

Consolidated Financial Results
FY 2012 ended March 2013
TOPCON CORPORATION
Release Date: April 26, 2013

1. Summary of Business Results for FY2012 ended March 2013 (April 1, 2012 – March 31, 2013)

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

(1) Consolidated business results

(Rounded down to the nearest million yen)

	Net Sales		Operating income		Ordinary income		Net income (loss)	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2012 ended Mar. 2013	97,345	(1.5)	5,214	150.6	3,471	642.9	511	—
FY2011 ended Mar. 2012	98,834	(3.5)	2,080	15.6	467	(23.2)	(3,686)	—

Comprehensive income

FY2012 ended Mar. 2013 3,579 million yen (- %)

FY2011 ended Mar. 2012 (3,832) million yen (- %)

	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	%	%	%
FY2012 ended Mar. 2013	5.48	—	1.3	2.8	5.4
FY2011 ended Mar. 2012	(39.80)	—	(10.6)	0.4	2.1

Note: Equity in earnings (losses) of affiliates

FY2012 ended March 2013 (56) million yen

FY2011 ended March 2012 (130) million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
FY2012 ended Mar. 2013	129,503	49,022	37.4	448.77
FY2011 ended Mar. 2012	120,777	33,064	27.0	352.71

Note: Shareholders' equity (Minority interests are excluded)

FY2012 ended Mar. 2013 48,474 million yen

FY2011 ended Mar. 2012 32,667 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
FY2012 ended Mar. 2013	3,474	(1,611)	976	16,883
FY2011 ended Mar. 2012	47	(3,622)	3,467	13,606

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	%	%
FY2011 ended Mar. 2012	—	2.00	—	2.00	4.00	370	—	1.1
FY2012 ending Mar. 2013	—	2.00	—	4.00	6.00	617	109.4	1.5
FY2013 ending Mar. 2014	—	5.00	—	5.00	10.00		21.6	

3. Business Forecast for FY 2013 ending Mar. 2014 (April 1, 2013 – March 31, 2014)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending September 30	52,000	12.7	3,500	132.4	2,800	475.5	1,200	—	11.11
Annual	110,000	13.0	11,500	120.5	10,000	188.0	5,000	877.1	46.29

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 financial statements

Consolidated balance sheets

(Unit: Million Yen)

	FY 2011 ended March 2012	FY 2012 ended March 2013
Assets		
Current assets		
Cash and deposits	13,775	17,213
Notes and accounts receivable-trade	35,871	36,912
Merchandise and finished goods	11,744	16,051
Work in process	4,215	4,279
Raw materials and supplies	5,638	6,033
Deferred tax assets	4,784	5,616
Other	3,920	4,473
Allowance for doubtful accounts	(1,743)	(1,469)
Total current assets	78,207	89,110
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	5,632	5,198
Machinery, equipment and vehicles, net	2,040	1,993
Land	2,894	1,767
Construction in progress	170	179
Other, net	2,111	2,138
Total property, plant and equipment	12,850	11,277
Intangible assets		
Goodwill	10,048	9,650
Other	8,296	9,241
Total intangible assets	18,344	18,892
Investments and other assets		
Investment securities	3,005	3,345
Long-term loans receivable	1,327	800
Deferred tax assets	4,561	3,160
Other	2,566	2,997
Allowance for doubtful accounts	(85)	(80)
Total investments and other assets	11,374	10,222
Total noncurrent assets	42,569	40,392
Total assets	120,777	129,503

(Unit: Million Yen)

	FY 2011 ended March 2012	FY 2012 ended March 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,206	9,903
Short-term loans payable	33,625	31,627
Accrued expenses	4,996	6,399
Income taxes payable	627	1,172
Provision for product warranties	827	584
Other	3,091	4,975
Total current liabilities	<u>55,375</u>	<u>54,662</u>
Noncurrent liabilities		
Long-term loans payable	25,256	19,002
Deferred tax liabilities	3	4
Provision for retirement benefits	5,802	5,331
Provision for directors' retirement benefits	30	35
Other	1,243	1,444
Total noncurrent liabilities	<u>32,337</u>	<u>25,818</u>
Total liabilities	<u>87,713</u>	<u>80,480</u>
Net assets		
Shareholders' equity		
Capital stock	10,297	16,638
Capital surplus	14,711	21,051
Retained earnings	12,717	12,843
Treasury stock	(56)	(57)
Total shareholders' equity	<u>37,669</u>	<u>50,476</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(246)	298
Deferred gains or losses on hedges	(0)	10
Foreign currency translation adjustment	(4,755)	(2,310)
Total accumulated other comprehensive income	<u>(5,002)</u>	<u>(2,002)</u>
Minority interests	397	548
Total net assets	<u>33,064</u>	<u>49,022</u>
Total liabilities and net assets	<u>120,777</u>	<u>129,503</u>

Consolidated statements of income

(Unit: Million Yen)

	FY 2011 ended March 2012	FY 2012 ended March 2013
Net sales	98,834	97,345
Cost of sales	60,716	54,517
Gross profit	38,118	42,828
Selling, general and administrative expenses	36,037	37,613
Operating income	2,080	5,214
Non-operating income		
Interest income	74	78
Dividends income	37	39
Other	458	305
Total non-operating income	571	423
Non-operating expenses		
Interest expenses	1,194	1,160
Equity in losses of affiliates	130	56
Foreign exchange losses	397	552
Other	462	396
Total non-operating expenses	2,185	2,166
Ordinary income	467	3,471
Extraordinary income		
Gain on sales of land	325	180
Gain on sales of subsidiaries and affiliates' stocks	605	—
Total extraordinary income	931	180
Extraordinary loss		
Loss on valuation of investment securities	—	584
Office transfer expenses	—	441
Loss on transfer of business	—	335
Loss on cancellation of office transfer	—	209
Loss on sales of land	—	54
Loss on business withdrawal	4,809	—
Special retirement expenses	701	—
Loss on sales of investment securities	282	—
Loss on sales of stocks of subsidiaries and affiliates	158	—
Loss on liquidation of subsidiaries and affiliates	55	—
Total extraordinary losses	6,007	1,624
Income (loss) before income taxes and minority interests	(4,608)	2,027
Income taxes-current	613	995
Income taxes-deferred	(1,540)	535
Total income taxes	(927)	1,531
Income (loss) before minority interests	(3,681)	496
Minority interests in income (loss)	5	(15)
Net income (loss)	(3,686)	511

Consolidated statements of cash flows

(Unit: Million Yen)

	FY 2011 ended March 2012	FY 2012 ended March 2013
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(4,608)	2,027
Depreciation and amortization	3,115	3,384
Amortization of goodwill	1,660	1,618
Increase (decrease) in allowance for doubtful accounts	81	(435)
Interest and dividends income	(112)	(117)
Interest expenses	1,194	1,160
Loss on retirement of property, plant and equipment	191	282
Loss (gain) on sales of property, plant and equipment	(270)	(114)
Loss (gain) on valuation of investment securities	27	584
Loss (gain) on sales of investment securities	(223)	-
Equity in (earnings) losses of affiliates	130	56
Loss on withdrawal from business	4,809	-
Loss (gain) on transfer of business	-	335
Extra retirement payment	701	-
Office transfer expenses	-	441
Increase (decrease) in provision for retirement benefits	(1,134)	(471)
Decrease (increase) in notes and accounts receivable-trade	(882)	1,727
Decrease (increase) in inventories	(815)	(2,553)
Decrease (increase) in prepaid expenses	417	(147)
Increase (decrease) in notes and accounts payable-trade	(987)	(3,503)
Increase (decrease) in accrued expenses	(141)	882
Other, net	(223)	(67)
Subtotal	2,929	5,091
Interest and dividends income received	145	147
Interest expenses paid	(1,184)	(1,176)
Payments for extra retirement payments	(701)	-
Income taxes paid	(1,142)	(587)
Net cash provided by (used in) operating activities	47	3,474

(Unit: Million Yen)

	FY 2011 ended March 2012	FY 2012 ended March 2013
Net cash provided by (used in) investing activities		
Payments into time deposits	(304)	(331)
Proceeds from withdrawal of time deposits	289	194
Purchase of property, plant and equipment	(2,198)	(1,778)
Proceeds from sales of property, plant and equipment	600	1,537
Purchase of intangible assets	(2,229)	(1,606)
Purchase of investment securities	(496)	(339)
Proceeds from sales of investment securities	950	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(47)	(36)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	12
Additional purchase of investments in subsidiaries	(15)	(4)
Proceeds from transfer of business	-	210
Payments of long-term loans receivable	(0)	(87)
Collection of long-term loans receivable	13	64
Other, net	(184)	554
Net cash provided by (used in) investing activities	<u>(3,622)</u>	<u>(1,611)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	3,978	(10,388)
Proceeds from long-term loans payable	3,500	5,161
Repayment of long-term loans payable	(3,738)	(5,802)
Proceeds from issuance of common stock	-	12,680
Proceeds from sale and leaseback	301	-
Repayments of finance lease obligations	(149)	(285)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(370)	(370)
Proceeds from stock issuance to minority shareholders	5	67
Cash dividends paid to minority shareholders	(59)	(85)
Net cash provided by (used in) financing activities	<u>3,467</u>	<u>976</u>
Effect of exchange rate change on cash and cash equivalents	<u>(55)</u>	<u>437</u>
Net increase (decrease) in cash and cash equivalents	<u>(163)</u>	<u>3,277</u>
Cash and cash equivalents at beginning of period	<u>13,770</u>	<u>13,606</u>
Cash and cash equivalents at end of period	<u>13,606</u>	<u>16,883</u>