

# Consolidated Financial Results for the Third Quarter of FY2022 Ending March 2023

(Japanese GAAP)

TOPCON CORPORATION

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## 1. Summary of Third Quarter Business Results for FY2022 ending March 2023 (April 1, 2022 - December 31, 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	%
3rd quarter of FY2022	156,790	25.6	13,974	35.1	12,565	35.9	7,859	36.6
3rd quarter of FY2021	124,834	34.2	10,347	610.9	9,246	* —	5,752	—

Note: Comprehensive income  
 3rd quarter of FY2022 11,238 million yen ( 51.2 % )  
 3rd quarter of FY2021 7,433 million yen ( — % )

	Basic earnings per share	Diluted earnings per share
	yen	yen
3rd quarter of FY2022	74.67	74.67
3rd quarter of FY2021	54.68	54.68

\* Year-to-year increase (decrease) percentage of ordinary profit for the 3rd quarter of FY2021 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
3rd quarter of FY2022	203,006	91,515	44.3	853.45
FY2021 ended March 2022	184,983	85,150	45.1	793.57

Note: Shareholders' equity  
 3rd quarter of FY2022 89,864 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	—	20.00	—		
FY2022 ending March 2023 (forecast)				22.00	42.00

\*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	205,000	16.2	19,500	22.5	18,000	21.5	12,500	16.8	118.76

\*Revision to the most recently disclosed 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)

	FY2021 ended March 2022	3rd quarter of FY2022
<b>Assets</b>		
Current assets		
Cash and deposits	20,124	21,778
Notes and accounts receivable - trade	45,864	43,634
Merchandise and finished goods	19,510	23,351
Work in process	1,805	2,134
Raw materials and supplies	18,309	25,651
Other	10,658	10,694
Allowance for doubtful accounts	(2,232)	(2,245)
Total current assets	114,041	124,999
Non-current assets		
Property, plant and equipment	24,863	31,817
Intangible assets		
Goodwill	9,741	9,183
Other	20,172	19,121
Total intangible assets	29,914	28,304
Investments and other assets	16,164	17,883
Total non-current assets	70,942	78,006
Total assets	184,983	203,006
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,687	16,879
Short-term borrowings	5,586	24,267
Lease liabilities	1,415	2,657
Income taxes payable	2,152	1,251
Provision for product warranties	1,444	1,859
Current portion of bonds payable	10,000	-
Other	25,108	20,186
Total current liabilities	61,394	67,101
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	2,547	2,084
Lease liabilities	3,812	8,105
Provision for retirement benefits for directors (and other officers)	59	40
Retirement benefit liability	4,333	4,936
Other	7,685	9,222
Total non-current liabilities	38,438	44,389
Total liabilities	99,833	111,491
<b>Net assets</b>		
Shareholders' equity		
Share capital	16,706	16,780
Capital surplus	20,608	20,682
Retained earnings	45,670	48,688
Treasury shares	(3,171)	(3,171)
Total shareholders' equity	79,813	82,979
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	900	793
Deferred gains or losses on hedges	(72)	14
Foreign currency translation adjustment	3,088	6,278
Remeasurements of defined benefit plans	(238)	(200)
Total accumulated other comprehensive income	3,677	6,885
Share acquisition rights	67	54
Non-controlling interests	1,591	1,595
Total net assets	85,150	91,515
Total liabilities and net assets	184,983	203,006

Consolidated quarterly statements of income

(Unit: million yen)

	3rd quarter of FY2021	3rd quarter of FY2022
Net sales	124,834	156,790
Cost of sales	60,875	75,325
Gross profit	63,959	81,465
Selling, general and administrative expenses	53,611	67,491
Operating profit	10,347	13,974
Non-operating income		
Interest income	52	116
Dividend income	35	38
Foreign exchange gains	-	94
Insurance claim income	-	278
Other	209	222
Total non-operating income	297	750
Non-operating expenses		
Interest expenses	337	662
Share of loss of entities accounted for using equity method	265	330
Loss on valuation of investment securities	115	574
Foreign exchange losses	29	-
Compensation expenses	188	-
Other	462	592
Total non-operating expenses	1,399	2,159
Ordinary profit	9,246	12,565
Extraordinary income		
Subsidy income	495	-
Total extraordinary income	495	-
Extraordinary losses		
Impairment losses	203	462
Total extraordinary losses	203	462
Profit before income taxes	9,538	12,103
Income taxes - current	3,675	3,804
Income taxes - deferred	4	317
Total income taxes	3,679	4,122
Profit	5,859	7,981
Profit attributable to non-controlling interests	106	121
Profit attributable to owners of parent	5,752	7,859

[Segment Information by business category]

3rd quarter of FY2021 (April 1, 2021 - December 31, 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	18,514	64,236	41,218	866	124,834	—	124,834
Intercompany sales or transfer	9,513	3,576	142	1	13,233	(13,233)	—
Total	28,027	67,812	41,360	867	138,068	(13,233)	124,834
Segment Profit (Operating Income)	4,405	7,248	1,983	(264)	13,373	(3,025)	10,347

Note: Segment Profit (3,025) 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 .

3rd quarter of FY2022 (April 1, 2022 - December 31, 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	20,943	85,818	49,118	910	156,790	—	156,790
Intercompany sales or transfer	9,693	4,670	171	2	14,538	(14,538)	—
Total	30,636	90,488	49,289	913	171,328	(14,538)	156,790
Segment Profit (Operating Income)	3,275	11,009	3,329	(320)	17,294	(3,320)	13,974

Note: Segment Profit (3,320) 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]

3rd quarter of FY2021 (April 1, 2021 - December 31, 2021)

(Unit: million yen)

	North America	Europe	China	Asia / Oceania	Other	Total
Overseas sales	41,163	32,035	8,532	10,719	8,137	100,587
Consolidated Sales						124,834
Ratio to Consolidated Sales (%)	33.0	25.7	6.8	8.6	6.5	80.6

3rd quarter of FY2022 (April 1, 2022 - December 31, 2022)

(Unit: million yen)

	North America	Europe	China	Asia / Oceania	Other	Total
Overseas sales	62,994	35,564	7,796	13,731	8,738	128,826
Consolidated Sales						156,790
Ratio to Consolidated Sales (%)	40.2	22.7	5.0	8.8	5.6	82.2

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.