

Consolidated Financial Results

(Japanese GAAP)

FY2015 ending March 2016

TOPCON CORPORATION

Release Date: July 31, 2015

1. Summary of First Quarter Business Results for FY2015 ending March 2016 (April 1, 2015 - June 30, 2015)

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

(1) Consolidated business results

(Rounded down to the nearest million yen)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
1st quarter of FY2015	27,593	4.7	874	(49.6)	790	(45.5)	249	(75.4)
1st quarter of FY2014	26,354	9.5	1,735	145.0	1,452	122.1	1,015	* —

Note: Comprehensive income
1st quarter of FY2015 1,895 million yen (106.3 %)
1st quarter of FY2014 918 million yen (28.5 %)

	Net income per share	Diluted net income per share
	yen	yen
1st quarter of FY2015	2.31	—
1st quarter of FY2014	9.40	—

* Year-to-year increase percentage of Profit attributable to owners of parent for the 1st quarter of FY2014 is shown as "—" because the percentage was in excess of 1,000%.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
1st quarter of FY2015	164,313	65,632	39.2	596.37
FY2014 ended March 2015	143,181	64,610	44.3	587.52

Note: Shareholders' equity
1st quarter of FY2015 64,415 million yen
FY2014 ended March 2015 63,460 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
FY2014 ended March 2015	—	8.00	—	8.00	16.00
FY2015 ending March 2016	—				
FY2015 ending March 2016 (forecast)		12.00	—	12.00	24.00

*Revisions to the projected dividends : No

3. Business Forecasts for FY2015 ending March 2016 (April 1, 2015 - March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half	67,000	12.8	6,000	1.6	5,700	1.1	3,100	(11.2)	28.70
Full year	150,000	16.7	19,000	18.4	17,500	17.6	10,800	24.6	99.99

*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)

	FY2014 ended March 2015	1st quarter of FY2015
Assets		
Current assets		
Cash and deposits	16,507	17,842
Notes and accounts receivable - trade	43,210	37,388
Merchandise and finished goods	19,646	24,767
Work in process	4,286	2,235
Raw materials and supplies	6,695	10,027
Other	11,928	12,613
Allowance for doubtful accounts	(1,328)	(1,387)
Total current assets	100,946	103,488
Non-current assets		
Property, plant and equipment	12,159	13,008
Intangible assets		
Goodwill	8,555	19,693
Other	12,525	18,640
Total intangible assets	21,081	38,333
Investments and other assets	8,994	9,482
Total non-current assets	42,235	60,824
Total assets	143,181	164,313
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,034	12,569
Short-term loans payable	30,105	49,356
Income taxes payable	2,518	1,389
Provision for product warranties	832	806
Other	12,302	12,121
Total current liabilities	57,794	76,243
Non-current liabilities		
Long-term loans payable	13,908	14,285
Provision for directors' retirement benefits	48	50
Net defined benefit liability	5,481	5,410
Other	1,336	2,690
Total non-current liabilities	20,775	22,437
Total liabilities	78,570	98,680
Net assets		
Shareholders' equity		
Capital stock	16,638	16,638
Capital surplus	20,950	20,950
Retained earnings	25,030	24,413
Treasury shares	(60)	(61)
Total shareholders' equity	62,558	61,940
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	763	812
Deferred gains or losses on hedges	(163)	(100)
Foreign currency translation adjustment	1,341	2,734
Remeasurements of defined benefit plans	(1,040)	(970)
Total accumulated other comprehensive income	901	2,475
Non-controlling interests	1,150	1,217
Total net assets	64,610	65,632
Total liabilities and net assets	143,181	164,313

Consolidated quarterly statements of income

(Unit: million yen)

	1st quarter of FY2014	1st quarter of FY2015
Net sales	26,354	27,593
Cost of sales	12,791	12,962
Gross profit	13,562	14,630
Selling, general and administrative expenses	11,826	13,756
Operating income	1,735	874
Non-operating income		
Interest income	17	21
Dividend income	14	12
Share of profit of entities accounted for using equity method	27	—
Foreign exchange gains	—	198
Other	129	101
Total non-operating income	189	333
Non-operating expenses		
Interest expenses	229	239
Share of loss of entities accounted for using equity method	—	14
Foreign exchange losses	194	—
Other	48	162
Total non-operating expenses	472	417
Ordinary income	1,452	790
Income before income taxes and minority interests	1,452	790
Income taxes - current	629	609
Income taxes - deferred	(246)	(127)
Total income taxes	383	481
Profit	1,069	309
Profit attributable to non-controlling interests	53	59
Profit attributable to owners of parent	1,015	249

[Segment Information by business category]

1st quarter of FY2014 (April 1, 2014 - June 30, 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	4,910	12,295	7,900	1,247	26,354	—	26,354
Intercompany sales or transfer	1,846	750	—	3	2,601	(2,601)	—
Total	6,757	13,046	7,900	1,250	28,955	(2,601)	26,354
Segment Profit (Operating Income)	832	1,163	296	(125)	2,166	(431)	1,735

Note: Segment Profit (431) on "Elimination & Common" is goodwill amortization expense which is not distributed to each reportable segment.

1st quarter of FY2015 (April 1, 2015 - June 30, 2015)

(Unit: million yen)

	Reportable segment					Elimination & Common	Total
	Smart Infrastructure Company	Positioning Company	Eye Care Company	Other	Sub-Total		
Sales							
Sales to unaffiliated customers	4,932	13,570	7,887	1,203	27,593	—	27,593
Intercompany sales or transfer	2,153	815	—	0	2,969	(2,969)	—
Total	7,086	14,386	7,887	1,203	30,562	(2,969)	27,593
Segment Profit (Operating Income)	410	647	468	(69)	1,457	(582)	874

Note: Segment Profit (582) on "Elimination & Common" is goodwill amortization expense which is not distributed to each reportable segment.

[Segment Information by region]

1st quarter of FY2014 (April 1, 2014 - June 30, 2014)

(Unit: million yen)

	Japan	North America	Europe	China	Asia / Oceania	Other	Elimination & Common	Total
	Sales							
Sales to unaffiliated customers	6,352	9,683	7,226	1,160	1,440	489	—	26,354
Intercompany sales or transfer	5,343	2,365	346	1,070	462	—	(9,588)	—
Total	11,696	12,049	7,572	2,231	1,903	489	(9,588)	26,354
Segment Profit (Operating Income)	866	1,144	24	100	(13)	2	(388)	1,735

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.

1st quarter of FY2015 (April 1, 2015 - June 30, 2015)

(Unit: million yen)

	Japan	North America	Europe	China	Asia / Oceania	Other	Elimination & Common	Total
	Sales							
Sales to unaffiliated customers	5,648	10,682	7,406	1,336	1,917	602	—	27,593
Intercompany sales or transfer	5,668	2,943	682	1,670	432	—	(11,398)	—
Total	11,317	13,625	8,089	3,007	2,349	602	(11,398)	27,593
Segment Profit (Operating Income)	597	986	175	168	(2)	26	(1,076)	874

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 FY2014 (April 1, 2014 - June 30, 2014)

(Unit: million yen)

	North America	Europe	China	Asia / Oceania	Other	Total
Overseas sales	6,599	7,166	1,628	2,635	2,360	20,391
Consolidated Sales						26,354
Ratio to Consolidated Sales (%)	25.0	27.2	6.2	10.0	9.0	77.4

1st quarter of FY2015 (April 1, 2015 - June 30, 2015)

(Unit: million yen)

	North America	Europe	China	Asia / Oceania	Other	Total
Overseas sales	8,488	7,740	1,811	3,183	1,624	22,848
Consolidated Sales						27,593
Ratio to Consolidated Sales (%)	30.8	28.1	6.6	11.5	5.9	82.8

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.