

# Consolidated Financial Results for FY2022 Ended March 2023

(Japanese GAAP)

TOPCON CORPORATION

Release Date: May 12, 2023

## 1. Summary of Business Results for FY2022 ended March 2023 (April 1, 2022 - March 31, 2023)

"%" 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	%
FY2022 ended March 2023	215,625	22.2	19,537	22.8	17,829	20.3	11,806	10.3
FY2021 ended March 2022	176,421	28.5	15,914	141.4	14,820	165.2	10,699	350.3

Note: Comprehensive income  
 FY2022 ended March 2023 16,738 million yen ( 0.9 % )  
 FY2021 ended March 2022 16,594 million yen ( 122.3 % )

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	yen	yen	%	%	%
FY2022 ended March 2023	112.16	112.15	13.2	9.1	9.1
FY2021 ended March 2022	101.71	101.69	14.0	8.4	9.0

Note: Share of profit (loss) of entities accounted for using equity method  
 FY2022 ended March 2023 (344) million yen  
 FY2021 ended March 2022 (351) million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
FY2022 ended March 2023	207,890	97,040	45.8	905.17
FY2021 ended March 2022	184,983	85,150	45.1	793.57

Note: Shareholders' equity  
 FY2022 ended March 2023 95,310 million yen  
 FY2021 ended March 2022 83,491 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
FY2022 ended March 2023	9,828	(12,759)	(1,937)	14,950
FY2021 ended March 2022	20,527	(9,779)	(13,606)	19,009

## 2. Dividends

	Dividends per share					Dividends paid (Annual)	Dividends payout ratio (Consolidated)	Dividends on equity (Consolidated)
	end of 1st qtr	end of 2nd qtr	end of 3rd qtr	year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
FY2021 ended March 2022	—	10.00	—	26.00	36.00	3,787	35.4	5.0
FY2022 ended March 2023	—	20.00	—	22.00	42.00	4,422	37.4	4.9
FY2023 ending March 2024 (forecast)	—	20.00	—	22.00	42.00		40.2	

## 3. Business Forecasts for FY2023 ending March 2024 (April 1, 2023 - March 31, 2024)

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

Annual	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
	208,000	(3.5)	19,000	(2.7)	17,000	(4.7)	11,000	(6.8)	104.47

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 financial statements

## Consolidated balance sheets

(Unit: million yen)

	FY2021 ended March 2022	FY2022 ended March 2023
<b>Assets</b>		
Current assets		
Cash and deposits	20,124	17,660
Notes and accounts receivable - trade	45,864	47,454
Merchandise and finished goods	19,510	24,309
Work in process	1,805	2,048
Raw materials and supplies	18,309	25,151
Other	10,658	8,375
Allowance for doubtful accounts	(2,232)	(1,925)
Total current assets	114,041	123,074
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,679	9,830
Machinery, equipment and vehicles, net	3,670	4,351
Land	3,723	3,937
Leased assets, net	2,689	8,434
Construction in progress	952	1,524
Other, net	4,146	4,770
Total property, plant and equipment	24,863	32,848
Intangible assets		
Goodwill	9,741	8,994
Software	9,620	11,650
Other	10,552	9,683
Total intangible assets	29,914	30,328
Investments and other assets		
Investment securities	3,711	3,225
Long-term loans receivable	352	343
Deferred tax assets	10,821	13,849
Other	1,294	4,230
Allowance for doubtful accounts	(14)	(11)
Total investments and other assets	16,164	21,638
Total non-current assets	70,942	84,815
Total assets	184,983	207,890
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,687	16,389
Short-term borrowings	5,586	20,712
Lease liabilities	1,415	2,770
Accrued expenses	15,013	12,313
Income taxes payable	2,152	1,486
Provision for product warranties	1,444	1,890
Current portion of bonds payable	10,000	-
Other	10,095	11,719
Total current liabilities	61,394	67,282
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	2,547	2,058
Lease liabilities	3,812	7,943
Deferred tax liabilities	4,247	4,353
Provision for retirement benefits for directors (and other officers)	59	42
Retirement benefit liability	4,333	4,470
Other	3,438	4,698
Total non-current liabilities	38,438	43,567
Total liabilities	99,833	110,850
<b>Net assets</b>		
Shareholders' equity		
Share capital	16,706	16,780
Capital surplus	20,608	20,682
Retained earnings	45,670	52,635
Treasury shares	(3,171)	(3,171)
Total shareholders' equity	79,813	86,926
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	900	891
Deferred gains or losses on hedges	(72)	14
Foreign currency translation adjustment	3,088	7,313
Remeasurements of defined benefit plans	(238)	164
Total accumulated other comprehensive income	3,677	8,384
Share acquisition rights	67	63
Non-controlling interests	1,591	1,666
Total net assets	85,150	97,040
Total liabilities and net assets	184,983	207,890

## Consolidated statements of income

(Unit: million yen)

	FY2021 ended March 2022	FY2022 ended March 2023
Net sales	176,421	215,625
Cost of sales	86,328	103,223
Gross profit	90,093	112,401
Selling, general and administrative expenses	74,178	92,864
Operating profit	15,914	19,537
Non-operating income		
Interest income	79	189
Dividend income	47	54
Foreign exchange gains	235	137
Reversal of allowance for doubtful accounts	492	-
Insurance claim income	-	280
Other	315	254
Total non-operating income	1,170	917
Non-operating expenses		
Interest expenses	459	1,058
Interest expenses on other liabilities	157	231
Share of loss of entities accounted for using equity method	351	344
Loss on valuation of investment securities	387	567
Compensation expenses	215	-
Other	694	421
Total non-operating expenses	2,265	2,624
Ordinary profit	14,820	17,829
Extraordinary income		
Subsidy income	495	-
Total extraordinary income	495	-
Extraordinary losses		
Impairment losses	670	880
Settlement payments	-	911
Total extraordinary losses	670	1,791
Profit before income taxes	14,645	16,038
Income taxes - current	4,399	7,644
Income taxes - deferred	(701)	(3,569)
Total income taxes	3,698	4,075
Profit	10,946	11,962
Profit attributable to non-controlling interests	247	156
Profit attributable to owners of parent	10,699	11,806

## Consolidated statements of cash flows

(Unit: Million Yen)

	FY2021 ended March 2022	FY2022 ended March 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	14,645	16,038
Depreciation	7,763	10,383
Amortization of goodwill	1,912	1,589
Increase (decrease) in allowance for doubtful accounts	(964)	(465)
Interest and dividend income	(126)	(243)
Interest expenses	459	1,058
Loss on retirement of property, plant and equipment	21	22
Share of loss (profit) of entities accounted for using equity method	351	344
Subsidy income	(495)	-
Impairment losses	670	880
Decrease (increase) in retirement benefit asset	36	105
Increase (decrease) in retirement benefit liability	111	189
Decrease (increase) in trade receivables	(550)	1,002
Decrease (increase) in inventories	(4,320)	(9,621)
Decrease (increase) in prepaid expenses	81	496
Increase (decrease) in trade payables	1,976	147
Increase (decrease) in accrued expenses	923	(3,224)
Other, net	1,684	231
Subtotal	24,179	18,936
Interest and dividends received	155	287
Interest paid	(456)	(1,071)
Income taxes paid	(3,351)	(8,323)
Net cash provided by (used in) operating activities	20,527	9,828
<b>Cash flows from investing activities</b>		
Payments into time deposits	(737)	(1,606)
Proceeds from withdrawal of time deposits	56	-
Purchase of property, plant and equipment	(4,943)	(5,286)
Proceeds from sale of property, plant and equipment	110	79
Purchase of intangible assets	(2,723)	(4,199)
Purchase of investment securities	(229)	(147)
Proceeds from sale of investment securities	82	9
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,651)	(411)
Payments for acquisition of businesses	(118)	(11)
Decrease (increase) in short-term loans receivable	(0)	3
Long-term loan advances	(7)	-
Proceeds from collection of long-term loans receivable	25	38
Subsidies received	495	-
Other, net	(137)	(1,226)
Net cash provided by (used in) investing activities	(9,779)	(12,759)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(7,954)	17,150
Repayments of long-term borrowings	(1,905)	(2,576)
Redemption of bonds	-	(10,000)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,103)	(4,841)
Dividends paid to non-controlling interests	(34)	-
Repayments of lease liabilities	(1,607)	(1,669)
Net cash provided by (used in) financing activities	(13,606)	(1,937)
Effect of exchange rate change on cash and cash equivalents	1,420	809
Net increase (decrease) in cash and cash equivalents	(1,437)	(4,058)
Cash and cash equivalents at beginning of period	20,446	19,009
Cash and cash equivalents at end of period	19,009	14,950

[Segment Information by business category]

FY2021 ended March 2022 (April 1, 2021 - March 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	26,308	91,791	57,138	1,182	176,421	—	176,421
Intercompany sales or transfer	12,732	4,900	213	1	17,848	(17,848)	—
Total	39,040	96,692	57,352	1,184	194,269	(17,848)	176,421
Segment Profit (Operating Income)	5,821	11,548	3,203	(365)	20,208	(4,293)	15,914

Note: Segment Profit (4,293) 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.

FY2022 ended March 2023 (April 1, 2022 - March 31, 2023)

(unit: million yen)

	Reportable segment					Elimination & Common	Total
	Smart Infrastructure Business	Positioning Company	Eye Care Business	Other	Sub-Total		
Sales							
Sales to unaffiliated customers	29,254	118,437	66,601	1,332	215,625	—	215,625
Intercompany sales or transfer	12,909	6,294	298	3	19,505	(19,505)	—
Total	42,163	124,731	66,899	1,335	235,130	(19,505)	215,625
Segment Profit (Operating Income)	5,037	15,427	3,968	(344)	24,088	(4,551)	19,537

Note: Segment Profit (4,551) 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.

[Related information]

FY2021 ended March 2022 (April 1, 2021 - March 31, 2022)

Regional information

(unit: million yen)

	Japan	North America	Europe	China	Asia / Oceania	other	Total
Sales	33,983	60,010	44,768	11,059	14,927	11,672	176,421

Note: Sales is classified by country or region based on the location of customers.

FY2022 ended March 2023 (April 1, 2022 - March 31, 2023)

Regional information

(unit: million yen)

	Japan	North America	Europe	China	Asia / Oceania	other	Total
Sales	39,272	82,929	49,865	9,640	18,973	14,943	215,625

Note: Sales is classified by country or region based on the location of customers.