

Consolidated Financial Results for the First Quarter of FY2023 Ending March 2024

(Japanese GAAP)

TOPCON CORPORATION

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1. Summary of First Quarter Business Results for FY2023 ending March 2024 (April 1, 2023 - June 30, 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	%
1st quarter of FY2023	49,695	5.7	1,717	(55.2)	1,840	(53.9)	(199)	—
1st quarter of FY2022	47,018	20.9	3,834	10.8	3,993	24.4	2,790	53.0

Note: Comprehensive income
 1st quarter of FY2023 7,358 million yen (10.0 %)
 1st quarter of FY2022 8,179 million yen (286.5 %)

	Basic earnings per share	Diluted earnings per share
	yen	yen
1st quarter of FY2023	(1.90)	—
1st quarter of FY2022	26.52	26.51

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
1st quarter of FY2023	231,018	101,994	43.4	951.29
FY2022 ended March 2023	207,890	97,040	45.8	905.17

Note: Shareholders' equity
 1st quarter of FY2023 100,166 million yen
 FY2022 ended March 2023 95,310 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
FY2022 ended March 2023	—	20.00	—	22.00	42.00
FY2023 ending March 2024	—	—	—	—	—
FY2023 ending March 2024 (forecast)	—	20.00	—	22.00	42.00

*Revision to the most recently disclosed dividend forecasts : No

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

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

*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)

	FY2022 ended March 2023	1st quarter of FY2023
Assets		
Current assets		
Cash and deposits	17,660	21,402
Notes and accounts receivable - trade	47,454	42,360
Merchandise and finished goods	24,309	28,566
Work in process	2,048	2,065
Raw materials and supplies	25,151	29,398
Other	8,375	8,954
Allowance for doubtful accounts	(1,925)	(2,133)
Total current assets	123,074	130,614
Non-current assets		
Property, plant and equipment	32,848	34,675
Intangible assets		
Goodwill	8,994	18,819
Other	21,333	21,899
Total intangible assets	30,328	40,719
Investments and other assets	21,638	25,009
Total non-current assets	84,815	100,403
Total assets	207,890	231,018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,389	15,829
Short-term borrowings	20,712	16,758
Lease liabilities	2,770	2,928
Income taxes payable	1,486	1,552
Provision for product warranties	1,890	1,736
Other	24,032	24,675
Total current liabilities	67,282	63,481
Non-current liabilities		
Bonds payable	20,000	40,000
Long-term borrowings	2,058	2,023
Lease liabilities	7,943	8,252
Provision for retirement benefits for directors (and other officers)	42	37
Retirement benefit liability	4,470	4,564
Other	9,052	10,663
Total non-current liabilities	43,567	65,541
Total liabilities	110,850	129,023
Net assets		
Shareholders' equity		
Share capital	16,780	16,780
Capital surplus	20,682	20,682
Retained earnings	52,635	50,100
Treasury shares	(3,171)	(3,172)
Total shareholders' equity	86,926	84,391
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	891	2,299
Deferred gains or losses on hedges	14	14
Foreign currency translation adjustment	7,313	13,265
Remeasurements of defined benefit plans	164	195
Total accumulated other comprehensive income	8,384	15,775
Share acquisition rights	63	63
Non-controlling interests	1,666	1,764
Total net assets	97,040	101,994
Total liabilities and net assets	207,890	231,018

Consolidated quarterly statements of income

(Unit: million yen)

	1st quarter of FY2022	1st quarter of FY2023
Net sales	47,018	49,695
Cost of sales	22,186	23,287
Gross profit	24,831	26,408
Selling, general and administrative expenses	20,997	24,690
Operating profit	3,834	1,717
Non-operating income		
Interest income	29	37
Dividend income	16	17
Foreign exchange gains	792	762
Other	94	120
Total non-operating income	933	937
Non-operating expenses		
Interest expenses	138	462
Share of loss of entities accounted for using equity method	81	17
Loss on valuation of investment securities	430	-
Worker-on-loan expenses	-	130
Other	123	203
Total non-operating expenses	774	814
Ordinary profit	3,993	1,840
Extraordinary losses		
Impairment losses	-	1,285
Extra retirement payments	-	89
Total extraordinary losses	-	1,374
Profit before income taxes	3,993	465
Income taxes - current	995	989
Income taxes - deferred	193	(365)
Total income taxes	1,188	623
Profit (loss)	2,804	(157)
Profit attributable to non-controlling interests	13	42
Profit (loss) attributable to owners of parent	2,790	(199)

[Segment Information by business category]

The reportable segments have been changed since the current fiscal year, from "Smart Infrastructure Business", "Positioning Company", "Eye Care Business" and "Other" to "Positioning Business", "Eye Care Business" and "Other".

Segments which were categorized under "Smart Infrastructure" and "Positioning Company" in prior fiscal years are now categorized under new segment "Positioning Business".

Comparative information for the same period of previous fiscal year shown below are restated to reflect the new categories.

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

(Unit: million yen)

	Reportable segment				Elimination & Common	Total
	Positioning Business	Eye Care Business	Other	Sub-Total		
Sales						
Sales to unaffiliated customers	32,760	13,997	260	47,018	—	47,018
Intercompany sales or transfer	—	53	1	54	(54)	—
Total	32,760	14,051	261	47,072	(54)	47,018
Segment Profit (Operating Income)	4,472	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 .

1st quarter of FY2023 (April 1, 2023 - June 30, 2023)

(Unit: million yen)

	Reportable segment				Elimination & Common	Total
	Positioning Business	Eye Care Business	Other	Sub-Total		
Sales						
Sales to unaffiliated customers	32,858	16,514	322	49,695	—	49,695
Intercompany sales or transfer	—	58	0	58	(58)	—
Total	32,858	16,573	322	49,754	(58)	49,695
Segment Profit (Operating Income)	1,772	1,053	(51)	2,774	(1,057)	1,717

Note: Segment Profit (1,057) 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 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

1st quarter of FY2023 (April 1, 2023 - June 30, 2023)

(Unit: million yen)

	North America	Europe	China	Asia / Oceania	Other	Total
Overseas sales	17,289	12,911	3,587	4,443	2,830	41,063
Consolidated Sales						49,695
Ratio to Consolidated Sales (%)	34.8	26.0	7.2	8.9	5.7	82.6

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.