

Consolidated Financial Results for the Third Quarter of FY2024 Ending March 2025

(Japanese GAAP)

TOPCON CORPORATION

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1. Summary of Third Quarter Business Results for FY2024 ending March 2025 (April 1, 2024 - December 31, 2024)

"%" 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 FY2024	153,545	(2.1)	803	(87.6)	(2,133)	—	(2,864)	—
3rd quarter of FY2023	156,860	0.0	6,504	(53.5)	4,588	(63.5)	353	(95.5)

Note: Comprehensive income
 3rd quarter of FY2024 (876) million yen (— %)
 3rd quarter of FY2023 7,680 million yen (31.7 %)

	Basic earnings per share	Diluted earnings per share
	yen	yen
3rd quarter of FY2024	(27.18)	—
3rd quarter of FY2023	3.35	3.35

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
3rd quarter of FY2024	250,187	104,930	41.1	976.10
FY2023 ended March 2024	247,029	110,298	43.8	1,027.99

Note: Shareholders' equity
 3rd quarter of FY2024 102,892 million yen
 FY2023 ended March 2024 108,300 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
FY2023 ended March 2024	—	20.00	—	22.00	42.00
FY2024 ending March 2025	—	20.00	—		
FY2024 ending March 2025 (forecast)				22.00	42.00

*Revision to the most recently disclosed dividend forecasts : No

3. Business Forecasts for FY2024 ending March 2025 (April 1, 2024 - March 31, 2025)

"%" 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	211,000	(2.5)	7,000	(37.5)	3,500	(60.5)	0	(100.0)	0.00

*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)

	FY2023 ended March 2024	3rd quarter of FY2024
Assets		
Current assets		
Cash and deposits	19,623	23,937
Notes and accounts receivable - trade	48,067	40,766
Merchandise and finished goods	26,758	27,543
Work in process	2,084	2,120
Raw materials and supplies	28,569	28,819
Other	11,171	12,494
Allowance for doubtful accounts	(1,723)	(1,897)
Total current assets	134,551	133,784
Non-current assets		
Property, plant and equipment	40,242	43,453
Intangible assets		
Goodwill	15,764	14,276
Other	25,530	24,384
Total intangible assets	41,295	38,660
Investments and other assets	30,940	34,289
Total non-current assets	112,478	116,403
Total assets	247,029	250,187
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,394	14,191
Short-term borrowings	27,154	42,967
Lease liabilities	3,306	3,286
Income taxes payable	3,131	545
Provision for product warranties	1,791	1,791
Current portion of bonds payable	-	10,000
Other	22,345	20,636
Total current liabilities	73,123	93,419
Non-current liabilities		
Bonds payable	40,000	30,000
Long-term borrowings	1,554	385
Lease liabilities	7,544	6,248
Provision for retirement benefits for directors (and other officers)	20	24
Retirement benefit liability	2,275	2,151
Other	12,211	13,028
Total non-current liabilities	63,606	51,838
Total liabilities	136,730	145,257
Net assets		
Shareholders' equity		
Share capital	16,837	16,891
Capital surplus	20,739	20,792
Retained earnings	53,151	45,861
Treasury shares	(3,172)	(3,172)
Total shareholders' equity	87,556	80,372
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,579	1,185
Foreign currency translation adjustment	17,810	20,020
Remeasurements of defined benefit plans	1,354	1,313
Total accumulated other comprehensive income	20,743	22,519
Share acquisition rights	63	63
Non-controlling interests	1,934	1,974
Total net assets	110,298	104,930
Total liabilities and net assets	247,029	250,187

Consolidated quarterly statements of income

(Unit: million yen)

	3rd quarter of FY2023	3rd quarter of FY2024
Net sales	156,860	153,545
Cost of sales	73,636	72,623
Gross profit	83,224	80,922
Selling, general and administrative expenses	76,719	80,118
Operating profit	6,504	803
Non-operating income		
Interest income	196	234
Dividend income	57	27
Gain on valuation of investment securities	180	-
Other	328	303
Total non-operating income	762	565
Non-operating expenses		
Interest expenses	1,612	1,981
Share of loss of entities accounted for using equity method	197	85
Foreign exchange losses	133	318
Other	734	1,116
Total non-operating expenses	2,678	3,502
Ordinary profit (loss)	4,588	(2,133)
Extraordinary income		
Insurance claim income	713	-
Gain on sale of shares of subsidiaries and associates	751	-
Total extraordinary income	1,465	-
Extraordinary losses		
Impairment losses	1,328	-
Extra retirement payments	154	434
Loss on litigation	3,327	-
Total extraordinary losses	4,810	434
Profit (loss) before income taxes	1,243	(2,568)
Income taxes - current	1,172	968
Income taxes - deferred	(480)	(758)
Total income taxes	691	210
Profit (loss)	551	(2,779)
Profit attributable to non-controlling interests	197	85
Profit (loss) attributable to owners of parent	353	(2,864)

[Segment Information by business category]

3rd quarter of FY2023 (April 1, 2023 - December 31, 2023)

(Unit: million yen)

	Reportable segment				Elimination & Common	Total
	Positioning Business	Eye Care Business	Other	Sub-Total		
Sales						
Sales to unaffiliated customers	101,972	54,005	881	156,860	—	156,860
Intercompany sales or transfer	6	198	3	208	(208)	—
Total	101,979	54,204	884	157,068	(208)	156,860
Segment Profit (Operating Income)	5,902	4,182	(150)	9,934	(3,429)	6,504

Note: Segment Profit (3,429) 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 FY2024 (April 1, 2024 - December 31, 2024)

(Unit: million yen)

	Reportable segment				Elimination & Common	Total
	Positioning Business	Eye Care Business	Other	Sub-Total		
Sales						
Sales to unaffiliated customers	96,305	56,902	337	153,545	—	153,545
Intercompany sales or transfer	0	69	0	69	△69	—
Total	96,305	56,971	337	153,614	(69)	153,545
Segment Profit (Operating Income)	2,144	2,571	(776)	3,939	(3,135)	803

Note: Segment Profit (3,135) 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 FY2023 (April 1, 2023 - December 31, 2023)

(Unit: million yen)

	North America	Europe	Asia / Oceania	Other	Total
Overseas sales	55,979	40,185	23,068	10,535	129,768
Consolidated Sales					156,860
Ratio to Consolidated Sales (%)	35.7	25.6	14.7	6.7	82.7

3rd quarter of FY2024 (April 1, 2024 - December 31, 2024)

(Unit: million yen)

	North America	Europe	Asia / Oceania	Other	Total
Overseas sales	56,236	41,033	20,721	10,969	128,961
Consolidated Sales					153,545
Ratio to Consolidated Sales (%)	36.6	26.7	13.5	7.1	84.0

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.