

Consolidated Financial Results for the First Quarter of FY2022 Ending March 2023

(Japanese GAAP)

TOPCON CORPORATION

Release Date: July 26, 2022

1. Summary of First Quarter Business Results for FY2022 ending March 2023 (April 1, 2022 - June 30, 2022)

"%" 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 FY2022	47,018	20.9	3,834	10.8	3,993	24.4	2,790	53.0
1st quarter of FY2021	38,898	58.8	3,458	—	3,208	—	1,823	—

Note: Comprehensive income
 1st quarter of FY2022 8,179 million yen (286.5 %)
 1st quarter of FY2021 2,116 million yen (— %)

	Basic earnings per share	Diluted earnings per share
	yen	yen
1st quarter of FY2022	26.52	26.51
1st quarter of FY2021	17.33	17.33

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
1st quarter of FY2022	198,228	90,450	44.8	844.02
FY2021 ended March 2022	184,983	85,150	45.1	793.57

Note: Shareholders' equity
 1st quarter of FY2022 88,799 million yen
 FY2021 ended March 2022 83,491 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
FY2021 ended March 2022	—	10.00	—	26.00	36.00
FY2022 ending March 2023	—				
FY2022 ending March 2023 (forecast)		20.00	—	20.00	40.00

*Revision to the most recently disclosed dividend forecasts : No

3. Business Forecasts for FY2022 ending March 2023 (April 1, 2022 - March 31, 2023)

"%" 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	190,000	7.7	18,000	13.1	17,000	14.7	12,000	12.2	114.07

*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)

	FY2021 ended March 2022	1st quarter of FY2022
Assets		
Current assets		
Cash and deposits	20,124	22,646
Notes and accounts receivable - trade	45,864	41,900
Merchandise and finished goods	19,510	24,110
Work in process	1,805	1,973
Raw materials and supplies	18,309	21,757
Other	10,658	11,079
Allowance for doubtful accounts	(2,232)	(2,442)
Total current assets	114,041	121,026
Non-current assets		
Property, plant and equipment	24,863	30,357
Intangible assets		
Goodwill	9,741	10,231
Other	20,172	20,793
Total intangible assets	29,914	31,024
Investments and other assets	16,164	15,820
Total non-current assets	70,942	77,202
Total assets	184,983	198,228
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,687	16,300
Short-term borrowings	5,586	7,621
Lease liabilities	1,415	2,540
Income taxes payable	2,152	1,190
Provision for product warranties	1,444	1,602
Current portion of bonds payable	10,000	10,000
Other	25,108	26,738
Total current liabilities	61,394	65,993
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	2,547	2,530
Lease liabilities	3,812	7,494
Provision for retirement benefits for directors (and other officers)	59	37
Retirement benefit liability	4,333	5,019
Other	7,685	6,701
Total non-current liabilities	38,438	41,783
Total liabilities	99,833	107,777
Net assets		
Shareholders' equity		
Share capital	16,706	16,706
Capital surplus	20,608	20,608
Retained earnings	45,670	45,727
Treasury shares	(3,171)	(3,171)
Total shareholders' equity	79,813	79,870
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	900	776
Deferred gains or losses on hedges	(72)	94
Foreign currency translation adjustment	3,088	8,283
Remeasurements of defined benefit plans	(238)	(226)
Total accumulated other comprehensive income	3,677	8,928
Share acquisition rights	67	89
Non-controlling interests	1,591	1,562
Total net assets	85,150	90,450
Total liabilities and net assets	184,983	198,228

Consolidated quarterly statements of income

(Unit: million yen)

	1st quarter of FY2021	1st quarter of FY2022
Net sales	38,898	47,018
Cost of sales	18,566	22,186
Gross profit	20,331	24,831
Selling, general and administrative expenses	16,872	20,997
Operating profit	3,458	3,834
Non-operating income		
Interest income	18	29
Dividend income	16	16
Foreign exchange gains	34	792
Gain on valuation of investment securities	55	-
Other	49	94
Total non-operating income	174	933
Non-operating expenses		
Interest expenses	117	138
Share of loss of entities accounted for using equity method	34	81
Loss on valuation of investment securities	-	430
Compensation expenses	123	-
Other	148	123
Total non-operating expenses	424	774
Ordinary profit	3,208	3,993
Profit before income taxes	3,208	3,993
Income taxes - current	1,170	995
Income taxes - deferred	176	193
Total income taxes	1,346	1,188
Profit	1,862	2,804
Profit attributable to non-controlling interests	39	13
Profit attributable to owners of parent	1,823	2,790

[Segment Information by business category]

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 .

1st quarter of FY2022 (April 1, 2022 - June 30, 2022)

(Unit: million yen)

	Reportable segment					Elimination & Common	Total
	Smart Infrastructure Business	Positioning Company	Eye Care Business	Other	Sub-Total		
Sales							
Sales to unaffiliated customers	6,704	26,055	13,997	260	47,018	—	47,018
Intercompany sales or transfer	3,157	1,258	53	1	4,470	(4,470)	—
Total	9,862	27,314	14,051	261	51,488	(4,470)	47,018
Segment Profit (Operating Income)	1,607	2,864	559	(104)	4,927	(1,093)	3,834

Note: Segment Profit (1,093) 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 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

1st quarter of FY2022 (April 1, 2022 - June 30, 2022)

(Unit: million yen)

	North America	Europe	China	Asia / Oceania	Other	Total
Overseas sales	18,465	11,092	2,491	4,381	2,452	38,883
Consolidated Sales						47,018
Ratio to Consolidated Sales (%)	39.3	23.6	5.3	9.3	5.2	82.7

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.