

Consolidated Financial Results for the First Quarter of FY2021 Ending March 2022

(Japanese GAAP)

TOPCON CORPORATION

Release Date: July 30, 2021

1. Summary of First Quarter Business Results for FY2021 ending March 2022 (April 1, 2021 - June 30, 2021)

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

(1) Consolidated business results

(Rounded down to the nearest million yen)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
1st quarter of FY2021	38,898	58.8	3,458	—	3,208	—	1,823	—
1st quarter of FY2020	24,493	(25.2)	(2,322)	—	(3,043)	—	(2,482)	—

Note: Comprehensive income
 1st quarter of FY2021 2,116 million yen (— %)
 1st quarter of FY2020 (1,888) million yen (— %)

	Basic earnings per share	Diluted earnings per share
	yen	yen
1st quarter of FY2021	17.33	17.33
1st quarter of FY2020	(23.60)	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
1st quarter of FY2021	164,779	71,702	42.7	669.14
FY2020 ended March 2021	168,210	70,687	41.2	659.31

Note: Shareholders' equity
 1st quarter of FY2021 70,384 million yen
 FY2020 ended March 2021 69,351 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
FY2020 ended March 2021	—	0.00	—	10.00	10.00
FY2021 ending March 2022	—				
FY2021 ending March 2022 (forecast)		10.00	—	10.00	20.00

*Revisions to the most recently disclosed dividend forecasts : No

3. Business Forecasts for FY2021 ending March 2022 (April 1, 2021 - March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Annual	149,000	8.6	10,000	51.7	8,000	43.2	5,000	110.4	47.54

*Revision to the most recently disclosed 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)

	FY2020 ended March 2021	1st quarter of FY2021
Assets		
Current assets		
Cash and deposits	20,815	22,688
Notes and accounts receivable - trade	42,028	37,500
Merchandise and finished goods	17,570	18,303
Work in process	1,537	1,902
Raw materials and supplies	13,298	13,460
Other	9,665	8,430
Allowance for doubtful accounts	(2,973)	(3,025)
Total current assets	101,942	99,259
Non-current assets		
Property, plant and equipment	22,520	22,294
Intangible assets		
Goodwill	9,307	8,866
Other	18,648	18,273
Total intangible assets	27,955	27,140
Investments and other assets	15,792	16,084
Total non-current assets	66,268	65,519
Total assets	168,210	164,779
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,880	12,480
Short-term borrowings	12,530	9,306
Lease obligations	1,357	1,379
Income taxes payable	1,005	1,110
Provision for product warranties	1,009	1,142
Other	20,278	19,552
Total current liabilities	49,062	44,971
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	5,162	5,021
Lease obligations	3,937	3,778
Provision for retirement benefits for directors (and other officers)	51	53
Retirement benefit liability	4,582	4,541
Other	4,727	4,710
Total non-current liabilities	48,460	48,105
Total liabilities	97,522	93,077
Net assets		
Shareholders' equity		
Share capital	16,697	16,697
Capital surplus	20,599	20,599
Retained earnings	37,074	37,845
Treasury shares	(3,170)	(3,170)
Total shareholders' equity	71,200	71,971
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,095	1,024
Deferred gains or losses on hedges	(14)	0
Foreign currency translation adjustment	(2,360)	(2,084)
Remeasurements of defined benefit plans	(569)	(527)
Total accumulated other comprehensive income	(1,849)	(1,586)
Share acquisition rights	67	17
Non-controlling interests	1,269	1,299
Total net assets	70,687	71,702
Total liabilities and net assets	168,210	164,779

Consolidated quarterly statements of income

(Unit: million yen)

	1st quarter of FY2020	1st quarter of FY2021
Net sales	24,493	38,898
Cost of sales	12,812	18,566
Gross profit	11,680	20,331
Selling, general and administrative expenses	14,003	16,872
Operating profit (loss)	(2,322)	3,458
Non-operating income		
Interest income	35	18
Dividend income	47	16
Foreign exchange gains	—	34
Gain on valuation of investment securities	—	55
Other	78	49
Total non-operating income	160	174
Non-operating expenses		
Interest expenses	201	117
Share of loss of entities accounted for using equity method	63	34
Foreign exchange losses	169	—
Other	446	272
Total non-operating expenses	881	424
Ordinary profit (loss)	(3,043)	3,208
Extraordinary losses		
Extra retirement payments	31	—
Total extraordinary losses	31	—
Profit (loss) before income taxes	(3,074)	3,208
Income taxes - current	(13)	1,170
Income taxes - deferred	(600)	176
Total income taxes	(614)	1,346
Profit (loss)	(2,460)	1,862
Profit attributable to non-controlling interests	21	39
Profit (loss) attributable to owners of parent	(2,482)	1,823

[Segment Information by business category]

1st quarter of FY2020 (April 1, 2020 - June 30, 2020)

(Unit: million yen)

	Reportable segment					Elimination & Common	Total
	Smart Infrastructure Business	Positioning Company	Eye Care Business	Other	Sub-Total		
Sales							
Sales to unaffiliated customers	4,312	13,677	6,272	229	24,493	—	24,493
Intercompany sales or transfer	2,018	738	70	0	2,827	(2,827)	—
Total	6,331	14,416	6,343	229	27,320	(2,827)	24,493
Segment Profit (Operating Income)	235	553	(1,904)	(138)	(1,253)	(1,069)	(2,322)

Note: Segment Profit (1,069) on "Elimination & Common" is mainly goodwill amortization expense and corporate expense (advanced research and development expense), both of which are not distributed to each reportable segment .

1st quarter of FY2021 (April 1, 2021 - June 30, 2021)

(Unit: million yen)

	Reportable segment					Elimination & Common	Total
	Smart Infrastructure Business	Positioning Company	Eye Care Business	Other	Sub-Total		
Sales							
Sales to unaffiliated customers	5,651	21,609	11,361	275	38,898	—	38,898
Intercompany sales or transfer	3,049	1,036	37	0	4,122	(4,122)	—
Total	8,700	22,645	11,398	275	43,020	(4,122)	38,898
Segment Profit (Operating Income)	1,287	3,061	233	(89)	4,493	(1,034)	3,458

Note: Segment Profit (1,034) on "Elimination & Common" is mainly goodwill amortization expense and corporate expense (advanced research and development expense), both of which are not distributed to each reportable segment .

[Overseas Sales]

1st quarter of FY2020 (April 1, 2020 - June 30, 2020)

(Unit: million yen)

	North America	Europe	China	Asia / Oceania	Other	Total
Overseas sales	7,763	5,847	1,781	1,948	1,614	18,955
Consolidated Sales						24,493
Ratio to Consolidated Sales (%)	31.7	23.9	7.3	8.0	6.6	77.4

1st quarter of FY2021 (April 1, 2021 - June 30, 2021)

(Unit: million yen)

	North America	Europe	China	Asia / Oceania	Other	Total
Overseas sales	12,604	10,142	2,986	3,259	2,506	31,500
Consolidated Sales						38,898
Ratio to Consolidated Sales (%)	32.4	26.1	7.7	8.4	6.4	81.0

Notes:1. Sales are 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.