




FY2020 Q3
Financial Results

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Infrastructure

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Healthcare

食
Agriculture

January 29, 2021
TOPCON CORPORATION
Director and Senior Executive Officer, CFO
General Manger of Accounting & Finance Div.
Haruhiko Akiyama



Company
Profile
Movie

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TOPCON CORPORATION

FY2020 Q3 Financial Results

January 29, 2021

Event Overview

[Company]	TOPCON CORPORATION	
[Event Type]	Presentation of Financial Results	
[Event Name]	FY2020 Q3 Financial Results	
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	Haruhiko Akiyama	Director, Senior Executive Officer, General Manager of Accounting & Finance Div.
	Takaaki Hirayama	Executive Officer, General Manager of Corporate Communication Div.

FY2020 Q3 Financial Results

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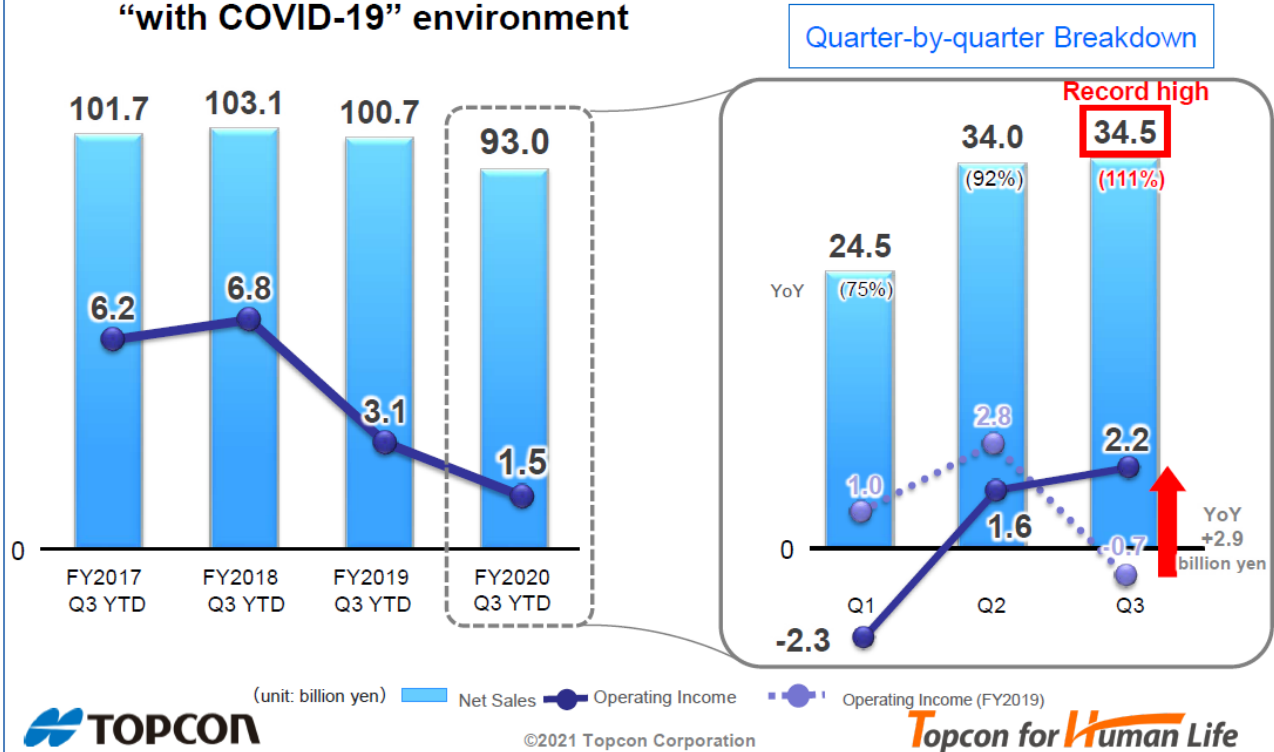
Akiyama:

Thank you very much for taking the time to attend today's presentation.

Today, I will report our financial results for the third quarter followed by full year plan for fiscal year 2020.

FY2020 Q3 Overview

- Q3 YTD: Turns profitable despite decreased sales and profit
- Q3: Strong recovery by adapting to a new normal under “with COVID-19” environment



First of all, this is an overview of our results for the third quarter.

The graph on the left shows sales and operating income for Q3 YTD. Due to the severe impact of COVID-19, we posted an operating loss in 1H. However, in Q3 YTD, we posted an operating income of 1.5 billion yen and turned profitable despite decreased sales and profit.

The graph on the right shows quarter-by-quarter breakdown. The impact of COVID-19 was significant in Q1 with sales of 75% YoY and operating loss of 2.3 billion yen, followed by 92% YoY in Q2, Then, Q3 sales increased 111% YoY and turned to be profitable with 2.2 billion yen of operating income. The sales were record high in Q3 alone. In terms of operating income, it increased by 2.9 billion yen to 2.2 billion yen, compared to operating loss of 0.7 billion yen in the same period last year.

FY2020 Q3 Financial Results

Record high sales and profit in Q3 alone, expanding profit

(unit: million yen)

	FY2019 Q3 YTD Actual	FY2020				YoY	
		Actual			Q3 YTD		
		Q1	Q2	Q3			
Net Sales	100,724	24,493	33,971	34,526	92,991	-7,733 (-8%)	
Gross Profit (Gross Profit Ratio)	53,293 (52.9%)	11,680 (47.7%)	16,708 (49.2%)	17,287 (50.1%)	45,676 (49.1%)	-7,617 (-14%)	
SGA	50,230	14,003	15,154	15,062	44,221	-6,009	
Operating Income (Operating Income Ratio)	3,062 (3.0%)	-2,322 (-9.5%)	1,554 (4.6%)	2,224 (6.4%)	1,455 (1.6%)	-1,607 (-52%)	
Non-Operating Income (Expenses)	-1,291	-721	-308	-365	-1,394	-103	
Ordinary Income	1,771	-3,043	1,245	1,858	60	-1,711	
Extraordinary Income	-415	-31	-130	-59	-221	194	
Income Before Income Taxes and Minority Interests	1,355	-3,074	1,114	1,799	-160	-1,515	
Net Income	254	-2,482	444	714	-1,322	-1,576	
Exchange Rate	USD	¥109.10	¥107.74	¥105.88	¥104.45	¥105.87	-¥3.23
(Average)	EUR	¥121.46	¥118.94	¥123.71	¥124.41	¥122.30	+¥0.84



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This P/L shows the details of the overview I have explained. All of net sales, operating income, and net income were strong in Q3 alone.

FY2020 Q3 Financial Results by Business

■ Increase in sales and profit for all business segments in Q3 alone

(unit : million yen)

		Q3 Actual			Q3 YTD Actual			
		FY2019	FY2020	YoY%	FY2019	FY2020	YoY	YoY%
Net Sales	Positioning	15,429	16,919	+10%	52,546	49,061	-3,485	-7%
	Smart Infrastructure	6,651	8,917	+34%	23,708	23,804	96	+0%
	Eye Care	11,740	12,191	+4%	33,943	28,976	-4,967	-15%
	Others	353	337	-5%	1,039	838	-201	-19%
	Elimination	-2,976	-3,839		-10,512	-9,688	824	
	Total	31,197	34,526	+11%	100,724	92,991	-7,733	-8%
Operating Income (Operating Income Ratio)	Positioning	-433 (-2.8%)	929 (5.5%)	Turns profitable	2,416 (4.6%)	3,087 (6.3%)	671	+28%
	Smart Infrastructure	492 (7.4%)	1,166 (13.1%)	+137%	2,984 (12.6%)	2,944 (12.4%)	-40	-1%
	Eye Care	254 (2.2%)	1,177 (9.7%)	+363%	871 (2.6%)	-1,211 (-4.2%)	-2,082	-
	Others	-31 (-8.8%)	-85 (-25.2%)	-	-93 (-9.0%)	-340 (-40.6%)	-247	-
	Elimination	-1,030	-964		-3,116	-3,024	92	
	Total	-748 (-2.4%)	2,224 (6.4%)	-	3,062 (3.0%)	1,455 (1.6%)	-1,607	-52%



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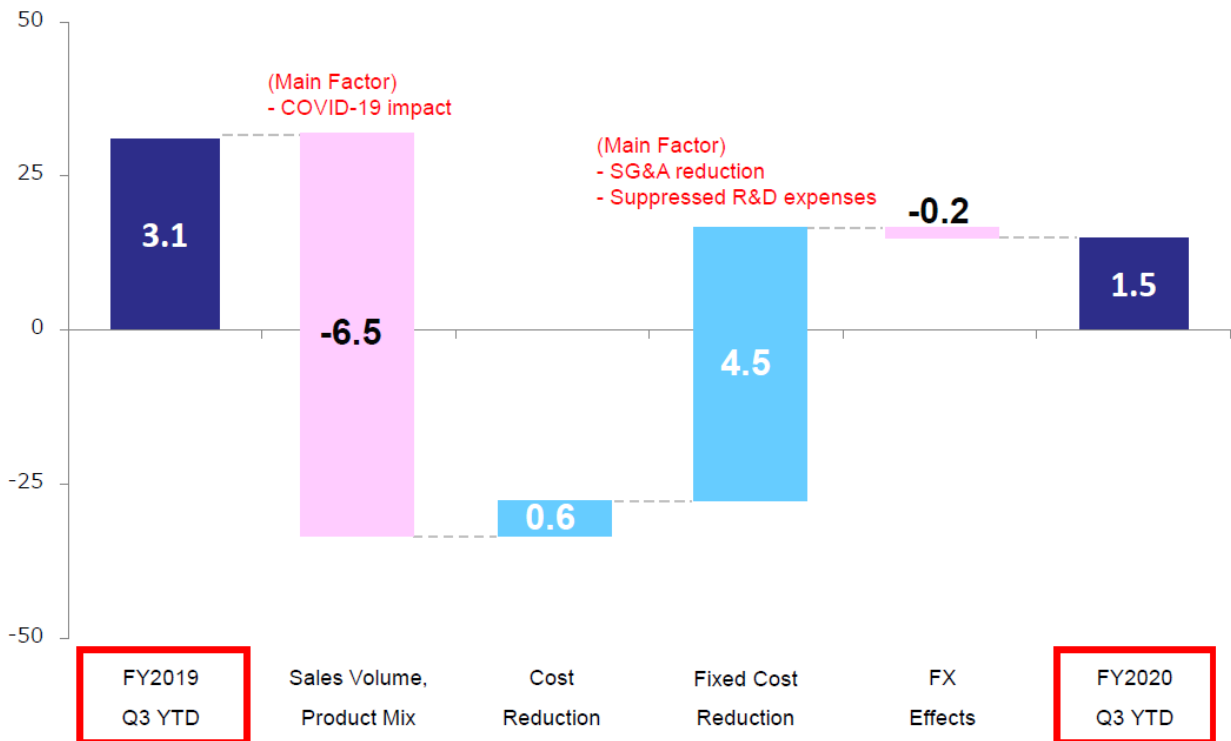
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Here is a breakdown of sales and operating income by business segment. The left side of the table shows results for Q3 alone, and the right side shows Q3 YTD. Sales and operating income increased in all business segments in Q3 alone. I will explain in details later.

FY2020 Q3 Operating Income YoY Breakdown

(unit: billion yen)



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Next is an analysis of changes in operating income YoY.

Compared to an operating income of 3.1 billion yen in Q3 YTD of the previous year, operating income fell 1.6 billion yen to 1.5 billion yen. Sales volume and product mix accounted for negative 6.5 billion yen. This was largely due to decline in sales because of the negative impact of COVID-19 in Q1 and Q2. Cost reduction and fixed cost reduction accounted for positive 0.6 and 4.5 billion yen, respectively. These were mainly due to a decrease in SG&A resulting from a significant decline in sales expenses, as well as a reduction of R&D expenses by our thorough evaluation of priorities. FX effects were negative 0.2 billion yen.

I . FY2020 Q3 Financial Results

I - 1 . FY2020 Q3 Financial Results

I - 2 . Overview of Each Business



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I will now discuss our results by business segment.

■ Increase in profit by leverage from the strength of essential business

	FY2019	FY2020 <small>(unit: million yen)</small>		
	Q3 YTD Actual	Q3 YTD Actual	YoY	%
Net Sales	52,546	49,061	-3,485	-7%
Operating Income (Operating Income Ratio)	2,416 (4.6%)	3,087 (6.3%)	671	+28%
Exchange Rate (Average)				
USD	¥109.10	¥105.87	-¥3.23	
EUR	¥121.46	¥122.30	+¥0.84	

■ Review of Q3 Financial Results

Overall

- Increase in profit thanks to not only solid demand as an essential business but also cost reduction

Marked record-high sales and profit in Q3 alone

IT Construction

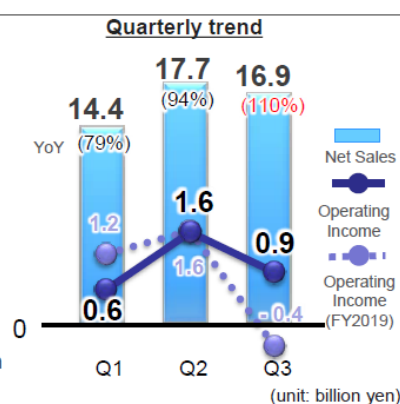
- Sales turned to positive YoY in both the aftermarket and OEM in Q3 alone

IT Agriculture

- Significant sales increase in the aftermarket particularly in Japan and Europe mainly due to subsidies
- OEM sales achieved the same level YoY in Q3 alone

Surveying and laser products

- Strong demands continue since 1H, in the wake of buoyant housing construction market in the U.S and Europe due to steady low interest rates



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These are the results for our Positioning Company. Thanks to solid demand as an essential business as well as tireless efforts on expense reduction, there were smaller decrease in sales YoY compared to the 1H, and we were able to post increase in operating income YoY. In Q3 alone, both of net sales and operating income marked record-highs.

By quarter, net sales in Q1 and Q2 were 79% and 94% YoY, respectively. However, in Q3, sales were up 110% YoY. Subsequently, operating income in Q3 increased to 0.9 billion yen compared to operating loss of 0.4 billion yen in the same period of the previous fiscal year primarily due to expense reduction effect.

Both the aftermarket and OEM sales for IT Construction turned to positive in Q3 alone.

The aftermarket sales for IT Agriculture significantly increased particularly in Japan and Europe mainly due to the subsidies effect. Furthermore, OEM sales has come back to the same level YoY in Q3 alone.

Taking a look at surveying and laser products, strong demands continue since 1H, thanks to buoyant housing construction market in the U.S and Europe.

Recovery to pre-COVID-19 level in both sales and profit

(unit: million yen)

	FY2019	FY2020		
	Q3 YTD Actual	Q3 YTD Actual	YoY	%
Net Sales	23,708	23,804	96	+0%
Operating Income (Operating Income Ratio)	2,984 (12.6%)	2,944 (12.4%)	-40	-1%
Exchange Rate (Average)				
USD	¥109.10	¥105.87	-¥3.23	
EUR	¥121.46	¥122.30	+¥0.84	

Review of Q3 Financial Results

Overall

- Sales and profit recovered to the same level YoY thanks to solid demands as an essential business

Marked record-high sales and profit in Q3 alone

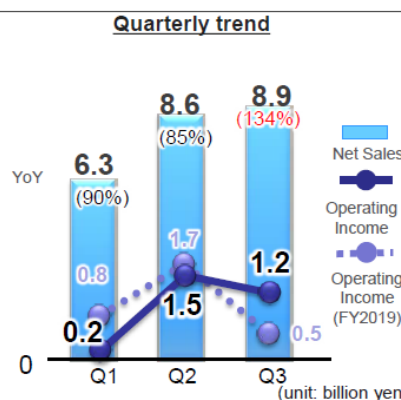
Japan

- i-Construction: Sales maintained at the same level YoY even under COVID-19
Strong sales of 3D Layout Navigator "LN-150"
- IT Agriculture: Significant sales increase due to the subsidy effect

Other Regions

- Strong laser sales in the U.S and Europe
- Bottoming out but still sluggish sales in Southeast Asia, India, and the Middle East

Quarterly trend



"i-Construction" is a registered trademark of National Institute for Land and Infrastructure Management, MLIT, Japan.

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Turning now to the Smart Infrastructure Business. Both sales and operating income recovered to the same level as the previous year, supported by solid demands as an essential business.

By quarter, net sales in Q1 and Q2 were 90% and 85% YoY, respectively. In contrast, net sales for Q3 increased significantly to 134% YoY. In addition, operating income in Q3 increased from 0.5 billion yen in the previous fiscal year to 1.2 billion yen. We achieved record-high sales and operating income in Q3 alone, just as in Positioning Company.

In our mainstay Japanese market, sales of i-Construction remained at the same level as the previous year despite negative COVID-19 impacts. Sales of 3D measuring instruments "Layout Navigator" were also strong. Furthermore, sales of domestic IT Agriculture grew strongly due to the subsidies effect. In other regions, although a bottoming out was finally seen in Southeast Asia, India, and the Middle East in Q3, the pace of recovery is still slow.

Sharp recovery in Q3 by living with COVID-19 environment

(unit: million yen)

	FY2019	FY2020		
	Q3 YTD Actual	Q3 YTD Actual	YoY	%
Net Sales	33,943	28,976	-4,967	-15%
Operating Income (Operating Income Ratio)	871 (2.6%)	-1,211 (-4.2%)	-2,082	-
Exchange Rate (Average)				
USD	¥109.10	¥105.87	-¥3.23	
EUR	¥121.46	¥122.30	+¥0.84	

Review of Q3 Financial Results

Overall

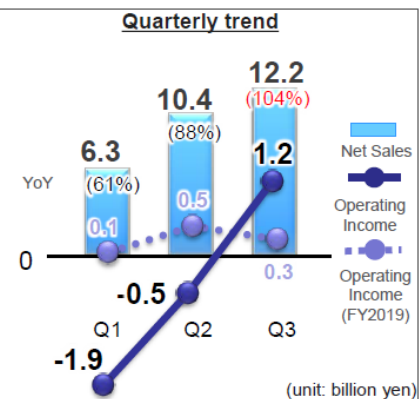
- Sharp recovery from serious COVID-19 impact in 1H
- Sales hit a record high in Q3 alone**

The U.S and Europe

- Tele-optometry system: Strong demands continue since 1H
- Screening business: Demands from major optical chain stores are on a recovery trend

China

- Significant sales growth thanks to reorganization of our distribution network in almost normalized market in Q3



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Finally, the Eye care business. For the Q3 YTD, the sales decreased 15% YoY and operating income decreased by 2.1 billion yen YoY.

However, in Q3 alone, sales hit a record-high and achieved a sharp recovery from serious COVID-19 impacts in 1H.

By quarter, sales were 61% YoY and operating loss was 1.9 billion yen in Q1. Q2 showed signs of recovery with sales of 88% YoY, but still posted an operating loss. However, in Q3, net sales exceeded YoY by 104%, as well as operating income increased significantly to 1.2 billion yen compared to 0.3 billion yen in the same period last year.

Sales of tele-optometry systems that meet the social distance needs under COVID-19 environment are strong in our major markets of the U.S and Europe. In the Screening Business, demands are recovering mainly from major optical chain stores in the U.S and Europe. In addition, the sales for China increased significantly in Q3, thanks to our reorganization of our distribution network where the market has almost normalized.

II . FY2020 Full Year Plan



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Next, I will provide the full year plan.

FY2020 Full Year Plan

■ Upward revision

Full year plan

Recent business is in recovery trend in light of the strength that we are engaged in essential businesses and coexistence with the new business environment of "with COVID-19". On the other hand, there is growing uncertainty for the future due to the resumption of lockdown in European countries and the U.S. in the wake of the resurgence of infections worldwide, and concerns about possible impact of semiconductor shortages on production. We keep striving to control and reduce fixed costs.

Based on above, we revise the full year plan as below.

<u>Revised Plan</u>	Previous Plan (As of October 30)	Revised Plan (As of January 29)	Change	Change %
Net Sales	¥128.0B	¥130.0B	+¥2.0B	+2%
Operating Income	¥3.0B	¥4.0B	+¥1.0B	+33%
Ordinary Income	¥1.0B	¥2.0B	+¥1.0B	+100%
Net income	¥0B	¥0.5B	+¥0.5B	-
Dividends	¥5	¥5	Unchanged (Payout Ratio 105%)	

Exchange rate assumptions of Q4 are unchanged : \$1=¥105 / €1=¥123



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Our company's business performance is on a recovery trend as explained so far, in light of the strength that we are engaged in essential businesses and coexistence with the new business environment of "with COVID-19". On the other hand, due to the global re-expansion of COVID-19 infections since December, lockdowns have resumed in major Western countries. Although the impact was limited up to Q3, there are growing concerns about negative impact from further restrictions on business. There is also concern that the global semiconductor shortage may possibly affect our production, thus the outlook remains highly uncertain. Nevertheless, we will continue to control fixed costs and reduce expenses, and have revised our full year plan based on these factors.

Net sales are 130 billion yen, up 2 billion yen compared to the previous plan, operating income is 4 billion yen, up 1 billion yen compared to the previous plan, and net income is 5 billion yen compared to 0 in the previous plan.

The dividend will remain unchanged from the previously announced 5 yen. The dividend payout ratio exceeds 100% and we plan to maintain this amount for the current fiscal year.

FY2020 Full Year Plan

■ Upward revision

(unit: million yen)

	FY2019 Full Year Actual	FY2020		*Announced on October 30, 2020 Full Year Plan*
		Full Year Plan	YoY (%)	
Net Sales	138,916	130,000	-6%	128,000
Operating Income (Operating Income Ratio)	5,381 (3.9%)	4,000 (3.1%)	-26%	3,000 (2.3%)
Ordinary Income	2,895	2,000	-31%	1,000
Net Income	935	500	-47%	0
ROE	1.4%	1%		0%
Dividends	¥24	¥5		¥5
Payout Ratio	271%	105%		-
Exchange Rate	USD	¥109.10	(Assumptions of Q4) ¥105	¥105
(Average)	EUR	¥121.14	¥123	¥123



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Here are the detailed figures for the full year plan.

III. Topics

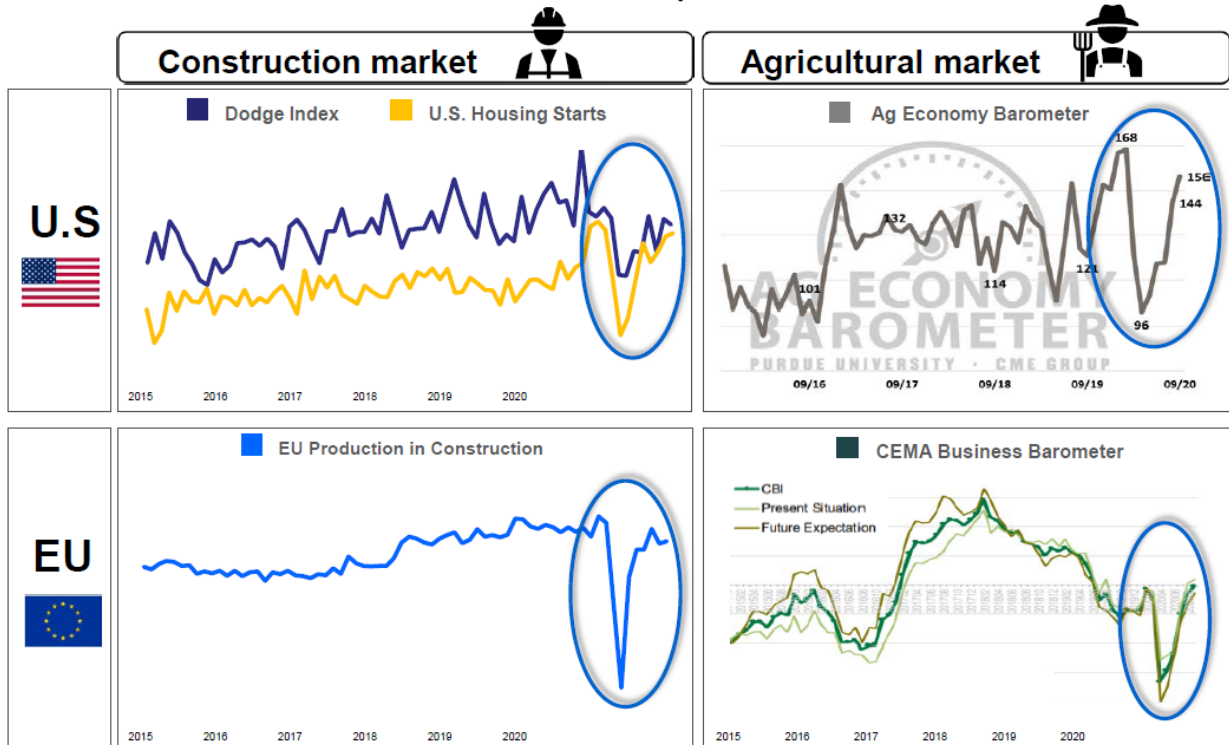


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Now, I will show topics of each business segment.

- The U.S and Europe : The markets have returned to a normal economic cycle with limited COVID-19 impact



First is the Positioning Company.

Here we show the market indicators for the construction and agriculture sectors in the U.S and Europe. As you will see, the indices have recovered sharply in all graphs after they dropped significantly due to the impact of COVID-19 in April-May time frame. We would say that the markets have returned to a fairly normal economic cycle. Other U.S housing indicators are showing similar trends.

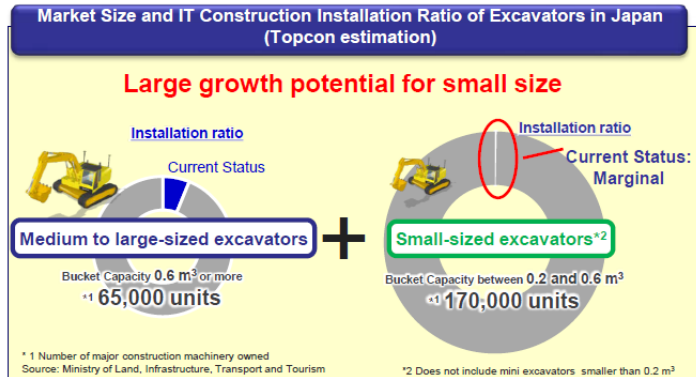
With regard to the Positioning Company, the impact of COVID-19 is limited while stable demands persist as an essential business, and the U.S and European markets quickly return to normal state.

■ Launching “KUI-NAVI SHOVEL*”, the world's first epoch-making machine guidance system for small-sized excavators to easily adopt ICT feature

*Simplified IT Construction system for small-sized excavators using with “LN-150 (layout navigator)”



- ✓ Reasonable prices suited for small-sized excavators to facilitate **3D machine guidance system** to accelerate IT Construction
- ✓ Using our widely prevalent “LN-150(layout navigator)” as the positioning sensor



Layout Navigator

- 3D layout job can be easily done by one operator
- Widely used as standard 3D layout tool for i-Construction



Next, the topic from the Smart Infrastructure Business is the launch of strategic new product for IT Construction.

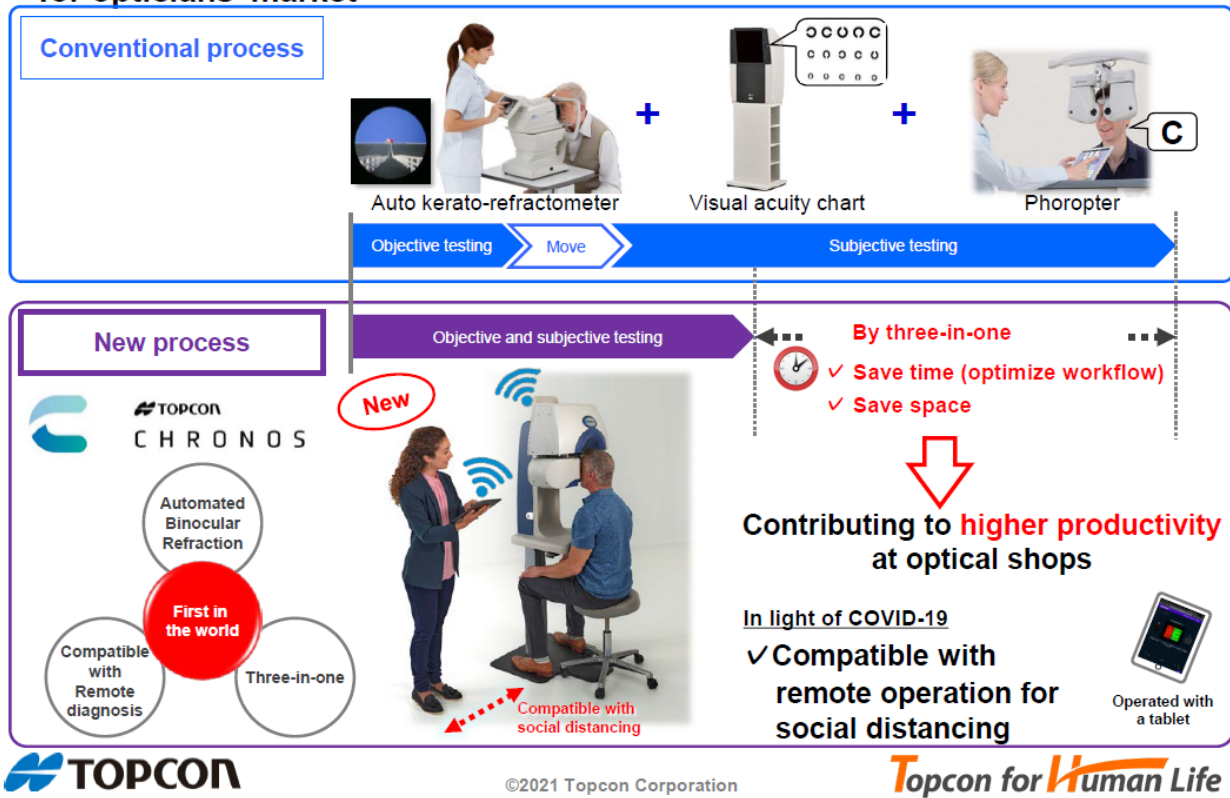
We are launching "KUI-NAVI SHOVEL", the world's first epoch-making 3D machine guidance system that facilitates ICT features for small-sized excavators. The pie chart on the right shows the market size of excavators in Japan. Until now, medium to large-sized excavators have been our main focus for adoption of ICT features. As you see, the penetration (installation) rate is still low, estimated to be small percentages. On the other hand, the new product launched this time is mainly targeted at the small-sized excavators. There are 170,000 units, just less than 3 times that of the medium to large-sized excavators. MLIT continue to promote i-Construction, now even in the small-scale construction projects. Therefore, demands with small-sized ICT excavators will expand in the future. At present, the rate of small-sized excavators equipped with ICT is almost zero, so we believe there is huge potential for growth. This system is used with a 3D measuring instrument "Layout Navigator", which is quite popular in the jobsite as a sensor. "Layout Navigator" (product in the lower right photograph), which we have introduced some years ago, is widely spread as its ease of use by one operator, and extremely suitable for i-Construction. As the graph bottom right shows, its sales are growing year by year and it is spreading in the Japanese market. By using this "Layout Navigator" as a sensor, we can realize ICT at a reasonable price best suited for small-sized excavators.

Tele-optometry: Accelerate sales expansion with introducing a new strategic product



Eye Care

■ Launching new multifunctional refraction system, “Chronos” for opticians’ market



Finally, the Eye Care Business. we recently launched "Chronos", a new multifunctional refraction system for opticians’ market.

The diagram above shows the traditional process of making glasses. At an optical shop, the process is to first check your eyesight with the machine, and then do a detailed examination using phoropter.

The newly released “Chronos” is a revolutionary product that combines the functions of the above three products (auto kerato-refractometer, visual acuity chart, and phoropter) into a single unit for space-saving. In addition, “Chronos” can measure both eyes simultaneously, so that it leads to significant timesaving as well. As it can contribute to improve productivity at optical shops, we expect good sales from this innovative product. Furthermore, it can be operated remotely with a tablet, so it corresponds to social distance application. This product has already been released in Q3, and we expect full-scale sales from Q4.

IV. Summary



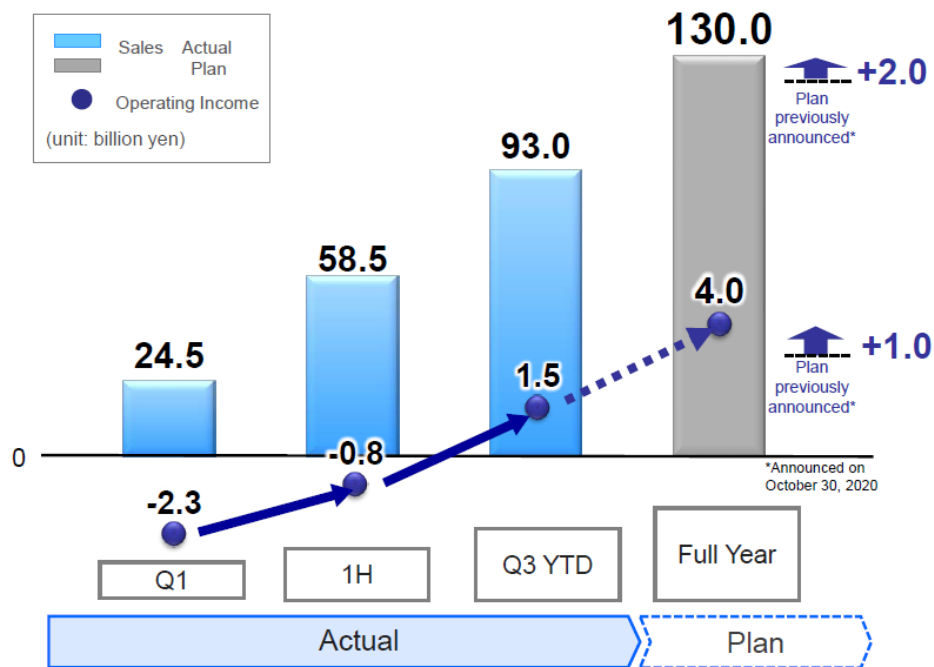
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In closing, I will summarize today's presentation.

Summary

Full year plan: upward revision



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We have revised our full year plan upwardly. This graph shows quarterly figures. As we have accumulated net sales of 93 billion yen and operating income of 1.5 billion yen in Q3 YTD, we have revised up net sales and operating income by 2 billion yen and 1 billion yen, respectively from the previously announced plan, now targeting net sales of 130 billion yen and operating income of 4 billion yen for the full year.

This concludes my presentation on our Q3 results and our full year plan. Thank you very much for your time.

Questions and Answers

<Common subject matters>

Q. Earnings forecast: Plans for Q4 are slight decrease in sales YoY and weaker recovery in income compared to Q3. I understand that you are expecting some increase of expenses, but isn't it difficult to expect a little more growth in the top line?

A. As the background of this full year plan, we assume the negative case scenario that the spread of the new coronavirus infection will be accelerated, especially in the countries where the lockdown continues such as the U.S and Europe. Eyecare Business had been significantly affected by COVID-19 in Q4 in the last FY and we hope not this will happen again. However, we take such possible risks into account and set the sales plan this time.

Q. Earnings forecast: Could you explain the main contributing factor of 1 billion yen which is improved in OP this time?

A. The fixed cost reduction exceeds the previous estimate by 0.7 billion yen in Q3 YTD, and sales volume and product mix will account for the remaining 0.3 billion yen in Q4.

Q. Fixed cost reductions: I understand that business travel expenses have been drastically reduced due to changes in the way people work. I would like to know if there are any major changes in the way of business and earnings structure due to COVID-19.

A. Activity-related expenses were significantly declined such as marketing expenses including travel, exhibition and advertising expenses. Based on our experience so far, we have found that a certain amount of business can be carried out without business trips as before. So, as for the outlook for the next fiscal year, we believe that we will be able to manage those activity-related expenses although it won't be similar level as this fiscal year.

Q. Fixed cost reductions: Regarding fixed cost reduction of 4.5 billion yen, how can you divide it into transitory factors due to COVID-19 and others due to efficiency improvement which we can expect to continue in the next fiscal year and beyond?

A. Although we have not broken down into specific figures, out of the 4.5 billion yen, more than half are estimated to be expenses so to say "we wanted to use but we couldn't" such as business trips, and exhibitions. In addition, we will tightly manage overall expense usages under recent harsh business environment.

Q. Semiconductor shortage: How would semiconductor shortage influence on your business?

A. Although almost all our products use semiconductors and/or microcomputers, there is some impact on a small part of surveying business at present. We are doing our best not to make a negative impact in this fiscal year. If the supply-demand balance for semiconductors deteriorates further in the future, some risks may possibly actualize.

<Positioning Company/ Smart Infrastructure Business>

Q. OEM: The OEM sales have come back to the level of last year in Q3. Could you explain the background and future prospects?

A. OEM sales had declined in 2H last FY but it recovered to close to previous-year level. Although it is difficult to estimate the future because we don't know the inventory level and production plans of OEM customers concretely, we do not believe that OEM demands will decline significantly as in the previous year since the aftermarket demands have not declined.

Q. Demand for construction and agricultural machinery: Do you expect that current momentum due to subsidies effects and market recovery is likely to continue next FY? Do you see some downside risk due to deterioration in demands of construction and agricultural machinery in this FY?

A. We cannot comment on the outlook over the next fiscal year for now, but recently, IT Construction sales have increased in both the aftermarket and OEM YoY, also construction-related indicators have improved. We believe this trend will continue. On the other hand, there has been large subsidy effect on IT Agriculture. However, if farmers who used to hesitate to invest in IT technology would start adopting with the aid of subsidies and once recognized its productivity, we believe the demands may not shrink significantly even if the subsidies effect will be reduced.

Q. IT Agriculture Subsidies: In both the Positioning and Smart Infrastructure business segments, you mentioned subsidies in IT Agriculture. Could you explain the period and quantitative image of this impact?

A. In Japan, Auto Steering System is applicable for "Business Continuation Program" subsidies by the Ministry of Agriculture, Forestry and Fisheries. The first phase of new applications has already been closed and we are now in the delivery phase of the products. Therefore, the subsidies effect in Q3 will be settled for the time being, but we can still have a bright outlook since there is a possibility in the extension of "Business Continuation Program". Taking a look at overseas, various subsidies are applied to IT Agriculture in European countries. Especially in Q3, the impact from the subsidies was the largest in Italy.

<Eye Care Business>

Q. Optician market: HOYA said that the European optician market has been very weak since late December. Do you have such recognition?

A. We have heard such stories in some European optical stores but there was not much impact on our company's business in Q3. There is a possibility that demand will decline in the future as people refrain from going to optical stores. We have taken that into account as a risk in our full year plan.

Q. Earnings forecast: In the past few years, the OP margin stays low due to upfront investments, but look like it has improved to 10% in Q3 alone. Can we expect 10% will continue in FY21, or the ratio is more likely to be closer to Q3 YTD figure?

A. As there were some special factors in Q3 result, we don't think this OP margin level will continue. If COVID-19 is under control in the next fiscal year and our activities get back to normal, SG&A expenses will be likely to increase. In the meantime, there will be no significant upfront investments anymore, since it has already been peaked out to some extent.

Q. Inventory status: I heard that production was adjusted to cope with inventory reduction in 1H. Could you explain the current production and inventory situation?

A. As a result of the production adjustment in Q1 and Q2, the situation has been almost normalized, and there was no production adjustment in Q3. The inventory for the whole company as well as for the Eye Care Business is on a decreasing trend.

Q. Income structure: In Q3 alone, operating income appears to be strong compared to sales recovery. Was it the result of large reductions in general and fixed expenses? Is there any change in the aspect of overall income structure?

A. Nothing in particular has changed structurally. In Q1 and Q2, probably a lot of people couldn't go to see opticians or ophthalmologists due to lockdown, though they wanted to. These demands came back after COVID-19 situation was slightly eased. As a result, our sales increased sharply in Q3 due to pent-up demand after the slump in the 1H. Also, thanks to the normalization of the Chinese market, the sales increased by approximately 30% YoY. The reduction in SG&A expenses is also a major contributing factor for increasing income in all segments.

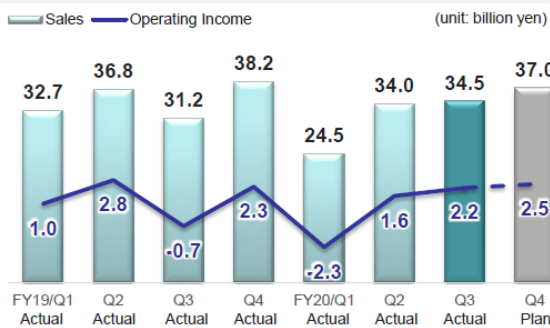
Q. Inquiries and orders received: I have the impression that the reorganization of distribution networks in China, new product developments and business development with major optical chain stores, which you have been working on since before COVID-19 pandemic, are taking shape at this time. Could you explain me about inquiry situation of Chronos which was pre-launched in Europe, also the current progress of the Screening Business development for major optical chain stores?

A. Between Q2 and Q3, the Screening Business for optical chain stores was recovering. We can't disclose the specific name of the chain, but the sales lead has been increasing and we have received large orders of Maestro. In terms of Chronos, we have started to receive orders in Europe where the launch was early, followed by in the U.S and Japan where it has been just launched. We have a high expectation for the sales of this product from Q4 to the next FY.

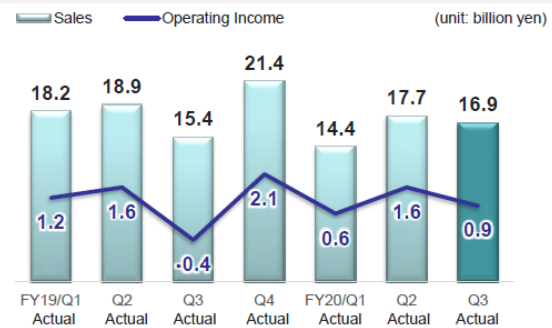
V. Appendix

Financial Results and Plan (Quarterly)

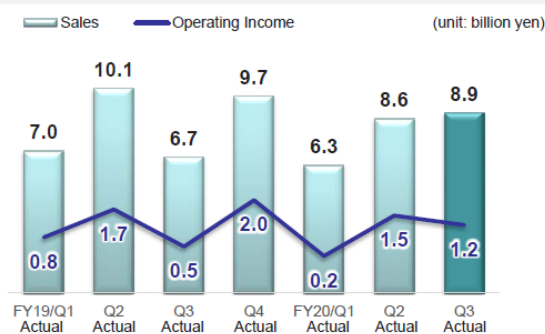
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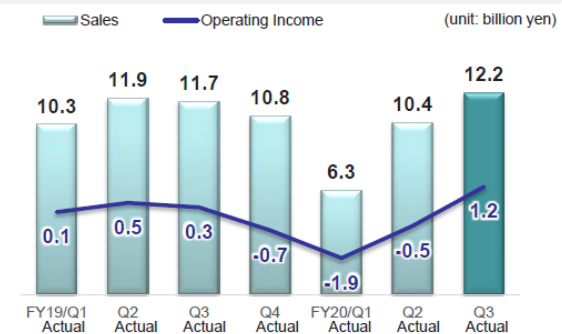
Positioning



Smart Infrastructure

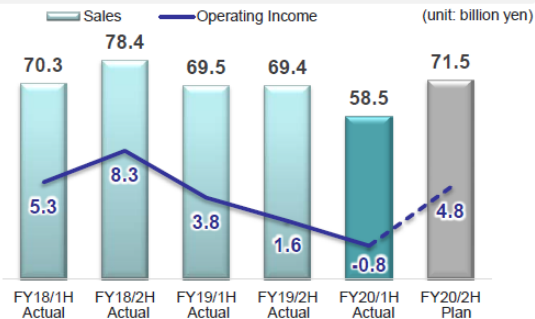


Eye Care

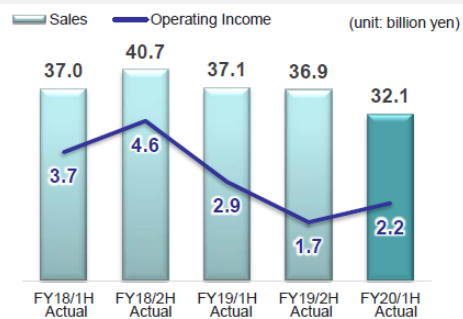


Financial Results and Plan (Semiannually)

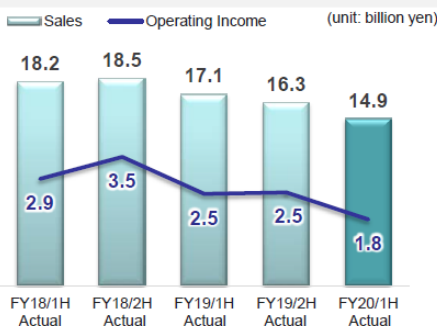
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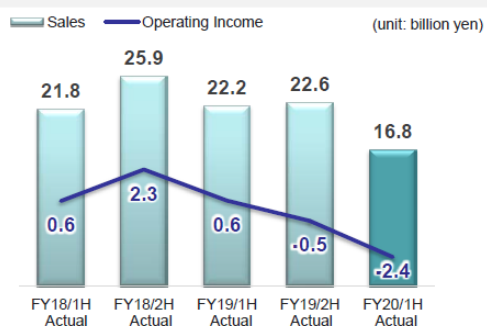
Positioning



Smart Infrastructure



Eye Care

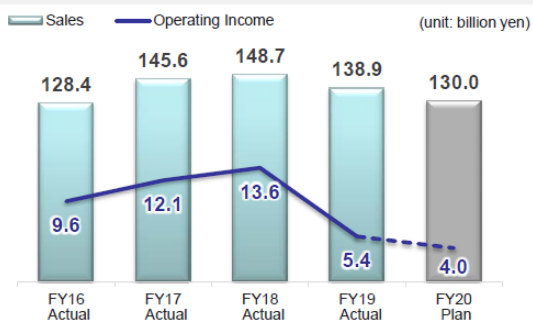


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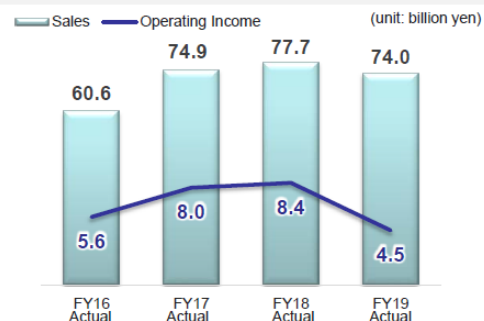
Topcon for Human Life 23

Financial Results and Plan (Annually)

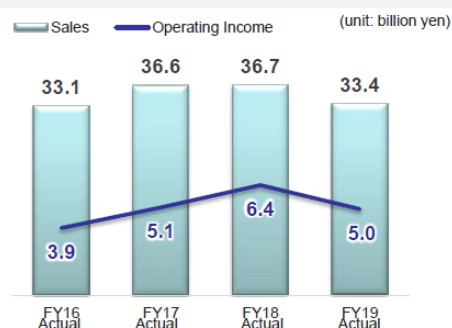
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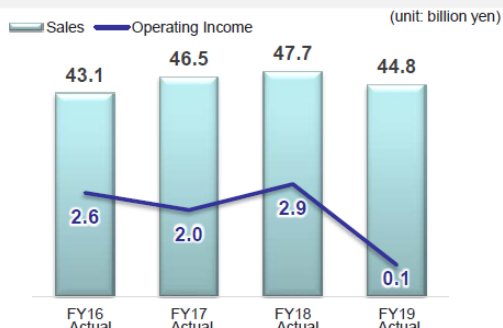
Positioning



Smart Infrastructure



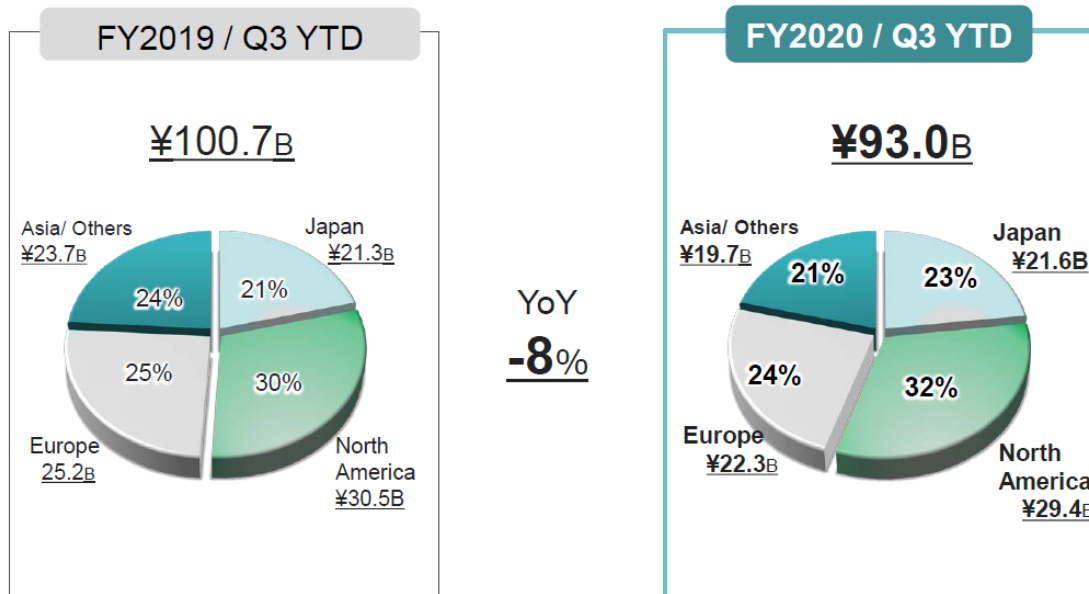
Eye Care



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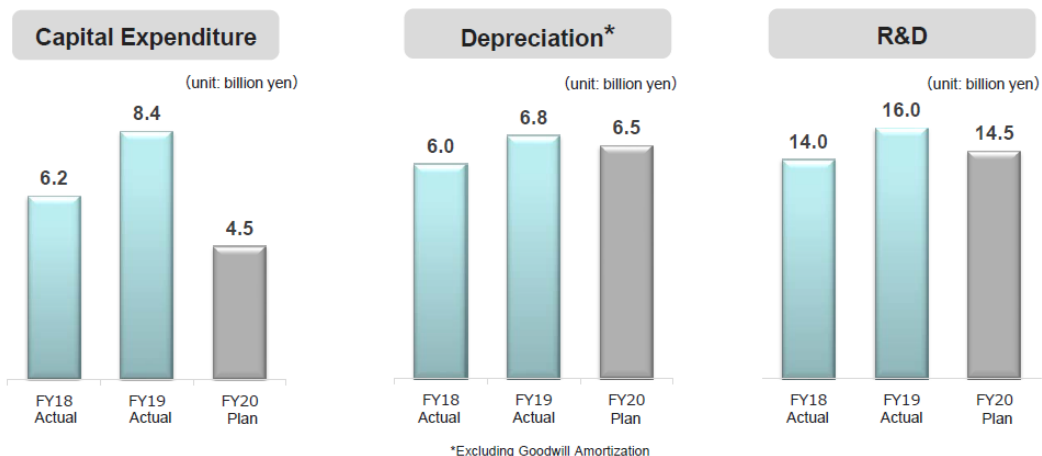
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Sales by region



Expenditure and R&D / Forex Sensitivity

Projections



Forex Sensitivity (impact by ¥1 change)

USD : Operating Income ¥0.15B - ¥0.2B
 EUR : Operating Income ¥0.07B - ¥0.1B