

# Consolidated Financial Results

(Japanese GAAP)

FY2014 ending March 2015

TOPCON CORPORATION

Release Date: January 30, 2015

## 1. Summary of Third Quarter Business Results for FY2014 ending March 2015 (April 1, 2014 - December 31, 2014)

"%" 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	
	million yen	%	million yen	%	million yen	%	million yen	%
3rd quarter of FY2014	88,647	11.8	7,963	38.8	7,372	23.0	4,375	94.8
3rd quarter of FY2013	79,322	18.6	5,738	236.0	5,992	—	2,245	—

Note: Comprehensive income  
 3rd quarter of FY2014 8,308 million yen ( 78 % )  
 3rd quarter of FY2013 4,666 million yen ( — % )

	Net income per share	Diluted net income per share
	yen	yen
3rd quarter of FY2014	40.50	—
3rd quarter of FY2013	20.79	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
3rd quarter of FY2014	137,933	61,190	43.7	557.47
FY2013 ended March 2014	135,818	54,328	39.5	496.22

Note: Shareholders' equity  
 3rd quarter of FY2014 60,214 million yen  
 FY2013 ended March 2014 53,598 million yen

## 2. Dividends

	Dividends per share				
	end of 1st qtr	end of 2nd qtr	end of 3rd qtr	year-end	Total
	yen	yen	yen	yen	yen
FY2013 ended March 2014	—	5.00	—	5.00	10.00
FY2014 ending March 2015	—	8.00	—		
FY2014 ending March 2015 (forecast)				8.00	16.00

\*Revisions to the projected dividends : No

## 3. Business Forecasts for FY2014 ending March 2015 (April 1, 2014 - March 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	130,000	11.4	16,000	36.4	14,500	28.3	8,300	39.2	76.84

\*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)

	FY2013 ended March 2014	3rd quarter of FY2014
<b>Assets</b>		
Current assets		
Cash and deposits	15,187	16,387
Notes and accounts receivable - trade	41,875	36,053
Merchandise and finished goods	18,237	20,041
Work in process	4,195	4,814
Raw materials and supplies	6,988	7,381
Other	11,315	11,766
Allowance for doubtful accounts	(1,409)	(1,403)
Total current assets	96,391	95,041
Non-current assets		
Property, plant and equipment	11,188	12,458
Intangible assets		
Goodwill	8,319	10,281
Other	9,812	10,735
Total intangible assets	18,132	21,016
Investments and other assets	10,105	9,416
Total non-current assets	39,426	42,892
Total assets	135,818	137,933
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,107	10,539
Short-term loans payable	25,044	32,261
Income taxes payable	2,378	1,653
Provision for product warranties	797	1,067
Other	10,682	10,130
Total current liabilities	50,010	55,652
Non-current liabilities		
Long-term loans payable	22,689	13,754
Provision for directors' retirement benefits	39	46
Net defined benefit liability	7,292	5,523
Other	1,457	1,765
Total non-current liabilities	31,478	21,090
Total liabilities	81,489	76,742
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,638	16,638
Capital surplus	20,950	20,950
Retained earnings	17,804	20,740
Treasury shares	(58)	(60)
Total shareholders' equity	55,335	58,269
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	468	642
Deferred gains or losses on hedges	(47)	(216)
Foreign currency translation adjustment	(712)	2,739
Remeasurements of defined benefit plans	(1,445)	(1,220)
Total accumulated other comprehensive income	(1,736)	1,945
Minority interests	729	976
Total net assets	54,328	61,190
Total liabilities and net assets	135,818	137,933

Consolidated quarterly statements of income

(Unit: million yen)

	3rd quarter of FY2013	3rd quarter of FY2014
Net sales	79,322	88,647
Cost of sales	41,687	44,440
Gross profit	37,635	44,206
Selling, general and administrative expenses	31,896	36,242
Operating income	5,738	7,963
Non-operating income		
Interest income	48	54
Dividend income	30	34
Share of profit of entities accounted for using equity method	67	63
Foreign exchange gains	870	414
Other	294	166
Total non-operating income	1,311	732
Non-operating expenses		
Interest expenses	780	867
Worker-on-loan expenses	-	278
Other	277	178
Total non-operating expenses	1,057	1,324
Ordinary income	5,992	7,372
Extraordinary losses		
Loss on valuation of investment securities	478	-
Loss on liquidation of subsidiaries and associates	104	-
Impairment loss	25	-
Total extraordinary losses	609	-
Income before income taxes and minority interests	5,382	7,372
Income taxes - current	1,856	2,323
Income taxes - deferred	1,093	559
Total income taxes	2,950	2,883
Income before minority interests	2,432	4,489
Minority interests in income	186	114
Net income	2,245	4,375

[Segment Information by business category]

3rd quarter of FY2013 (April 1, 2013 - December 31, 2013)

(Unit: million yen)

	Reportable segment					Elimination & Common	Total
	Smart Infrastructure Company	Positioning Company	Eye Care Company	Other	Sub-Total		
Sales							
Sales to unaffiliated customers	17,378	31,251	26,185	4,506	79,322	—	79,322
Intercompany sales or transfer	6,043	1,896	—	20	7,960	(7,960)	—
Total	23,422	33,148	26,185	4,526	87,282	(7,960)	79,322
Segment Profit (Operating Profit)	2,920	2,210	2,024	(67)	7,088	(1,350)	5,738

Note: Segment Profit (1,350) on "Elimination & Common" is goodwill amortization expense which is not distributed to each reportable segment.

3rd quarter of FY2014 (April 1, 2014 - December 31, 2014)

(Unit: million yen)

	Reportable segment					Elimination & Common	Total
	Smart Infrastructure Company	Positioning Company	Eye Care Company	Other	Sub-Total		
Sales							
Sales to unaffiliated customers	17,326	37,333	28,951	5,036	88,647	—	88,647
Intercompany sales or transfer	5,949	2,365	—	23	8,337	(8,337)	—
Total	23,275	39,699	28,951	5,059	96,985	(8,337)	88,647
Segment Profit (Operating Profit)	3,287	3,463	2,439	98	9,289	(1,325)	7,963

Note: Segment Profit (1,325) on "Elimination & Common" is goodwill amortization expense which is not distributed to each reportable segment.

[Segment Information by region]

3rd quarter of FY2013 (April 1, 2013 - December 31, 2013)

(Unit: million yen)

	Japan	North America	Europe	China	Asia / Oceania	Other	Elimination & Common	Total
Sales								
Sales to unaffiliated customers	22,887	25,381	20,697	3,680	5,372	1,302	—	79,322
Intercompany sales or transfer	16,094	5,990	848	3,682	1,402	—	(28,017)	—
Total	38,981	31,372	21,546	7,362	6,775	1,302	(28,017)	79,322
Segment Profit (Operating Profit)	4,190	2,903	438	483	173	56	(2,507)	5,738

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.

3rd quarter of FY2014 (April 1, 2014 - December 31, 2014)

(Unit: million yen)

	Japan	North America	Europe	China	Asia / Oceania	Other	Elimination & Common	Total
Sales								
Sales to unaffiliated customers	24,405	31,030	22,934	3,716	4,850	1,709	—	88,647
Intercompany sales or transfer	15,549	7,713	1,317	3,250	1,384	—	(29,215)	—
Total	39,955	38,744	24,251	6,966	6,234	1,709	(29,215)	88,647
Segment Profit (Operating Profit)	3,670	4,411	622	248	(44)	73	(1,018)	7,963

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]

3rd quarter of FY2013 (April 1, 2013 - December 31, 2013)

(Unit: million yen)

	North America	Europe	China	Asia / Oceania	Other	Total
Overseas sales	17,687	19,800	5,777	10,182	8,181	61,629
Consolidated Sales						79,322
Ratio to Consolidated Sales (%)	22.3	25.0	7.3	12.8	10.3	77.7

3rd quarter of FY2014 (April 1, 2014 - December 31, 2014)

(Unit: million yen)

	North America	Europe	China	Asia / Oceania	Other	Total
Overseas sales	21,082	22,346	5,600	9,198	8,326	66,554
Consolidated Sales						88,647
Ratio to Consolidated Sales (%)	23.8	25.2	6.3	10.4	9.4	75.1

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.