

Consolidated Financial Results
FY 2010 ended March 2011
TOPCON CORPORATION
Release Date: April 28, 2011

1. Summary of Business Results for FY2010 ended March 2011 (April 1, 2010 – March 31, 2011)

“%” 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	%
FY2010 ended Mar. 2011	102,470	8.0	1,799	28.1	608	11.7	(1,288)	—
FY2009 ended Mar. 2010	94,862	(15.8)	1,405	—	545	—	133	—

	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	%	%	%
FY2010 ended Mar. 2011	(13.91)	—	(3.3)	0.5	1.8
FY2009 ended Mar. 2010	1.44	—	0.3	0.4	1.5

Note: Equity in earnings (losses) of affiliates
FY2010 ended March 2011 59 million yen
FY2009 ended March 2010 (122 million yen)

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
FY2010 ended Mar. 2011	124,816	37,238	29.6	398.50
FY2009 ended Mar. 2010	125,539	41,689	32.3	437.17

Note: Shareholders' equity (Minority interests are excluded)
FY2010 ended Mar. 2011 36,908 million yen
FY2009 ended Mar. 2010 40,490 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
FY2010 ended Mar. 2011	(934)	(6,969)	4,761	13,770
FY2009 ended Mar. 2010	3,755	(2,643)	1,468	17,209

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			
	yen	yen	yen	yen	yen	million yen	%	%
FY2009 ended Mar. 2010	—	2.00	—	2.00	4.00	370	277.0	0.9
FY2010 ending Mar. 2011	—	2.00	—	2.00	4.00	370	—	1.0
FY2011 ending Mar. 2012 (forecast)	—	2.00	—	2.00	4.00		—	

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

Topcon has decided to refrain from publishing consolidated business forecasts for the year ending March 31, 2012 because forecasting with any reasonable degree of accuracy is not possible at this stage.

It will be announced as soon as future environment becomes foreseeable.

Consolidated financial statements

Consolidated balance sheets

(Unit: Million Yen)

	FY 2009 ended March 2010	FY 2010 ended March 2011	Increase (decrease)
Assets			
Current assets			
Cash and deposits	17,373	13,927	(3,445)
Notes and accounts receivable- trade	36,034	35,542	(491)
Merchandise and finished goods	14,029	12,759	(1,269)
Work in process	4,372	7,187	2,815
Raw materials and supplies	4,364	5,198	834
Deferred tax assets	4,073	4,519	446
Other	4,371	3,823	(548)
Allowance for doubtful accounts	(1,471)	(1,387)	83
Total current assets	83,147	81,571	(1,576)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	6,118	5,516	(601)
Machinery, equipment and vehicles, net	3,402	2,741	(661)
Land	3,309	2,957	(351)
Construction in progress	464	185	(278)
Other, net	2,247	2,053	(193)
Total property, plant and equipment	15,542	13,455	(2,087)
Intangible assets			
Goodwill	13,140	11,261	(1,878)
Other	2,335	5,934	3,599
Total intangible assets	15,475	17,196	1,720
Investments and other assets			
Investment securities	5,107	4,686	(420)
Long-term loans receivable	487	1,452	965
Deferred tax assets	4,093	3,836	(256)
Other	1,885	2,745	859
Allowance for doubtful accounts	(200)	(127)	72
Total investments and other assets	11,373	12,593	1,220
Total noncurrent assets	42,391	43,245	853
Total assets	125,539	124,816	(723)

(Unit: Million Yen)

	FY 2009 ended March 2010	FY 2010 ended March 2011	Increase (decrease)
Liabilities			
Current liabilities			
Notes and accounts payable-trade	13,614	13,536	(78)
Short-term loans payable	22,869	28,223	5,353
Accrued expenses	5,834	5,283	(550)
Income taxes payable	1,227	1,194	(32)
Provision for product warranties	759	708	(51)
Other	2,563	2,963	399
Total current liabilities	46,869	51,910	5,040
Noncurrent liabilities			
Long-term loans payable	28,632	27,077	(1,555)
Deferred tax liabilities	584	353	(231)
Provision for retirement benefits	7,063	6,937	(125)
Provision for directors' retirement benefits	57	59	2
Other	643	1,239	596
Total noncurrent liabilities	36,980	35,667	(1,313)
Total liabilities	83,850	87,577	3,727
Net assets			
Shareholders' equity			
Capital stock	10,297	10,297	—
Capital surplus	14,711	14,711	—
Retained earnings	18,461	16,799	(1,662)
Treasury stock	(56)	(56)	(0)
Total shareholders' equity	43,414	41,751	(1,662)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	289	(299)	(589)
Deferred gains or losses on hedges	(5)	2	8
Foreign currency translation adjustment	(3,207)	(4,545)	(1,338)
Total accumulated other comprehensive income	(2,923)	(4,843)	(1,919)
Minority interests	1,198	329	(868)
Total net assets	41,689	37,238	(4,450)
Total liabilities and net assets	125,539	124,816	(723)

Consolidated statements of income

(Unit: Million Yen)

	FY 2009 ended March 2010	FY 2010 ended March 2011	Increase (decrease)
Net sales	94,862	102,470	7,608
Cost of sales	54,636	61,408	6,772
Gross profit	40,226	41,061	835
Selling, general and administrative expenses	38,821	39,261	440
Operating income	1,405	1,799	394
Non-operating income			
Interest income	70	68	(1)
Dividends income	194	54	(140)
Equity in earnings of affiliates	—	59	59
Other	647	628	(18)
Total non-operating income	911	810	(101)
Non-operating expenses			
Interest expenses	1,308	1,207	(100)
Equity in losses of affiliates	122	—	(122)
Foreign exchange losses	16	431	415
Other	324	362	37
Total non-operating expenses	1,771	2,001	230
Ordinary income	545	608	63
Extraordinary income			
Gain on sales of land	1,327	—	(1,327)
Reversal of allowance for doubtful accounts	783	—	(783)
Total extraordinary income	2,111	—	(2,111)
Extraordinary loss			
Loss on transfer of business	—	281	281
Loss on liquidation of subsidiaries and affiliates	496	198	(297)
Loss on sales of investment securities	—	69	69
Loss on valuation of investment securities	53	43	(9)
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	28	28
Loss on disposal of building	53	—	(53)
Total extraordinary losses	603	621	18
Income (loss) before income taxes and minority interests	2,053	(12)	(2,065)
Income taxes-current	770	1,013	242
Income taxes-deferred	1,227	96	(1,131)
Total income taxes	1,997	1,109	(888)
Loss before minority interests	—	(1,122)	—
Minority interests in income (loss)	(78)	166	245
Net income (loss)	133	(1,288)	(1,422)

Consolidated statements of cash flows

(Unit: Million Yen)

	FY 2009 ended March 2010	FY 2010 ended March 2011	Increase (decrease)
Net cash provided by (used in) operating activities			
Income (loss) before income taxes and minority interests	2,053	(12)	(2,065)
Depreciation and amortization	6,378	5,286	(1,091)
Increase (decrease) in allowance for doubtful accounts	(960)	(54)	906
Interest and dividends income	(258)	(122)	135
Interest expenses	1,307	1,207	(100)
Loss on retirement of property, plant and equipment	403	173	(230)
Loss (gain) on sales of property, plant and equipment	(1,302)	(32)	1,269
Loss (gain) on valuation of investment securities	53	44	(9)
Loss (gain) on sales of investment securities	2	20	18
Equity in (earnings) losses of affiliates	122	(59)	(181)
Increase (decrease) in provision for retirement benefits	(574)	(125)	448
Decrease (increase) in notes and accounts receivable-trade	(7,625)	(1,973)	5,651
Decrease (increase) in inventories	(598)	(3,741)	(3,142)
Decrease (increase) in prepaid expenses	(463)	(135)	328
Increase (decrease) in notes and accounts payable-trade	4,163	1,769	(2,393)
Increase (decrease) in accrued expenses	(184)	(420)	(235)
Other, net	1,059	(993)	(2,052)
Subtotal	3,577	832	(2,745)
Interest and dividends income received	310	176	(134)
Interest expenses paid	(1,317)	(1,221)	96
Income taxes (paid) refund	1,185	(721)	(1,907)
Net cash provided by (used in) operating activities	3,755	(934)	(4,690)

(Unit: Million Yen)

	FY 2009 ended March 2010	FY 2010 ended March 2011	Increase (decrease)
Net cash provided by (used in) investing activities			
Payments into time deposits	(12)	(192)	(180)
Proceeds from withdrawal of time deposits	233	192	(41)
Purchase of property, plant and equipment	(2,591)	(1,899)	691
Proceeds from sales of property, plant and equipment	2,276	134	(2,142)
Purchase of intangible assets	(722)	(857)	(134)
Purchase of investment securities	(1,618)	(2)	1,616
Proceeds from sales of investment securities	34	206	171
Purchase of investments in subsidiaries resulting in change in scope of consolidation	0	—	(0)
Additional purchase of investments in subsidiaries	(127)	(159)	(32)
Proceeds from transfer of business	—	1,016	1,016
Payments for transfer of business	—	(5,141)	(5,141)
Payments of long-term loans receivable	(90)	(15)	74
Collection of long-term loans receivable	131	20	(110)
Other, net	(157)	(271)	(113)
Net cash provided by (used in) investing activities	(2,643)	(6,969)	(4,325)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	3,303	4,109	806
Proceeds from long-term loans payable	—	15,000	15,000
Repayment of long-term loans payable	(1,021)	(13,615)	(12,594)
Repayments of finance lease obligations	(249)	(177)	71
Purchase of treasury stock	(0)	(0)	0
Cash dividends paid	(373)	(370)	3
Cash dividends paid to minority shareholders	(190)	(184)	5
Net cash provided by (used in) financing activities	1,468	4,761	3,292
Effect of exchange rate change on cash and cash equivalents	(91)	(296)	(205)
Net increase (decrease) in cash and cash equivalents	2,489	(3,439)	(5,928)
Cash and cash equivalents at beginning of period	14,720	17,209	2,489
Cash and cash equivalents at end of period	17,209	13,770	(3,439)