

**Consolidated Financial Results**  
**(Japanese GAAP)**  
**FY 2012 ending March 2013**  
**TOPCON CORPORATION**  
**Release Date: October 31, 2012**

**1. Summary of Second Quarter Business Results for FY2012 ending March 2013 (April 1, 2012 – September 30, 2012)**

"%" indicate year-to-year increase (decrease)

(1) Consolidated business results

(Rounded down to the nearest million yen)

	Net sales		Operating income		Ordinary income (loss)		Net income (loss)	
	million yen	%	million yen	%	million yen	%	million yen	%
2nd Quarter of FY 2012	46,121	(7.0)	1,505	191.3	486	—	(1,221)	—
2nd Quarter of FY 2011	49,577	(0.2)	517	—	(688)	—	(1,960)	—

Note: Comprehensive income  
 2nd Quarter of FY 2012 (1,988) million yen ( - %)  
 2nd Quarter of FY 2011 (3,336) million yen ( - %)

	Net income (loss) per share	Diluted net income per share
	yen	yen
2nd Quarter of FY 2012	(13.19)	—
2nd Quarter of FY 2011	(21.17)	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
2nd Quarter of FY 2012	112,817	30,993	27.0	329.31
FY2011 ended March 2012	120,777	33,064	27.0	352.71

Note: Shareholders' equity  
 2nd Quarter of FY 2012 30,500 million yen  
 FY2011 ended March 2012 32,667 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
FY2011 ended Mar. 2012	—	2.00	—	2.00	4.00
FY2012 ending Mar. 2013	—	2.00			
FY2012 ending Mar. 2013 (forecast)			—	4.00	6.00

\*Revisions to the projected dividends : No

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Annual	98,000	(0.8)	5,000	140.3	3,200	584.8	500	—	5.40

\*Revisions to the business forecasts : Yes

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)

	FY 2011 ended March 2012	2nd Quarter of FY 2012
<b>Assets</b>		
Current assets		
Cash and deposits	13,775	13,026
Notes and accounts receivable-trade	35,871	29,725
Merchandise and finished goods	11,744	13,365
Work in process	4,215	4,408
Raw materials and supplies	5,638	5,580
Other	8,705	8,164
Allowance for doubtful accounts	(1,743)	(1,165)
Total current assets	78,207	73,105
Noncurrent assets		
Property, plant and equipment	12,850	12,098
Intangible assets		
Goodwill	10,048	8,903
Other	8,296	8,024
Total intangible assets	18,344	16,928
Investments and other assets	11,374	10,684
Total noncurrent assets	42,569	39,711
Total assets	120,777	112,817
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	12,206	10,976
Short-term loans payable	33,625	36,921
Income taxes payable	627	825
Provision for product warranties	827	794
Other	8,088	7,423
Total current liabilities	55,375	56,941
Noncurrent liabilities		
Long-term loans payable	25,256	17,897
Provision for retirement benefits	5,802	5,734
Provision for directors' retirement benefits	30	33
Other	1,246	1,215
Total noncurrent liabilities	32,337	24,882
Total liabilities	87,713	81,823

(Unit: Million Yen)

	FY 2011 ended March 2012	2nd Quarter of FY 2012
Net assets		
Shareholders' equity		
Capital stock	10,297	10,297
Capital surplus	14,711	14,711
Retained earnings	12,717	11,309
Treasury stock	(56)	(56)
Total shareholders' equity	37,669	36,262
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(246)	20
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	(4,755)	(5,782)
Total accumulated other comprehensive income	(5,002)	(5,762)
Minority interests	397	493
Total net assets	33,064	30,993
Total liabilities and net assets	120,777	112,817

## Consolidated quarterly statements of income

(Unit: Million Yen)

	2nd Quarter of FY 2011	2nd Quarter of FY 2012
Net sales	49,577	46,121
Cost of sales	30,690	26,721
Gross profit	18,886	19,400
Selling, general and administrative expenses	18,369	17,894
Operating income	517	1,505
Non-operating income		
Interest income	29	32
Dividends income	18	15
Other	181	134
Total non-operating income	230	182
Non-operating expenses		
Interest expenses	599	577
Equity in losses of affiliates	40	51
Foreign exchange losses	660	463
Other	135	109
Total non-operating expenses	1,436	1,202
Ordinary income (loss)	(688)	486
Extraordinary loss		
Loss on valuation of investment securities	547	646
Office transfer expenses	—	486
Loss on sales of land	—	29
Loss on liquidation of subsidiaries and affiliates	94	—
Total extraordinary losses	642	1,162
Loss before income taxes and minority interests	(1,331)	(675)
Income taxes-current	652	379
Income taxes-deferred	(39)	147
Total income taxes	612	526
Loss before minority interests	(1,943)	(1,202)
Minority interests in income	16	18
Net loss	(1,960)	(1,221)

## Consolidated quarterly statements of cash flows

(Unit: Million Yen)

	2nd Quarter of FY 2011	2nd Quarter of FY 2012
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(1,331)	(675)
Depreciation and amortization	1,571	1,613
Amortization of goodwill	743	769
Increase (decrease) in allowance for doubtful accounts	(24)	(480)
Interest and dividends income	(48)	(48)
Interest expenses	599	577
Loss (gain) on valuation of investment securities	547	646
Office transfer expenses	-	486
Increase (decrease) in provision for retirement benefits	(332)	(67)
Decrease (increase) in notes and accounts receivable-trade	1,565	4,698
Decrease (increase) in inventories	(770)	(2,229)
Decrease (increase) in accounts receivable-other	211	658
Increase (decrease) in notes and accounts payable-trade	815	(662)
Other, net	(229)	(325)
Subtotal	3,319	4,961
Interest and dividends income received	57	66
Interest expenses paid	(583)	(581)
Income taxes paid	(719)	(233)
Net cash provided by (used in) operating activities	2,074	4,213

(Unit: Million Yen)

	2nd Quarter of FY 2011	2nd Quarter of FY 2012
Net cash provided by (used in) investing activities		
Payments into time deposits	(211)	(220)
Proceeds from withdrawal of time deposits	192	82
Purchase of property, plant and equipment	(929)	(758)
Proceeds from sales of property, plant and equipment	112	173
Purchase of intangible assets	(996)	(613)
Purchase of investment securities	(1)	(318)
Proceeds from sales of investment securities	32	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(47)	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	11
Additional purchase of investments in subsidiaries	(14)	(3)
Payments of long-term loans receivable	(0)	(53)
Collection of long-term loans receivable	6	17
Other, net	(233)	(75)
Net cash provided by (used in) investing activities	(2,092)	(1,757)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	2,135	(2,801)
Proceeds from long-term loans payable	500	3,382
Repayment of long-term loans payable	(3,296)	(3,500)
Repayments of finance lease obligations	(70)	(127)
Cash dividends paid	(185)	(185)
Proceeds from stock issuance to minority shareholders	-	63
Other, net	(48)	(0)
Net cash provided by (used in) financing activities	(965)	(3,168)
Effect of exchange rate change on cash and cash equivalents	(270)	(170)
Net increase (decrease) in cash and cash equivalents	(1,253)	(883)
Cash and cash equivalents at beginning of period	13,770	13,606
Cash and cash equivalents at end of period	12,517	12,722