

# Consolidated Financial Results

(Japanese GAAP)

FY2015 ending March 2016

TOPCON CORPORATION

Release Date: January 29, 2016

## 1. Summary of Third Quarter Business Results for FY2015 ending March 2016 (April 1, 2015 - December 31, 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	%
3rd quarter of FY2015	91,542	3.3	4,244	(46.7)	3,288	(55.4)	1,192	(72.7)
3rd quarter of FY2014	88,647	11.8	7,963	38.8	7,372	23.0	4,375	94.8

Note: Comprehensive income  
3rd quarter of FY2015 927 million yen [ (88.8%) ]  
3rd quarter of FY2014 8,308 million yen [ 78.0% ]

	Net income per share	Diluted net income per share
	yen	yen
3rd quarter of FY2015	11.04	—
3rd quarter of FY2014	40.50	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
3rd quarter of FY2015	162,516	63,702	38.2	574.85
FY2014 ended March 2015	143,181	64,610	44.3	587.52

Note: Shareholders' equity  
3rd quarter of FY2015 62,091 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	—	12.00	—		
FY2015 ending March 2016 (forecast)				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
Full year	133,000	3.4	12,500	(22.1)	11,000	(26.1)	6,000	(30.8)	55.55

\*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	3rd quarter of FY2015
<b>Assets</b>		
Current assets		
Cash and deposits	16,507	15,457
Notes and accounts receivable - trade	43,210	32,644
Merchandise and finished goods	19,646	26,593
Work in process	4,286	1,932
Raw materials and supplies	6,695	11,766
Other	11,928	15,136
Allowance for doubtful accounts	(1,328)	(1,481)
Total current assets	100,946	102,049
Non-current assets		
Property, plant and equipment	12,159	13,669
Intangible assets		
Goodwill	8,555	18,163
Other	12,525	18,086
Total intangible assets	21,081	36,250
Investments and other assets	8,994	10,547
Total non-current assets	42,235	60,466
Total assets	143,181	162,516
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	12,034	11,904
Short-term loans payable	30,105	27,509
Income taxes payable	2,518	646
Provision for product warranties	832	831
Other	12,302	10,313
Total current liabilities	57,794	51,204
Non-current liabilities		
Bonds payable	—	20,000
Long-term loans payable	13,908	19,708
Provision for directors' retirement benefits	48	45
Net defined benefit liability	5,481	5,361
Other	1,336	2,492
Total non-current liabilities	20,775	47,608
Total liabilities	78,570	98,813
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,638	16,638
Capital surplus	20,950	20,950
Retained earnings	25,030	24,053
Treasury shares	(60)	(62)
Total shareholders' equity	62,558	61,579
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	763	613
Deferred gains or losses on hedges	(163)	2
Foreign currency translation adjustment	1,341	728
Remeasurements of defined benefit plans	(1,040)	(832)
Total accumulated other comprehensive income	901	511
Non-controlling interests	1,150	1,611
Total net assets	64,610	63,702
Total liabilities and net assets	143,181	162,516

Consolidated quarterly statements of income

(Unit: million yen)

	3rd quarter of FY2014	3rd quarter of FY2015
Net sales	88,647	91,542
Cost of sales	44,440	44,825
Gross profit	44,206	46,716
Selling, general and administrative expenses	36,242	42,471
Operating income	7,963	4,244
Non-operating income		
Interest income	54	60
Dividend income	34	37
Share of profit of entities accounted for using equity method	63	—
Foreign exchange gains	414	—
Other	166	181
Total non-operating income	732	278
Non-operating expenses		
Interest expenses	867	725
Share of loss of entities accounted for using equity method	—	34
Foreign exchange losses	—	149
Worker-on-loan expenses	278	—
Other	178	324
Total non-operating expenses	1,324	1,234
Ordinary income	7,372	3,288
Extraordinary income		
Gain on sales of investment securities	—	216
Total extraordinary income	—	216
Extraordinary losses		
Loss on valuation of investment securities	—	339
Special retirement expenses	—	148
Total extraordinary losses	—	488
Income before income taxes and minority interests	7,372	3,017
Income taxes - current	2,323	1,855
Income taxes - deferred	559	(195)
Total income taxes	2,883	1,659
Profit	4,489	1,357
Profit attributable to non-controlling interests	114	164
Profit attributable to owners of parent	4,375	1,192

[Segment Information by business category]

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 Income)	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.

3rd quarter of FY2015 (April 1, 2015 - December 31, 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	16,567	41,384	29,305	4,284	91,542	—	91,542
Intercompany sales or transfer	6,521	3,327	—	0	9,849	(9,849)	—
Total	23,089	44,711	29,305	4,285	101,392	(9,849)	91,542
Segment Profit (Operating Income)	2,436	1,108	2,571	79	6,195	(1,951)	4,244

Note: Segment Profit (1,951) on "Elimination & Common" is goodwill amortization expense which is not distributed to each reportable segment.

[Segment Information by region]

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 Income)	3,670	4,411	622	248	(44)	73	(1,018)	7,963

3rd quarter of FY2015 (April 1, 2015 - December 31, 2015)

(Unit: million yen)

	Japan	North America	Europe	China	Asia / Oceania	Other	Elimination & Common	Total
Sales								
Sales to unaffiliated customers	20,396	33,101	25,655	3,709	6,951	1,727	—	91,542
Intercompany sales or transfer	18,445	9,466	2,063	5,413	1,182	—	(36,571)	—
Total	38,841	42,567	27,718	9,123	8,134	1,727	(36,571)	91,542
Segment Profit (Operating Income)	3,108	2,926	383	472	357	53	(3,057)	4,244

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 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

3rd quarter of FY2015 (April 1, 2015 - December 31, 2015)

(Unit: million yen)

	North America	Europe	China	Asia / Oceania	Other	Total
Overseas sales	25,319	24,586	5,925	10,804	6,247	72,885
Consolidated Sales						91,542
Ratio to Consolidated Sales (%)	27.7	26.9	6.5	11.8	6.8	79.6

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.