

Consolidated Financial Results
(Japanese GAAP)
FY2013 ending March 2014
TOPCON CORPORATION
Release Date: July 31, 2013

1. Summary of First Quarter Business Results for FY2013 ending March 2014 (April 1, 2013 – June 30, 2013)

“%” indicate year-to-year increase (decrease)

(1) Consolidated business results (Rounded down to the nearest million yen)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	million yen	%	million yen	%	million yen	%	million yen	%
1st Quarter of FY2013	24,064	17.2	708	—	653	—	55	—
1st Quarter of FY2012	20,539	(5.4)	(895)	—	(1,585)	—	(1,526)	—

Note: Comprehensive income
 1st Quarter of FY2013 714 million yen (- %)
 1st Quarter of FY2012 (2,685) million yen (- %)

	Net income (loss) per share	Diluted net income per share
	yen	yen
1st Quarter of FY2013	0.52	—
1st Quarter of FY2012	(16.48)	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholder's equity per share
	million yen	million yen	%	yen
1st Quarter of FY2013	129,277	49,304	37.6	450.50
FY2012 ended March 2013	129,503	49,022	37.4	448.77

Note: Shareholders' equity
 1st Quarter of FY2013 48,661 million yen
 FY2012 ended March 2013 48,474 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
FY2012 ended Mar. 2013	—	2.00	—	4.00	6.00
FY2013 ending Mar. 2014	—				
FY2013 ending Mar. 2014 (forecast)		5.00	—	5.00	10.00

*Revisions to the projected dividends : No

3. Business Forecasts for FY2013 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 Sept. 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

*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)

	FY 2012 ended March 2013	1st Quarter of FY 2013
Assets		
Current assets		
Cash and deposits	17,213	16,785
Notes and accounts receivable-trade	36,912	34,989
Merchandise and finished goods	16,051	17,574
Work in process	4,279	4,253
Raw materials and supplies	6,033	6,483
Other	10,089	9,281
Allowance for doubtful accounts	(1,469)	(1,554)
Total current assets	89,110	87,814
Noncurrent assets		
Property, plant and equipment	11,277	11,317
Intangible assets		
Goodwill	9,650	9,268
Other	9,241	9,467
Total intangible assets	18,892	18,736
Investments and other assets	10,222	11,409
Total noncurrent assets	40,392	41,463
Total assets	129,503	129,277
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,903	9,584
Short-term loans payable	31,627	32,155
Income taxes payable	1,172	794
Provision for product warranties	584	599
Other	11,375	11,406
Total current liabilities	54,662	54,539
Noncurrent liabilities		
Long-term loans payable	19,002	18,963
Provision for retirement benefits	5,331	4,916
Provision for directors' retirement benefits	35	36
Other	1,448	1,516
Total noncurrent liabilities	25,818	25,433
Total liabilities	80,480	79,972

(Unit: Million Yen)

	FY 2012 ended March 2013	1st Quarter of FY 2013
Net assets		
Shareholders' equity		
Capital stock	16,638	16,638
Capital surplus	21,051	21,051
Retained earnings	12,843	12,467
Treasury stock	(57)	(57)
Total shareholders' equity	50,476	50,099
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	298	447
Deferred gains or losses on hedges	10	12
Foreign currency translation adjustment	(2,310)	(1,898)
Total accumulated other comprehensive income	(2,002)	(1,438)
Minority interests	548	643
Total net assets	49,022	49,304
Total liabilities and net assets	129,503	129,277

Consolidated quarterly statements of income

(Unit: Million Yen)

	1st Quarter of FY 2012	1st Quarter of FY 2013
Net sales	20,539	24,064
Cost of sales	12,264	12,918
Gross profit	8,274	11,145
Selling, general and administrative expenses	9,169	10,437
Operating income (loss)	(895)	708
Non-operating income		
Interest income	17	16
Dividends income	9	11
Equity in earnings of affiliates	—	1
Foreign exchange gains	—	169
Other	71	82
Total non-operating income	98	282
Non-operating expenses		
Interest expenses	291	260
Equity in losses of affiliates	3	—
Foreign exchange losses	408	—
Other	84	76
Total non-operating expenses	788	336
Ordinary income (loss)	(1,585)	653
Extraordinary loss		
Loss on liquidation of subsidiaries and affiliates	—	104
Loss on valuation of investment securities	70	—
Total extraordinary loss	70	104
Income (loss) before income taxes and minority interests	(1,655)	549
Income taxes-current	(10)	342
Income taxes-deferred	(126)	89
Total income taxes	(136)	432
Income (loss) before minority interests	(1,518)	117
Minority interests in income	7	61
Net income (loss)	(1,526)	55

[Segment Information by business category]

1st Quarter of FY 2012 (from April 1, 2012 to June 30, 2012)

(unit: million yen)

	Reporting segment					Elimination & Common	Total
	Smart Infrastructure Company	Positioning Company	Eye Care Company	Other	Sub-Total		
Sales							
Sales to unaffiliated customers	3,898	7,915	6,383	2,341	20,539	—	20,539
Intercompany sales or transfer	2,052	438	—	—	2,490	(2,490)	—
Total	5,950	8,354	6,383	2,341	23,030	(2,490)	20,539
Segment Profit (Operating Profit)	160	(80)	(370)	(218)	(509)	(385)	(895)

Note: Segment Profit “(385)” on “Elimination & Common” is goodwill amortization expense which is not distributed to each reporting segment.

1st Quarter of FY 2013 (from April 1, 2013 to June 30, 2013)

(unit: million yen)

	Reporting segment					Elimination & Common	Total
	Smart Infrastructure Company	Positioning Company	Eye Care Company	Other	Sub-Total		
Sales							
Sales to unaffiliated customers	4,885	10,148	7,457	1,574	24,064	—	24,064
Intercompany sales or transfer	1,874	521	—	—	2,396	(2,396)	—
Total	6,759	10,669	7,457	1,574	26,461	(2,396)	24,064
Segment Profit (Operating Profit)	447	752	21	(44)	1,176	(468)	708

Note: Segment Profit “(468)” on “Elimination & Common” is goodwill amortization expense which is not distributed to each reporting segment.

[Segment Information by region]

1st Quarter of FY 2012 (from April 1, 2012 to June 30, 2012)

(unit: million yen)

	Japan	North America	Europe	China	Asia / Oceania	other	Elimination & Common	Total
Sales								
Sales to unaffiliated customers	6,313	6,175	4,993	1,398	1,366	291	—	20,539
Intercompany sales or transfer	4,704	1,518	177	522	158	—	(7,082)	—
Total	11,018	7,693	5,171	1,920	1,525	291	(7,082)	20,539
Segment Profit (Operating Profit)	135	(117)	(220)	14	(64)	0	(642)	(895)

1st Quarter of FY 2013 (from April 1, 2013 to June 30, 2013)

(unit: million yen)

	Japan	North America	Europe	China	Asia / Oceania	other	Elimination & Common	Total
Sales								
Sales to unaffiliated customers	6,497	7,841	6,533	1,211	1,561	418	—	24,064
Intercompany sales or transfer	4,482	1,760	310	1,010	449	—	(8,013)	—
Total	10,980	9,601	6,843	2,222	2,011	418	(8,013)	24,064
Segment Profit (Operating Profit)	626	691	109	110	30	27	(888)	708

Notes:1.Sales and Segment Profit are classified by country or region based on the location of each our group company.

2.The region which belongs to “other” category is Middle East.

[Overseas sales]

1st Quarter of FY 2012 (from April 1, 2012 to June 30, 2012)

(unit: million yen)

	North America	Europe	China	Asia / Oceania	other	Total
Overseas sales	4,537	4,760	1,778	2,657	2,033	15,766
Consolidated Sales						20,539
Ratio to Consolidated Sales (%)	22.1	23.2	8.7	12.9	9.9	76.8

1st Quarter of FY 2013 (from April 1, 2013 to June 30, 2013)

(unit: million yen)

	North America	Europe	China	Asia / Oceania	other	Total
Overseas sales	5,575	6,528	1,655	2,888	2,385	19,033
Consolidated Sales						24,064
Ratio to Consolidated Sales (%)	23.2	27.1	6.9	12.0	9.9	79.1

Notes:1.Sales is classified by country or region based on the location of customers.

2.The main regions which belong to “other” category are Latin America, Middle East, Russia, and Africa.