1,584)	—	(2,205)	—	(1,578)	—
1st Quarter of FY 2009	20,112	(38.9)	(1,858)	—	(1,990)	—	(1,816)	—

	Net income (loss) per share	Diluted net income per share
	yen	yen
1st Quarter of FY 2010	(17.05)	—
1st Quarter of FY 2009	(19.61)	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
1st Quarter of FY 2010	122,825	38,458	30.3	401.48
FY2009 ended Mar. 2010	125,539	41,689	32.3	437.17

Note: Shareholders' equity
1st Quarter of FY 2010 37,184 million yen
FY2009 ended March 2010 40,490 million yen

2. Dividends

	Dividends per share				
	end of 1st quarter	end of 2nd quarter	end of 3rd quarter	year-end	annual
	yen	yen	yen	yen	yen
FY2009 ended Mar. 2010	—	2.00	—	2.00	4.00
FY2010 ending Mar. 2011	—				
FY2010 ending Mar. 2011 (forecast)		2.00	—	2.00	4.00

*Revisions to the projected dividends : No

3. Business Forecasts for FY 2010 ending Mar. 2011 (April 1, 2010 – March 31, 2011)

	Net Sales		Operating income		Ordinary income (loss)		Net income (loss)		Net income (loss) per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending Sept. 30	48,000	10.8	0	—	(600)	—	(900)	—	(9.72)
Annual	104,000	9.6	2,700	92.2	1,400	156.8	200	49.5	2.16

*Revisions to the business forecasts : No

Note: The forecasts above were prepared on the premise of future forecasts available at the time of the release of this document, such as trends of business, competition environment and currency exchange rates. Due to unforeseen circumstances, however, the actual results may differ from these forecast data.

Consolidated quarterly financial statements

Consolidated quarterly balance sheets

(Unit: Million Yen)

	1st Quarter of FY 2010	FY 2009 ended March 2010	Increase (decrease)
Assets			
Current assets			
Cash and deposits	18,963	17,373	1,590
Notes and accounts receivable-trade	30,568	36,034	(5,465)
Merchandise and finished goods	14,755	14,029	726
Work in process	5,449	4,372	1,076
Raw materials and supplies	4,521	4,364	157
Other	8,889	8,445	444
Allowance for doubtful accounts	(1,321)	(1,471)	150
Total current assets	81,827	83,147	(1,320)
Noncurrent assets			
Property, plant and equipment	14,553	15,542	(989)
Intangible assets			
Goodwill	12,283	13,140	(856)
Other	2,391	2,335	56
Total intangible assets	14,675	15,475	(799)
Investments and other assets	11,768	11,373	395
Total noncurrent assets	40,997	42,391	(1,394)
Total assets	122,825	125,539	(2,714)
Liabilities			
Current liabilities			
Notes and accounts payable-trade	13,668	13,614	53
Short-term loans payable	24,093	22,869	1,224
Income taxes payable	670	1,227	(557)
Provision for product warranties	723	759	(36)
Other	8,630	8,397	232
Total current liabilities	47,786	46,869	916
Noncurrent liabilities			
Long-term loans payable	27,837	28,632	(795)
Provision for retirement benefits	6,975	7,063	(88)
Provision for directors' retirement benefits	55	57	(2)
Other	1,712	1,227	484
Total noncurrent liabilities	36,580	36,980	(400)
Total liabilities	84,366	83,850	516

(Unit: Million Yen)

	1st Quarter of FY 2010	FY 2009 ended March 2010	Increase (decrease)
Net assets			
Shareholders' equity			
Capital stock	10,297	10,297	—
Capital surplus	14,711	14,711	—
Retained earnings	16,696	18,461	(1,765)
Treasury stock	(56)	(56)	(0)
Total shareholders' equity	41,648	43,414	(1,765)
Valuation and translation adjustments			
Valuation difference on available- for-sale securities	(34)	289	(324)
Deferred gains or losses on hedges	(1)	(5)	4
Foreign currency translation adjustment	(4,428)	(3,207)	(1,220)
Total valuation and translation adjustments	(4,463)	(2,923)	(1,540)
Minority interests	1,273	1,198	75
Total net assets	38,458	41,689	(3,230)
Total liabilities and net assets	122,825	125,539	(2,714)

Consolidated quarterly statements of income

(Unit: Million Yen)

	1st Quarter of FY 2009	1st Quarter of FY 2010	Increase (decrease)
Net sales	20,112	21,950	1,838
Cost of sales	12,156	13,187	1,031
Gross profit	7,956	8,762	806
Selling, general and administrative expenses	9,814	10,347	533
Operating loss	(1,858)	(1,584)	273
Non-operating income			
Interest income	21	10	(11)
Dividends income	53	21	(31)
Equity in earnings of affiliates	—	85	85
Foreign exchange gains	201	—	(201)
Other	186	165	(21)
Total non-operating income	463	283	(179)
Non-operating expenses			
Interest expenses	354	300	(54)
Equity in losses of affiliates	54	—	(54)
Foreign exchange losses	—	539	539
Other	186	64	(121)
Total non-operating expenses	595	904	309
Ordinary loss	(1,990)	(2,205)	(214)
Extraordinary loss			
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	28	28
Total extraordinary losses	—	28	28
Loss before income taxes and minority interests	(1,990)	(2,233)	(243)
Income taxes-current	(14)	57	71
Income taxes-deferred	(150)	(751)	(600)
Total income taxes	(165)	(693)	(528)
Loss before minority interests	—	(1,539)	—
Minority interests in income (loss)	(9)	38	48
Net loss	(1,816)	(1,578)	237

Consolidated quarterly statements of cash flows

(Unit: Million Yen)

	1st Quarter of FY 2009	1st Quarter of FY 2010	Increase (decrease)
Net cash provided by (used in) operating activities			
Loss before income taxes and minority interests	(1,990)	(2,233)	(243)
Depreciation and amortization	1,292	1,091	(200)
Increase (decrease) in allowance for doubtful accounts	6	(60)	(66)
Interest and dividends income	(75)	(32)	42
Interest expenses	354	300	(53)
Equity in (earnings) losses of affiliates	15	(85)	(101)
Increase (decrease) in provision for retirement benefits	(49)	(88)	(38)
Decrease (increase) in notes and accounts receivable-trade	1,830	3,730	1,900
Decrease (increase) in inventories	(251)	(3,139)	(2,888)
Decrease (increase) in prepaid expenses	375	(530)	(905)
Increase (decrease) in notes and accounts payable-trade	(1,306)	1,563	2,870
Increase (decrease) in accrued expenses	(47)	558	605
Other, net	1,667	564	(1,102)
Subtotal	1,820	1,639	(181)
Interest and dividends income received	77	50	(27)
Interest expenses paid	(358)	(189)	169
Income taxes paid	(54)	(625)	(571)
Net cash provided by (used in) operating activities	1,484	875	(609)
Net cash provided by (used in) investing activities			
Payments into time deposits	(206)	(20)	185
Proceeds from withdrawal of time deposits	84	92	8
Purchase of property, plant and equipment	(625)	(433)	191
Proceeds from sales of property, plant and equipment	85	36	(49)
Purchase of intangible assets	(20)	(37)	(16)
Purchase of investment securities	(274)	(0)	274
Additional purchase of investments in subsidiaries	(3)	(1)	2
Payments of long-term loans receivable	(21)	—	21
Collection of long-term loans receivable	4	12	7
Other, net	(27)	(65)	(37)
Net cash provided by (used in) investing activities	(1,004)	(417)	587

(Unit: Million Yen)

	1st Quarter of FY 2009	1st Quarter of FY 2010	Increase (decrease)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	472	2,115	1,643
Repayment of long-term loans payable	(125)	(421)	(296)
Repayments of finance lease obligations	(55)	(46)	8
Cash dividends paid	(185)	(186)	(0)
Other, net	(36)	(63)	(26)
Net cash provided by (used in) financing activities	69	1,397	1,327
Effect of exchange rate change on cash and cash equivalents	(14)	(193)	(178)
Net increase (decrease) in cash and cash equivalents	535	1,661	1,126
Cash and cash equivalents at beginning of period	14,720	17,209	2,489
Cash and cash equivalents at end of period	15,255	18,871	3,615