



October 31, 2012

To Whom It May Concern:

Company: Topcon Corporation
Representative: President, Norio Uchida
(Code No.: 7732 1st section of the Tokyo Stock Exchange)
Inquiry: Director & Senior Managing Executive Officer,
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**Notice on the Difference between Financial Forecast and Result of the second quarter,
the Revision of Financial Forecast, and the Recording of Extraordinary Loss**

Topcon Corporation hereby announces the difference between the consolidated financial forecast announced on July 31, 2012 and the result (from April 1, 2012 to September 30, 2012), as mentioned below.

Topcon Corporation also announces that the consolidated financial forecast (from April 1, 2012 to March 31, 2013), which was publicly announced on July 31, 2012, is revised.

Further, Topcon Corporation recorded the extraordinary loss for the accumulated second quarter of FY2012.

1. Difference between the consolidated financial forecast and the result

(1) Accumulated second quarter of FY 2012 (From April 1, 2012 to September 30, 2012)

(Unit: Million Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Previous forecast (A) (announced on July 31, 2012)	51,000	2,000	1,400	400	4.32 yen
Result (B)	46,121	1,505	486	(1,221)	(13.19 yen)
Difference (B-A)	(4,878)	(494)	(913)	(1,621)	—
Change (%)	(9.6)%	(24.7)%	(65.2)%	—	—
(Reference) Result for the Six-Month ended Sept 30, 2011	49,577	517	(688)	(1,960)	(21.17 yen)

(2) Reasons for the difference between the financial forecast and the result

The result of accumulated second quarter ended in the fall in the net sales by -4,878 million yen to the financial forecast publicly announced in July 31, 2012 mainly because of the effect of exchange rate, the delayed recovery of European market and the downturn of Chinese market. Mainly due to the effect of exchange rate, the operating income was reduced by -494 million yen to that of the financial forecast, and the ordinary income by -913 million yen, respectively. Adding to that, the net income was reduced by -1,621 million yen to the financial forecast by recording the loss on revaluation of investment securities (Please refer to 3. Recording of the extraordinary loss (2)) as the extraordinary loss.

2. Revision of the consolidated financial forecast

(1) Whole fiscal year 2012 (From April 1, 2012 to March 31, 2013)

(Unit: Million Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Previous Forecast (A) (announced on July 31, 2012)	108,000	8,000	6,800	3,000	32.39 yen
Revised Forecast (B)	98,000	5,000	3,200	500	5.40 yen
Difference (B-A)	(10,000)	(3,000)	(3,600)	(2,500)	—
Change (%)	(9.3)%	(37.5)%	(52.9)%	(83.3)%	—
(Reference) Result for the last fiscal year	98,834	2,080	467	(3,686)	(39.80 yen)

(2) Reason for the revision of financial forecast

In accordance with the recent trend in foreign exchange rates, we reviewed and changed the exchange rates of the principal foreign currencies as the precondition of financial forecast from 80 yen to 75 yen for 1 US dollar, and from 110 yen to 95 yen for 1 Euro.

We revised the consolidated financial forecast for the whole fiscal year 2012 publicly announced on July 31, 2012, reflecting the review of this exchange rate and the effect by the downturn of European and Chinese markets that has been a factor in falling short of the performance and the financial forecast for the accumulated second quarter of FY 2012.

3. Recording of the extraordinary loss

(1) In the Board of Directors' meeting held on October 31, 2012, it was resolved that the Matsuda factory of Sokkia Topcon Co., Ltd., which is one of the consolidated affiliates of Topcon Corporation, will move into the premise of Topcon Corporation. In accordance with this resolution, Topcon Corporation recorded the extraordinary loss of 486 million yen in second quarter of FY 2012 ended March 2013 mainly as the loss on impairment of land and buildings and the estimated cost for its moving.

Under the slogan "Reform and Enhancement", Topcon Group is striving to quickly establish the stable revenue base and the sound financial position to create a stronger corporate structure that is resilient to the external business environment. To realize the optimization of the manufacturing site as one of this "Reform", we judged that the move of Matsuda factory of Sokkia Topcon Co., Ltd. to concentrate the manufacturing site was the best strategy.

(2) In the second quarter of FY 2012, some of investment securities classified in "other securities" have been significantly decreased in value, of which restoration we cannot expect. As these securities became subject to impairment, we recorded the extraordinary loss for impairment of these securities.

Loss on revaluation of securities at second quarter of FY 2012

	Consolidated	Individual
Total loss on revaluation of securities in the second quarter of FY 2012 (From July 1, 2012 to September 30, 2012) (=A-B)	576 million yen	576 million yen
(A) Total loss on revaluation of securities in the first and second quarters of FY 2012 (From April 1, 2012 to September 30, 2012)	646 million yen	646 million yen
(B) Total loss on revaluation of securities in the first quarter of FY 2012 (From April 1, 2012 to June 30, 2012)	70 million yen	70 million yen

* Topcon Corporation adopts the quarterly reversal method for the evaluation of securities.

* The end of our fiscal term is March 31.