



# Topcon Report 2025

## Regarding the Publication of the Topcon Report 2025

Topcon has consistently strived toward its Long-Term vision of “challenging to sustainably growing 100 year venture,” pursuing transformation and growth as it approaches its 100th anniversary in 2032. To further accelerate efforts toward achieving this goal, we have determined that a stable management environment that contributes to Long-Term strategic execution is essential. Accordingly, we have decided to embark on a new phase by delisting the Company through a management buyout (MBO).

We welcome KKR<sup>1</sup> and JICC,<sup>2</sup> partners who understand our business and share our philosophy, as we proceed under a nimble and flexible management structure. This will enable us to execute Long-Term strategies, including bold upfront investments, and reform our organizational structure to enhance competitiveness.

By leveraging our core strengths—advanced technological capabilities, product quality rooted in Topcon's Manufacturing Excellence, and a solution-driven business cultivated in global markets across Europe and the U.S.—we will accelerate our progress toward TOPCON 2.0. This initiative aims to achieve unparalleled value creation and drive sustainable corporate value growth.

We are issuing this report to convey the intent and context of this transformation to all of our stakeholders with sincerity and transparency. This year, we have redefined this report to transcend the traditional framework of an investor report issued by a listed company. It is now intended for employees, customers, business partners, local communities, and others who may develop new relationships with the Company. It is our sincere hope that this report strengthens the trust and understanding that we share with all of you.

1. KKR: Kohlberg Kravis Roberts & Co. L.P., one of the world's leading investment firms.

2. JICC: JIC Capital, Ltd., a wholly-owned subsidiary of the Japan Investment Corporation (JIC).

### Yoshikuni Ito

Director  
Senior Managing Executive Officer  
General Manager, Corporate Planning &  
Digital Business Operation Div.

### Editorial Policy

To facilitate an understanding of our efforts toward Long-Term, sustainable enhancement of corporate value, we have been producing our Topcon Report integrated report since FY2016. The Topcon Report primarily discloses transformation-related information that influences our corporate value, with a central message from the CEO that incorporates the International Integrated Reporting Council (IIRC) disclosure framework and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation. Furthermore, the design and layout of each of its pages, including the cover, also reflect this theme of “transformation.”

This report covers TOPCON CORPORATION (“the Company”) and the Topcon Group (“the Group”).

### Note on performance forecasts and outlook statements

All plans, strategies, future performance forecasts, and outlooks presented in this report are based on information currently available to the Company. Our actual performance may deviate from these statements if conditions change in the future.



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## Topcon's Mission

With every employee embracing the TOPCON WAY, we will remain a presence that resonates with and is trusted by all of our stakeholders and are moving in a new direction as we approach our centennial. This path focuses on executing strategies to enhance profitability in response to evolving market conditions and strengthening our overall capabilities with a TOPCON WAY mindset.

# TOPCON WAY

2017

In response to changes in society and the business environment, a new TOPCON WAY has been formulated.

It clearly states our Corporate Identity and Management Policy, while integrating action guidelines into a Topcon Global Code of Conduct. The values that all of our employees are expected to share have been redefined.

### Corporate Identity

Topcon contributes to enrich human life by solving the societal challenges within healthcare, agriculture and infrastructure.

### Management Policy

Topcon focuses on leading-edge technology to provide new value through innovation and manufacturing.

Topcon respects diversity and acts as a global company.

Topcon places the utmost priority on compliance and continues to be a trustworthy partner to all stakeholders.

2011

Establishment of the first TOPCON WAY. A clear statement of the Company's purpose and commitment to social contribution.

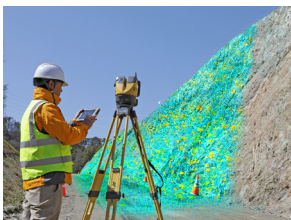
It defines principles of conduct that enable value creation and expresses shared group values that respect diversity.

## Topcon's Business

### Positioning Business

Applying our surveying technologies cultivated since our founding, we have realized ICT automated construction that enables automatic control of construction machinery. In addition, by connecting construction machinery and 3D measurement data via an IoT network and monitoring work progress, machine operation status, and resource management in real time, we promote digital transformation (DX) in construction. Through centralized management of the entire construction workflow—from surveying and design to execution and inspection—we contribute to improved productivity and the alleviation of labor shortages at construction sites.

We also centrally manage every piece of data in the farming cycle (planning, sowing, cultivation, harvesting). Drawing on these data in combination with automated steering systems for agricultural machinery and growth sensors, we advance the DX of farming operations to help enhance both productivity and quality.



3D measurement equipment



IT construction system



Auto-steering systems for agricultural machinery

### Eye Care Business

Based on the technologies we have accumulated over many years in the manufacture and sale of devices for examination, diagnosis, and treatment in the field of ophthalmology, we developed our own fully automated fundus examination device. Furthermore, by providing remote diagnosis and AI diagnostic solutions through a cloud-based IoT platform, we are creating an environment where eye screenings can be conducted at familiar locations other than ophthalmology clinics, such as eyewear shops and family doctors' offices. Together with advances in AI algorithms that can detect signs not only of eye diseases but also of systemic conditions from the eye, we are promoting "Healthcare from the Eye"(\*)—contributing to the early detection and early treatment of diseases and helping improve medical efficiency.

\* FDA approval is required. In Japan, eyewear shops, etc. without a physician on site are excluded.



Fully-automated screening equipment

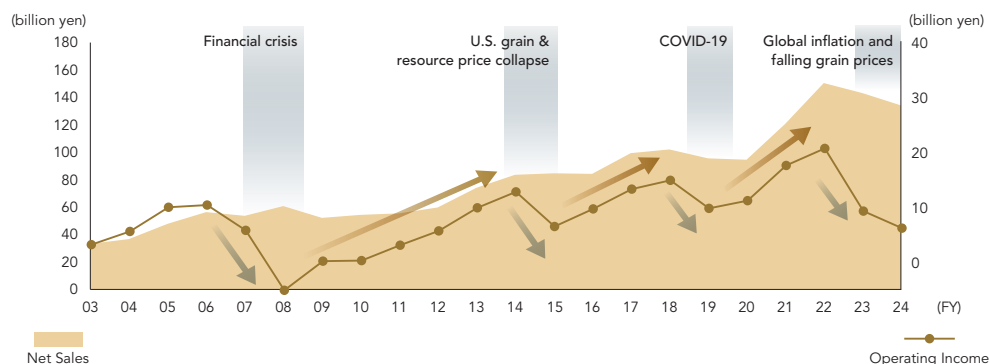


Remote eye examination system

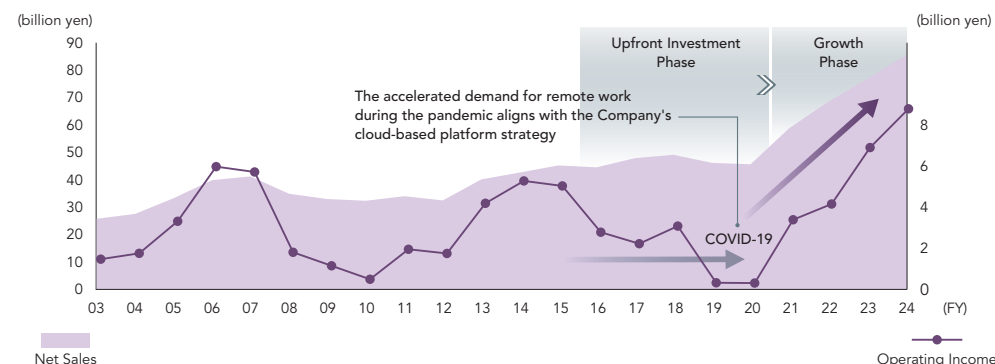


Ophthalmic data management system

### Sales Trends —Sustained Growth Amid Economic Cycle—



### Sales Trends —Striving for Further Growth Acceleration—







## Message from the CEO

# Customer Orientation and Technological Innovation: The Journey to TOPCON 2.0 in an Era of Change

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### Takashi Eto

President and Chief Executive Officer

### Why We Continue to Focus on Construction, Agriculture, and Healthcare

The business segments at Topcon are construction, agriculture, and healthcare. Investors have asked us why we operate in these seemingly unrelated fields. Here, I would like to explain how Topcon expanded the business segments into construction, agriculture, and healthcare and why we remain committed to these businesses, while also touching on our technical strengths.

## Message from the CEO

Topcon's core technology is precision optical technology, which we have continued to refine since the Company was founded. While producing surveying instruments, we released Japan's first mydriatic fundus camera in 1965, which became the foundation for our Eye Care Business. We then reached a major turning point in the 1990s. Through corporate acquisitions and partnerships focused on international technology ventures, we acquired cutting-edge GNSS<sup>1</sup> receivers as well as sensing and control technologies. Then, through a unique fusion of the measurement technologies we have had since our foundation and new technologies acquired through M&A, we successfully commercialized automation systems for construction and agricultural machinery, helping to boost productivity at work sites and resolve labor shortages. In the field of eye care, Topcon has developed proprietary fully-automated screening equipment through the application of accurate eye position measurement and tracking technologies in addition to fundus camera and OCT (optical coherence tomography) technologies, helping with early detection and early treatment of eye diseases.

Whether measuring the earth or measuring the eyeball, measurement technologies are the absolute greatest strength at Topcon, no matter the size. By combining these measurement technologies with new technologies suited to the era, we have expanded our business segments in the positioning field from surveying to construction and then to agriculture, while in the eye care field, we are working to create new business models that use eye health checkups as a solution to the rise of eye diseases due to aging.

1. GNSS (Global Navigation Satellite System): A system for measuring current position on the ground using artificial satellites

## The Power of Innovation, Created Through Customer Orientation

We believe another major strength at Topcon is that the concept of "customer orientation" is deeply rooted in the Company. I have told employees that I want them to always focus on customers in their work. The customers who patronize Topcon's products and services include civil engineering and construction companies, agricultural businesses, and ophthalmologists and opticians. What all of these customers have in common is that they use Topcon products to conduct their work as professionals. No matter how hard we try, we will never be professionals in their fields. However, when we ask customers about their processes during conversations, they sometimes have a moment of realization, that perhaps they could change something for better efficiency. Using these realizations by customers as hints, we have leveraged our core technologies to create groundbreaking solutions.

Innovation originally means "to renew" or "to change." However, industry in Japan tends to associate it with "technological innovation" only. Technological innovation does not come easy, no matter how hard engineers struggle in research labs. Conveyor belt sushi was an innovation conceived of not by engineers, but by a sushi chef who saw a conveyor belt and thought, "If I put sushi on this, it might solve labor shortages."

Topcon has a hit product in surveying instruments called the LN series. I was involved starting from the initial planning stage, and some in management at the time questioned the sales prospects. However, based on my experience as a site supervisor at a construction company in my previous job, I felt there was a reasonable chance of success. We secured a budget to make prototypes and put the first 30 units onto the market. We focused on making it possible for anyone to use by themselves, linking with 3D design data to make it easy to perform pile driving<sup>1</sup> and layout<sup>2</sup> work. Eventually, concerns about sales prospects were dispelled and the LN series became a major hit. This is just one example in which we combined our core technologies with peripheral technologies such as laser technology and communication technology to create a product with diverse field applications, dramatically boosting convenience at construction sites.

The reason behind all the innovation at Topcon is that we have worked closely with customers who are early adopters. The ideas this creates are combined with cutting-edge technologies in a unique way then tested, leading to products with an edge. We take pride in having helped create greater prosperity for people around the world by working with customers to devise the ultimate in efficiency.



1. The accurate installation of position points on the ground to serve as reference points for buildings at construction sites.

2. The marking of construction blueprint information at sites during architectural or civil engineering projects.

## Message from the CEO

### Think Globally, Act Locally

Japan accounts for 16% of Topcon's consolidated net sales by region, meaning international markets account for over 80% of net sales. I spoke earlier of the importance of listening to feedback from professional customers and believe that the key to growth in global markets is to "Think Globally, Act Locally."

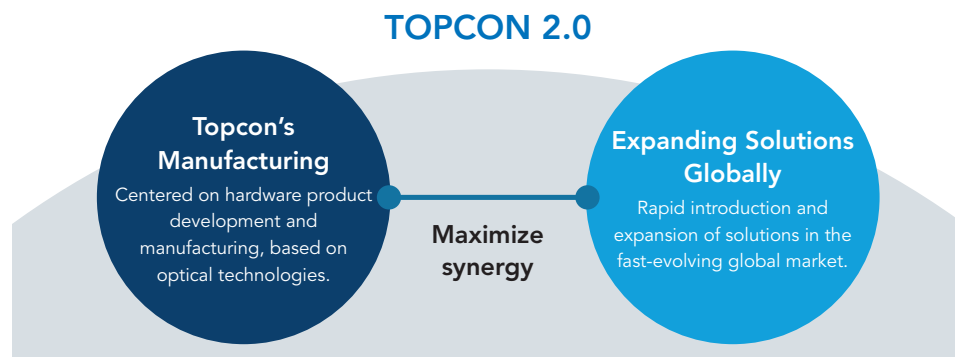
In agriculture, for example, wheat and grains are grown all over the world. In Japan, Japanese farmers grow Japanese rice, and in Italy, Italian farmers grow Italian wheat. This may seem obvious, but closer examination reveals that the types of grains, cultivation methods, harvest times, and the challenges faced differ vastly by region.

Manufacturers tend to standardize products so they can work in any region. However, we always listen to what customers want and pursue localization to the best of our ability.

### The Future of Topcon with TOPCON 2.0

▶P14 Accelerating Growth Strategy Through MBO

I would now like to discuss the future envisioned by Topcon. As the next step to achieving our Long-Term vision, we have launched TOPCON 2.0, leveraging Topcon's Manufacturing Excellence as we aim for further global success.



For Topcon to achieve greater success than ever, a Long-Term strategy is vital. The Positioning Business has achieved performance growth despite the impact of economic fluctuations, but market conditions have changed over the past two years, meaning it is now urgent to boost profitability through structural reforms.

In the Eye Care Business, it is vital that we transition from a traditional hardware-centered business to a solutions business, which requires ongoing investment. Given the accelerated evolution and proliferation of AI, we also recognize efforts toward digital transformation to be an urgent issue. We view these with a healthy sense of crisis and have determined that a fundamental changeover that goes beyond conventional business reform is essential.

Furthermore, promoting bold investment and strategic initiatives required us to rebuild the organizational structure to allow for agile decision-making. Through dialogue with investors in particular, we reaffirmed the importance of changing our perspective. As we considered the best course of action for the future, we decided on an MBO<sup>1</sup> for growth. I believe MBOs present a major challenge, but by gaining strong partners in KKR and JICC, who resonate deeply with our corporate vision, we will build a rock-solid foundation and boost our capacity for executing strategy from a medium- to Long-Term perspective, accelerating bold growth investment and fundamental structural reforms.

Our evolution into TOPCON 2.0 requires a much flatter organization. While Topcon delivers products and services that make essential work sites more convenient and comfortable through automation, taking the next bold step forward is of the utmost importance. This is because we will never be able to differentiate ourselves by doing the same things as other companies. While many businesses have shifted toward solution-based models in recent years, we have been committed to providing technology-backed solutions since before this trend started. In other words, we believe true competitiveness lies in technology-driven transformation that leverages our core technologies.

A flat system is essential for ensuring that valuable insights from customers—regarding what they find inconvenient and how to make things more efficient based on an understanding of their lifestyles, culture and other aspects of their background—reach every corner of our organization. Products that truly resonate with customers will not be created by an organization where some employee collects customer feedback then passes it along like a game of telephone. I want our employees to demonstrate their professionalism based on a field-oriented approach.

This is why I believe a flat organizational structure rather than a pyramid hierarchy along with project-based management joined by professionals from different fields is vital. Immediately after becoming president, I announced a policy to transition swiftly to project-based management, the global standard, and we have been reinforcing this structure particularly in the Eye Care Business, considering the

1. MBO (Management Buyout): A type of M&A where management buys out company shares and acquires management rights from existing shareholders.



## Message from the CEO

importance of addressing pharmaceutical regulations by nation and establishing a unified development process. In Europe and the U.S., lower language barriers and similar methodologies have allowed for smooth transition, and I sense we have made significant improvements over the past two years, including in Japan.

In the TOPCON 2.0 endeavor, I would like employees to transform and embrace a mindset of taking on challenges without fear of failure. Topcon has many projects led by young employees as well as a corporate culture characterized by open communication, where anyone may share their opinions proactively, regardless of age or length of service. We will continue to upgrade our work environment to one that is flat and open to challenges, so please stay tuned.

Right now is a period of transition toward future growth. Significant growth almost always requires a phase of hunkering down to build up strength. This is, so to speak, a step function, and discontinuity is vital as well. We will pursue synergy with global resources to grow into a solutions company that delivers the optimal solutions to diverse customers, so I sincerely hope that employees view this positively and demonstrate their capabilities in each and every project.

## Building a Sustainable Society

Taking the Eye Care Business as an example, while we initially provided support for eye examinations and diagnoses through hardware, we have now made remote diagnosis and AI diagnosis possible through cloud-based IoT platforms as well. This is creating an environment in the U.S. and elsewhere where people can easily receive eye health checkups by a primary care doctor or optician without having to go directly to an ophthalmologist, and has developed to the point where diabetes and heart disease risks can be shared with medical institutions.

We are currently promoting the spread of remote eye examinations and launching shared care models in the U.S. A shared care model is a system in which primary care doctors and opticians conduct eye disease screenings instead of ophthalmologists, then share the results with ophthalmologists in the cloud. This is expected to reduce the burden on ophthalmologists and improve medical access. Promoting shared care will lead not only to increased sales of screening equipment through the use of AI and vast amounts of data, but also to the creation of new data platform businesses.

In agriculture, we are contributing to environmentally friendly farming that both boosts productivity and lowers environmental impact through auto-steering systems for agricultural machinery, the crop monitoring

sensor, and agricultural management systems that manage farming cycle data centrally in the cloud. In construction work, we are addressing labor-saving needs stemming from labor shortages through solutions not only for conventional large-scale civil engineering projects but for small- to medium-scale civil engineering projects as well. ICT integrated systems for road pavement work help to support new construction projects, primarily in emerging nations, while contributing to labor savings and shortened time for repairs and resurfacing work in developed nations.

Sustainability management has been a hot topic in recent years, and a major feature of Topcon is that our business itself is in sync with social issues pertaining to sustainability. Through solutions only Topcon can offer, we will work to build the foundations for a society where everyone can live in safety and prosperity, thus making the world a brighter place. Keep an eye out for new endeavors by Topcon. Topcon will continue to excite the world.

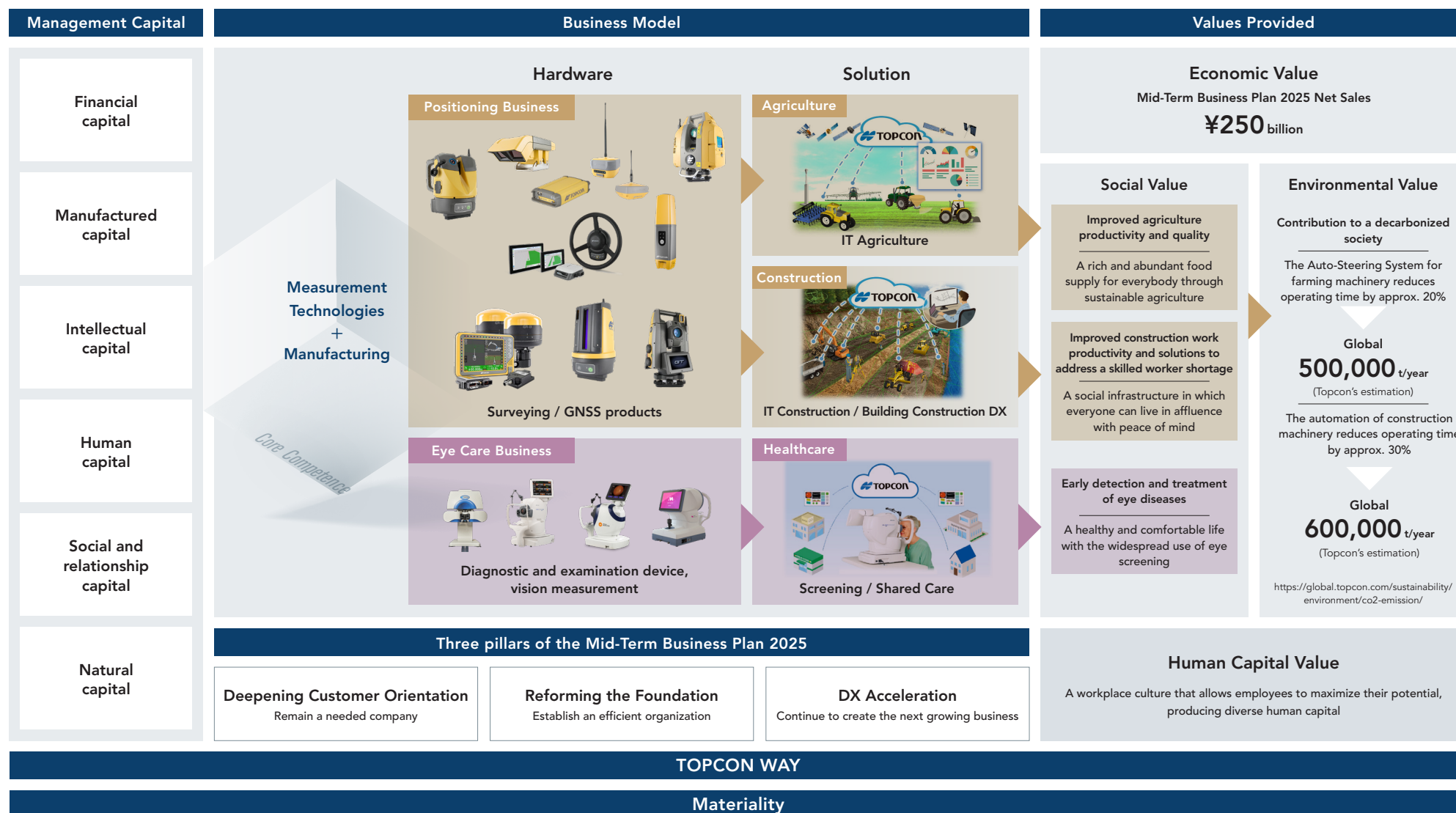




# Value Creation Process

Leveraging our resources, we will drive our business strategy through hardware and solutions to create economic, social, and environmental value.

We will also connect the organizational culture we have valued since our foundation into our human capital value to drive further growth.



## Management Capital

The six management capitals that Topcon amassed over many years serve as our resources of value creation.

Our goal is to further increase corporate value by enhancing these management capitals in alignment with our corporate strategy and business environment.



### Financial capital

Net Sales **¥216.0** billion  
Operating Income **¥8.8** billion

A capital-efficient management structure will be established by promoting foundational reforms and accelerating digital transformation across the construction, agriculture, and healthcare business segments, in accordance with the Mid-Term Business Plan. While flexibly responding to environmental changes, we will continue to make medium- to Long-Term growth investments to achieve sustainable enhancement of corporate value.



### Manufactured capital

**11** production bases in  
**7** countries

Leveraging a robust global production and supply chain network, coupled with advanced development capabilities rooted in core technologies—such as optics, sensing, automation, and image processing—we deliver a comprehensive portfolio of high-precision measurement instruments and medical equipment to international markets.



### Intellectual capital

**22** development bases  
in **11** countries

Innovative solutions are generated from research and development reflecting regional needs, synergies derived from networks of talent and technology developed at each location, and the combination of our core competencies with cutting-edge technologies such as AI and IoT.



### Human capital

Consolidated number of employees:  
**5,327**

With our strength in our diverse international workforce spanning a wide range of specialized fields and our multicultural, multilingual global communication, we foster an environment where new ideas emerge from both technological and market perspectives, accelerating innovation.



### Social and relationship capital

**52** sales bases in  
**23** countries

We are promoting collaboration with customers and partners in each business segment, as well as constructive dialogue with diverse stakeholders, including employees, shareholders, and investors. We are cultivating Long-Term relationships of mutual trust through community contribution activities, particularly in the areas surrounding our headquarters.



### Natural capital

The goal is to reduce greenhouse gas emissions from business activities at our domestic facilities by **40**% by the end of FY2030 compared to the FY2013

We will contribute to solving global challenges such as measuring and reducing greenhouse gas emissions, protecting biodiversity, and ensuring proper water resource management by leveraging our hardware and solutions. From a Long-Term perspective, we will achieve both enhanced corporate value and social responsibility this way.

## Path to Growth

Since its founding in 1932, Topcon has anticipated changes across eras to create unique products and solutions. Yet despite our history of over 90 years, we position ourselves as a "venture company," practicing management that looks "always one step ahead."

Through bold transformations in response to changing times and environments, we have expanded our business and pursued sustainable growth, opting for a management buyout (MBO) in 2025. We continue challenging ourselves to achieve greater leaps forward, looking ahead to the next 100 years.

2024  
Net Sales  
¥216 billion

2022  
Net sales  
surpass ¥200 billion

### Expanding our Solutions Business globally

- IT Construction
- Building Construction DX
- Shared Care
- IT Agriculture
- Screening
- Healthcare from the Eye

Origins in hardware

Topcon's DNA: Continued investment in **hardware**

- Positioning Business
- Eye Care Business
- Other businesses

Net sales

1949  
Listing on the TSE\*

1991  
Net sales  
surpass ¥50 billion

2005  
Net sales  
surpass ¥100 billion

1932–1969

Domestic production of surveying instruments and expansion of production

1970–1989

Development of the global market

1990–2009

Expansion into a solution-based business model

2010–2021

Further acceleration of overseas M&A strategy

2022–

Creation of growing businesses through utilization of data

## Challenge2032

As a first step toward our Long-Term Goal for 2032, we have formulated the Mid-Term Business Plan 2025, which covers the period from FY2023 to FY2025. Under this plan, we aim to achieve sustainable sales growth while improving and maintaining profitability. We have also established the Long-Term Goal of achieving net sales of ¥400 billion by 2032, the year of Topcon's 100th anniversary. To achieve this goal, we will pursue sustainable growth with an entrepreneurial spirit.

### First Mid-Term Business Plan

FY2014–FY2016

- 1 Enhance new business and strengthen core business
- 2 Launch disruptive strategic products
- 3 Utilize global human resources

#### Results

Net Sales

**¥130.7** billion

- Cultivated new markets including IT agriculture, 3D measurement, and remote diagnosis
- Increased the number of launched disruptive strategic products

### Second Mid-Term Business Plan

FY2016–FY2018

- 1 Strengthening the management structure
- 2 Advancement of the growing business
- 3 Creation of a subscription business model

#### Results

Net Sales

**¥148.6** billion

- Achieved sales target as specified in growth strategy
- Achieved a large-scale increase in profit, and put a high priority on strategic upfront investments in the Eye Care Business

### Third Mid-Term Business Plan

FY2019–FY2022\*

- 1 Acceleration of business development in the growing market
- 2 Strengthen profitability of core business
- 3 Creation of new potential market

#### Results

Net Sales

**¥215.6** billion

- Accelerated the development of growing business and created new markets
- Achieved net sales of ¥250.0 billion in view

\* The period of the plan was initially three years, but was extended by one year due to the COVID-19 pandemic

### Mid-Term Business Plan 2025

FY2023–FY2025

Net Sales

**¥250** billion

### Deepening Customer Orientation

Remain a company needed by society

### Reforming the Foundation

Establish an efficient organization

### DX Acceleration

Continue to create future growth businesses

## Long-Term Goal Challenge 2032

Net Sales

**¥400** billion

Creating new business models, striving for sustainable growth



## Progress of the Mid-Term Business Plan 2025

In each of the three pillars of the Mid-Term Business Plan: Deepening Customer Orientation, Reforming the Foundation, and DX Acceleration, we have defined focusing areas in both the Eye Care Business and the Positioning Business as we promote business activities for sustainable growth.

Long-Term Goal		Aiming for 400 billion yen in net sales by the Company's 100th anniversary in 2032.		
Mid-Term Business Plan 2025		Challenging to sustainably growing 100 year venture   Three pillars of sustainable growth		
		<b>Deepening Customer Orientation</b> Remain a company needed by society	<b>Reforming the Foundation</b> Establish an efficient organization	<b>DX Acceleration</b> Continue to create future growth businesses
		<ul style="list-style-type: none"> <li>Developing products and solutions emphasizing customers and markets</li> <li>Making our hardware the de facto standard</li> </ul>	<ul style="list-style-type: none"> <li>Maximizing the efficiency of the Positioning Business</li> <li>Improving the profitability of the Eye Care Business</li> <li>Increasing production capacity and advancing production efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Continuing investment focused on growth areas (R&amp;D, M&amp;A)</li> <li>Strengthening the foundation to accelerate the development/deployment of digital transformation</li> </ul>
FY2024 Progress	Positioning Business	<ul style="list-style-type: none"> <li>Transitioning to a divisional system to facilitate product and solution development closer to customers.</li> </ul>	<ul style="list-style-type: none"> <li>Organizational restructuring and reduction of SG&amp;A expenses in Europe, the U.S. and Asia.</li> </ul>	<ul style="list-style-type: none"> <li>Executing strategic M&amp;A activities and partnerships.</li> </ul>
	Eye Care Business	<ul style="list-style-type: none"> <li>Steady release of new products in both the Positioning and Eye Care businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Structural reforms and profitability enhancements in each region.</li> <li>Transitioning to a direct sales system in the U.S.</li> </ul>	<ul style="list-style-type: none"> <li>Accelerating investment to realize the "Healthcare from the Eye" business.</li> </ul>
	Production		<ul style="list-style-type: none"> <li>Construction of new factories to increase production capacity.</li> </ul>	<ul style="list-style-type: none"> <li>Automation and digitalization to improve production efficiency.</li> </ul>
	Corporate		<ul style="list-style-type: none"> <li>Restructuring low-profit businesses</li> <li>Addressing geopolitical risks.</li> </ul>	<ul style="list-style-type: none"> <li>Advancing the development of next-generation PLM and ERP systems.</li> </ul>

## Financial Strategy

### Mid-Term Business Plan 2025

The Mid-Term Business Plan 2025, launched in FY2023, is positioned as a three-year plan marking the first step toward our 100th anniversary, with the basic policy of "challenging to sustainably growing 100 year venture." Under this plan, we are addressing management challenges and implementing growth strategies across each business based on the three core pillars of our fundamental strategy: Deepening Customer Orientation, Reforming the Foundation, and DX Acceleration.



**Haruhiko Akiyama**

Director  
Senior Managing Executive Officer  
General Manager of Accounting & Finance Div.  
General Manager of Custom Products Business Promotion Div.

### Growth investment

In FY2024, we made strategic investments in M&A, including minority investments in several start-ups in the Eye Care Business. In terms of capital investment, we made investments necessary for improving the production system, promoting the growth strategy, and improving operational efficiency. In addition, we continued to make development investments actively, mainly for expanding DX solutions as well as developing new products and next-generation technologies to enter new business domains. Net cash generated by cash flows from operating activities were mainly used for these investment activities, supplemented by funds procured through bonds, bank loans, etc. We will continue to invest mainly in new technologies and new business domains to expand our shares in growth areas.

### Cost of capital and ROE

We have considered ROE as an important indicator under the Mid-Term Business Plan 2025. We are working to strengthen management with an awareness of the cost of capital, while focusing not only on profitability but also on capital efficiency and the optimal capital structure.

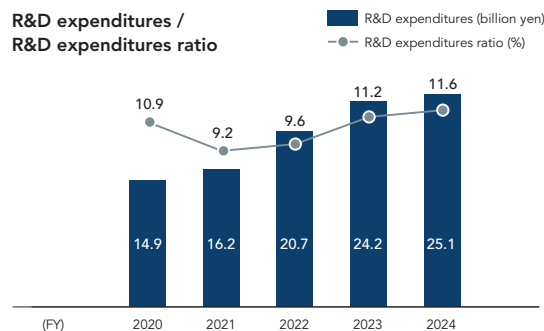
In FY2024, although the Eye Care Business maintained strong sales, sales slowed down globally in the Positioning Business, mainly due to restrained investment. This, in addition to the recording of onetime losses, including structural reform-related expenses, resulted in a fall in profit attributable to owners of parent, and ROE as an important indicator was 0.4%.

### Growth strategy

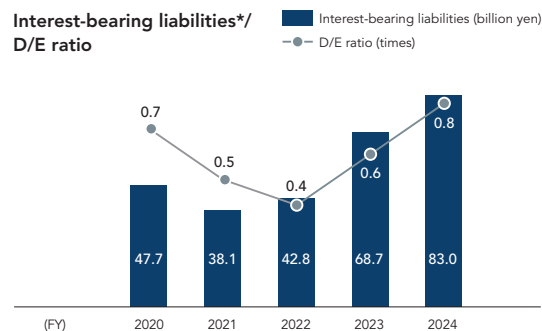
We believe we are entering a critical phase in which both our Positioning Business and Eye Care Business must accelerate bold growth investments. To advance initiatives that go beyond conventional business measures, it will be essential to maintain sustained, Long-Term investments despite an increasingly uncertain business environment driven by economic instability and geopolitical risks, particularly in Europe and the U.S. Furthermore, in creating new businesses, there are also uncertain risks in executing our business. While these measures are expected to enhance the Company's corporate value over the long term, they may have a negative impact on the Group's short-term income and cash flow. If such measures were to be implemented while the Company remains publicly listed, there is a risk that the capital markets may not fully appreciate their value in the short term. As a result, it could potentially disadvantage the Company's current shareholders.

After a careful evaluation of a range of options for these issues, the Company has concluded that the best path forward to benefit all stakeholders, including shareholders, is to address these management challenges flexibly through privatization. This will be achieved under a management buyout (MBO) in strategic partnership with KKR and JICC, while continuing current management policies, strategies, and overall management. This will establish a stable management structure where shareholders and management are aligned, enabling us to respond to business challenges with agility and flexibility. Going forward, we will pursue proactive investments with a Long-Term perspective and enhance our global competitiveness to strengthen our business structure.

**R&D expenditures / R&D expenditures ratio**

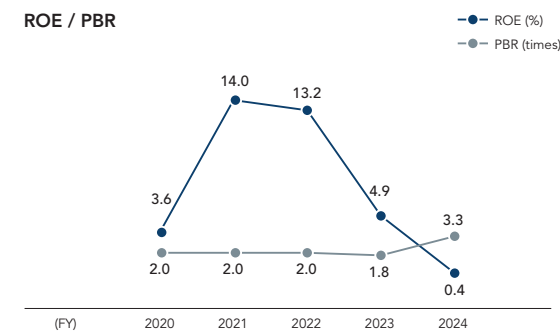


**Interest-bearing liabilities\* / D/E ratio**



\* Excluding lease liabilities

**ROE / PBR**

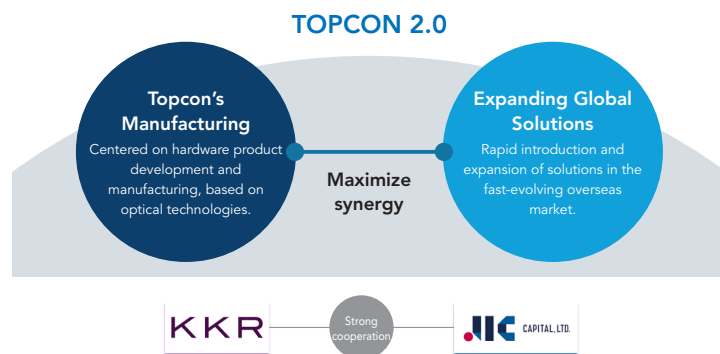


## Accelerating Growth Strategy Through MBO

With KKR, a leading global investment firm with extensive expertise in overseas markets, and JICC, which supports our strategy given its policy significance, as strong partners, we aim to achieve significant growth toward TOPCON 2.0 by creating synergies between Topcon's manufacturing excellence and solutions business worldwide.

### Purpose of the MBO

By combining optical technologies and hardware based on Topcon's Manufacturing, which is rooted in Japanese craftsmanship and forms the foundation of our competitive advantage, with the rapidly growing solutions business, we will build a truly differentiated business, create new value, and drive the sustainable enhancement of corporate value.



#### KKR

KKR is a global investment fund with significant investment experience in areas such as eye care and the industrial sector worldwide.

- With extensive expertise and networks in overseas market expansion, KKR will strongly support our further growth.
- In the Eye Care Business, we expect to broaden sales channels through collaborations with major eye care retail and ophthalmology clinic chains invested in by KKR.
- Leveraging its extensive investing experience in the industrial sector in Europe and the U.S., KKR will enhance the value of our Positioning Business.

One of the world's leading diversified asset management firms. The holding company, KKR & Co. Inc. (Kohlberg Kravis Roberts & Co.), is listed on the New York Stock Exchange

#### JICC

JICC contributes to the creation of new industries and the strengthening of international competitiveness and therefore provides support in recognition of its policy significance.

- JICC strongly supports the global business development centered around Japan's manufacturing strength, which we are striving to achieve.
- By providing Long-Term and neutral funding, JICC seeks to share risks from a medium- to Long-Term perspective.
- JICC serves as a supplement to private-sector businesses, including quantitative and credit supplementation for private equity financing.
- JICC is also a reliable partner in protecting and nurturing the space and defense industries, which are designated as core sectors under Japan's Foreign Exchange and Foreign Trade Act.

A fund management company established as a wholly owned subsidiary of the Japan Investment Corporation (JIC)

### Background to the MBO

2024	Jul	• To consider going private for the purpose of achieving further growth and enhancing corporate value—specifically, an MBO premised on continuous leadership by Takashi Eto—the Company established a Strategic Special Committee composed of five outside directors.
	Aug	• We began the bidding process to participate in a privatization transaction.
	Sep	• We received a non-binding proposal from KKR.
	Nov	• After continuous discussions, we received an updated non-binding proposal from KKR.
2025	Jan	• We received another updated non-binding proposal from KKR. • We initiated due diligence, including interviews with our management regarding business strategy.
	Feb	• We received the final proposal from KKR.
	Mar	• Upon comprehensively comparing and examining the contents of the final proposal, we granted KKR exclusive negotiation rights.
		• We agreed with KKR to proceed with the transaction at a tender offer price of 3,300 yen per share of our stock. • We entered into an agreement on the principal terms of a shareholders' agreement between KKR and JICC.

The Strategic Special Committee convened for a total of 17 meetings between July 30, 2024, and March 28, 2025

### Ensuring Fairness of the Process

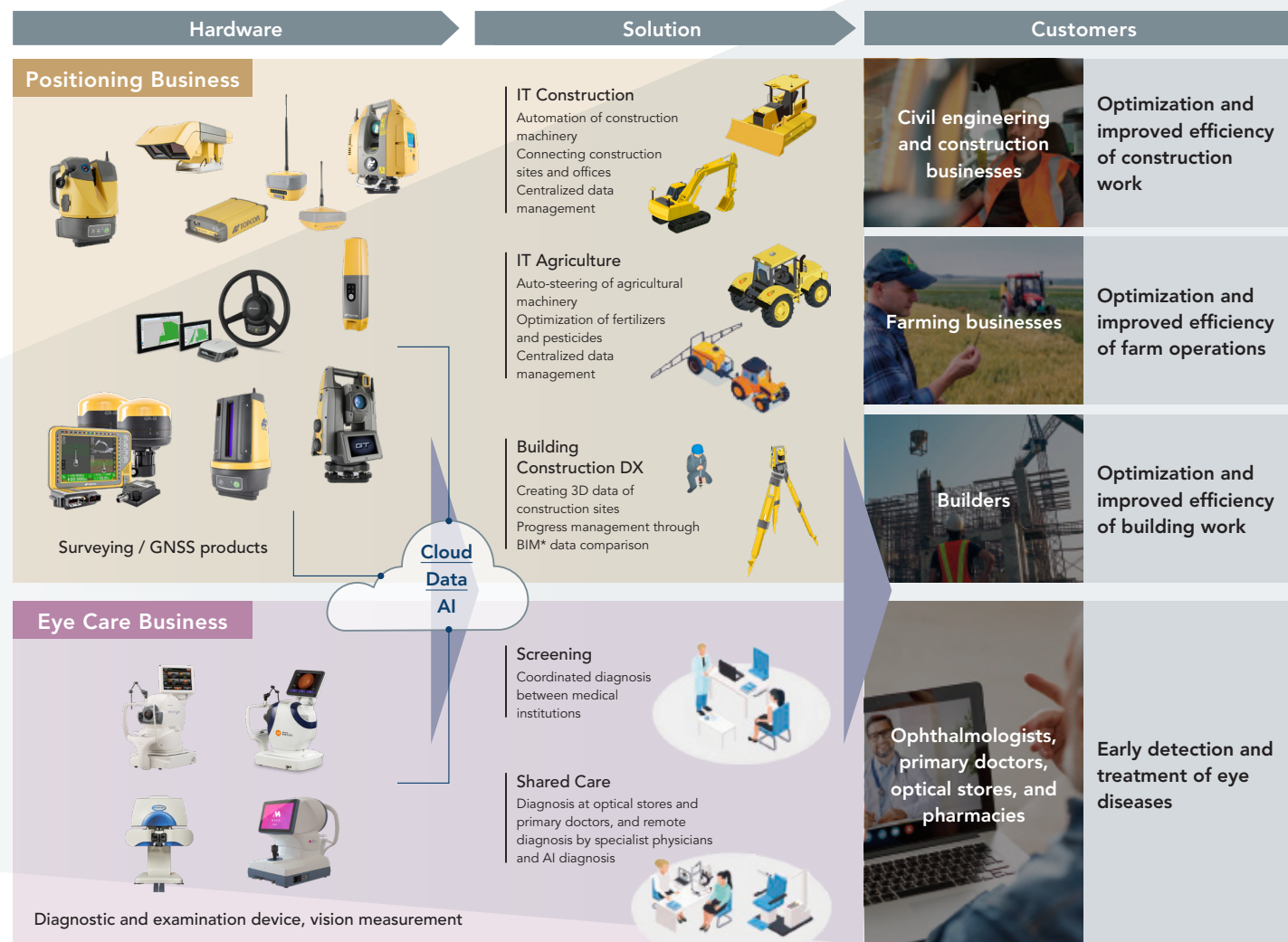
In light of potential conflicts of interest posed by carrying out this tender offer as part of an MBO, and to ensure fairness and eliminate arbitrariness in the decision-making process, the following measures were taken:

1. Receipt and review of proposals from multiple potential buyers
2. Obtain evaluation reports on share value and fairness opinions from an independent valuation firm
3. Established an independent Strategic Special Committee within the Company and obtained its written recommendation
4. Set a lower tender offer threshold that satisfies the majority-of-the-minority condition
5. Retained independent legal advisors for both the Company and the Strategic Special Committee
6. Approval by directors who have no conflict of interest at the Company and no objections by all corporate auditors
7. Ensure sufficient time before the start of the tender offer to preserve opportunities for other potential acquirers to make offers
8. Ensure that no coercive elements arise

## Topcon's Strengths –Advanced Technology–

### Creating innovative solutions based on measurement technologies

In addition to the optical technology developed since its founding, Topcon has continuously advanced its measurement technologies by aggressively incorporating and combining new technologies that reflect the evolving needs of the times. Based on our measurement technologies, we have developed proprietary hardware, and further built upon it to create unique solutions that form the foundation of our competitive advantage. Topcon will continue to pursue the development of innovative, technology-driven solutions to address the challenges faced by its customers.



\* BIM (Building Information Modeling): A digital framework for generating and managing 3D building data used for design validation and progress comparison.





## Topcon's Core Technologies –Core Competence–

### Optical technology

Leveraging many years of accumulated expertise in high-precision and reliable measurement technologies to broaden applications across multiple domains.

#### Advanced optical design capabilities

Through our proprietary design expertise that minimizes distortion and aberration in optical systems, we have achieved exceptional accuracy in measuring instruments such as distance and angle measurement devices. In medical devices such as fundus cameras, our technology enables reliable acquisition of high-resolution and highly reproducible image data.

#### Precision lens machining technology

Through our uniquely advanced polishing and surface coating technology, we are able to thoroughly eliminate microscopic irregularities on lens surfaces. Achieving industry-leading light transmittance and extremely low reflectance, our technology fundamentally supports the performance and reliability of measurement instruments and medical devices.

### Sensing technology

Combining a range of measurement technologies, including high-precision GNSS, laser scanners, and optical sensors, to provide comprehensive and highly efficient solutions.

#### Integrating a wide range of sensors

Integrating lasers and optical sensors allows for dramatic improvements in measurement accuracy and operational efficiency. In the medical devices field, our optical systems and image sensors enable highly precise examinations and diagnoses by capturing subtle biological changes.

#### Real-time analysis and visualization

We utilize our proprietary algorithms and cloud technology to instantly process the vast amounts of data obtained from a variety of sensors. Real-time visualization and sharing of analytical results allow specialists at remote locations and teams in multiple sites to gain a common understanding of the situation, facilitating faster and coordinated decision-making.

### Automation technology

Automation and process optimization have dramatically improved the quality and speed of operations.

#### Automated control of construction machinery and agricultural machinery

We are integrating precise measurement technologies using GNSS and various sensors with advanced control systems and 3D design data. In construction and agricultural sites, our system provides automated and high-precision control of heavy machinery, realizing labor and manpower savings.

#### Auto-alignment functions / Auto-tracking functions

Our medical devices are equipped with automated alignment and focus adjustment functions during image acquisition. Unlike conventional systems, no complex operations are required, allowing for consistently high-quality images and stable diagnostic results regardless of the operator's skill level.

### Image processing technology

By integrating advanced optical technology with sophisticated image analysis algorithms, our system accurately and rapidly extracts essential information from captured images.

#### Multifaceted image analysis

In the medical devices field, image visualization and quantification technologies have advanced dramatically. Our technology enables more precise and reproducible diagnoses for early detection and assessment of disease progression, contributing to improving the quality of medical care.

#### Applications in a wide range of fields

In surveying and construction sites, Topcon's systems scan large areas quickly and with high precision, providing a realistic visualization of terrain, structures, and construction progress. The acquired data are used to generate highly accurate 3D models, which supports project progress tracking and quality control.

Core Competence

## Topcon's Strengths –Advanced Technology–



### Engineer Interview: Topcon's Core Technologies

Where can the source of globally recognized measurement technologies be found? Unrivalled Core Technologies of Topcon—Five of Topcon's leading engineers share insights into the Company's unmatched expertise in precision optical technology, sensing technology, automation technology, and image processing technology. Through dialogue, they uncover the technologies and philosophies behind their competitive edge.

(From top left of group photo)

#### Atsushi Kubota

Topcon Healthcare, Inc.  
VP, Software Engineering  
Applications

#### Zaixing Mao

Chief Specialist  
Eye Care Advanced  
Development Dept.

#### Masashi Nakajima

Manager,  
Optical Design Section,  
Eye Care Design Dept.

#### Masahiro Akiba

Executive Chief Specialist,  
Eye Care Advanced  
Development Dept.

#### Naoki Shoji

Executive Chief Specialist,  
Smart Infrastructure Product  
Development Dept.

### Strengths in optical technology

With a deep understanding of fundamental technologies such as geometric optics and wave optics, Topcon has continuously adapted and advanced these fundamental technologies to meet diverse applications and targets. In the positioning field, we integrate optical and electronic measurement technologies, while in the eye care field, we deliver highly precise optical designs tailored to a wide range of eye characteristics, such as axial length and refractive errors. Particularly, our active sensing technology, capable of precise tracking of even the moving eye, is the result of many years of development experience. By delivering high-precision testing data with advanced aberration correction and wide-angle imaging, this core technology enables Topcon's unique approach to "visualization capabilities."

### Strengths in sensing technology

In addition to optical technology, Topcon delivers optimized sensor solutions built on electro-optic distance and angle measurement technologies tailored to diverse environments and applications. These systems achieve sub-millimeter precision even at distances of 100 meters, ensuring reliable performance not only on the ground, but also in the air, as well as under demanding conditions such as vibration and extreme temperatures. Furthermore, the integration of GNSS receivers into chips enables real-time processing of complex positional data. Topcon's sensing technologies are widely recognized as the driving force behind the next generation of measurement technology.

### Strengths in automation technology

In addition to automated measurement technologies that enable reliable data collection, Topcon derives

innovation under the concept of "data democratization"—making valuable information accessible to a wide range of users. In the eye care field, our automation technologies streamlined complex clinical workflows, from image capture to diagnostic support through minimal user operation. By integrating motorized precision optics with image processing and AI, it reduces the need for re-imaging, enhances diagnostic efficiency, and improves both operational productivity and the quality of collected data. Furthermore, through external collaboration using standardized formats, the accumulated data sets are effectively utilized to accelerate future technological development.

### Strengths in image processing technology

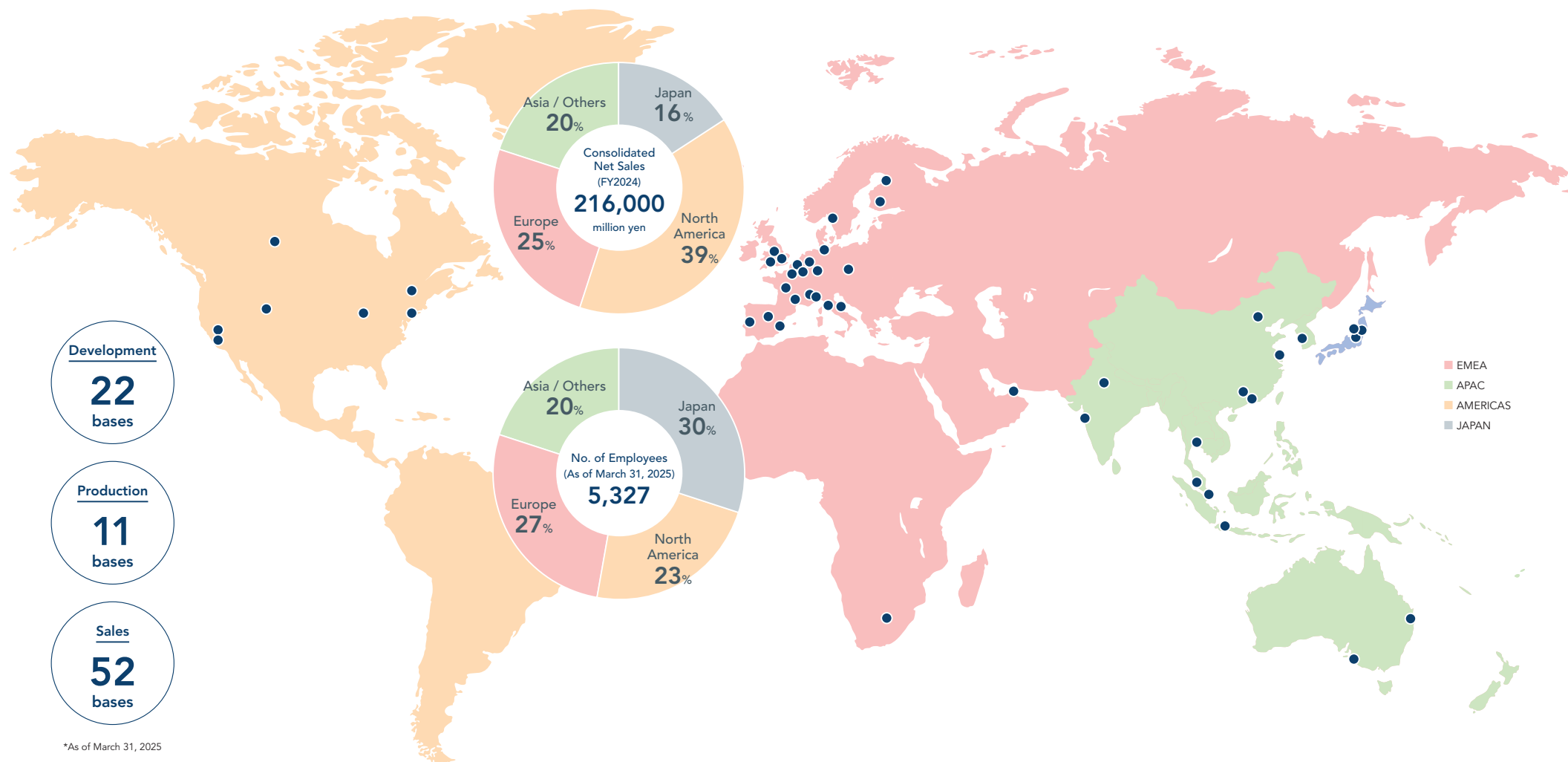
One of our greatest strengths lies in our integrated development approach—combining in-depth expertise in measurement hardware with advanced point-cloud and image-processing technologies to enhance the performance of our proprietary measurement and diagnostic devices. In the eye care field, we combine proprietary image processing technology with AI algorithms to reduce noise and improve the accuracy of lesion detection. By transforming high-quality optical data into clinically valuable information in real time, we elevate the quality of diagnostic support, delivering tangible benefits to both patients and clinicians.



## Topcon's Strengths –Highly Globalized–

### Solving social challenge in construction, agriculture, and healthcare with our colleagues around the world

The Topcon Group has grown its business by acquiring cutting-edge companies worldwide through M&A, then combining them with existing technologies to create new value. Currently, we have development, production, and sales bases in 23 countries and regions around the world, with nearly 80% of our sales in overseas markets. In our global expansion, employees of diverse nationalities demonstrate their capabilities, working with team members around the world to solve social issues in construction, agriculture, and healthcare.



## Topcon's Strengths –Highly Globalized–

The Topcon Group is further boosting the competitiveness of its business domains through strategic acquisitions as it accelerates its global expansion. In the Positioning Business and Eye Care Business, partner companies that have joined us in new fields are supporting our future growth.

### Positioning Business

#### Satel Oy (Finland)



**Supporting communication infrastructure at construction sites**  
—Accelerating Construction DX through radio communications technology

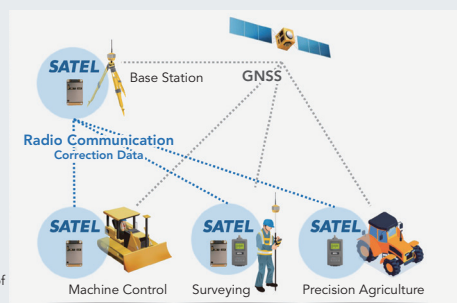
In 2023, Topcon acquired Satel, a radio communications technology specialist headquartered in Finland, and made it into a subsidiary. Satel develops and manufactures highly reliable and durable wireless modules specialized for industrial applications, earning global acclaim in such diverse fields as construction, agriculture, weather observation, ports, and energy.

Position data obtained from a single GNSS receiver results in errors in units of meters. That is why construction sites share corrected data calculated at base stations, enabling surveying instruments and heavy machinery to determine position with accuracy down to the centimeter. Radio communication is used to transmit this corrected data. Independent radio communication is particularly vital in locations where cellular communication is unstable, such as vast sites, mountainous areas, or high-rise construction in urban areas. Satel's products greatly improve work safety and efficiency by enabling long-distance, stable communications even in environments without an established communication infrastructure.

Satel's strength lies in its technological capabilities to support mission-critical communications. Their wireless modules deliver high performance even in harsh weather conditions or environments with heavy radio interference, and are widely used in global markets through strong networks with OEM manufacturers and specialized distributors worldwide.

Topcon is working to promote digitalization and smart construction in the construction industry, with a focus on surveying instruments and construction support systems. Integrating Satel's radio technology into Topcon products allows us to improve positioning accuracy and enable coordination between equipment, which is expected to optimize workflow across entire worksites.

Combining the technologies and market reach of both companies will help us build a framework to address a wider range of needs.



Overview of Satel

Key business: Development and manufacturing of radio network technology

Website: <https://www.satel.com/>

### Eye Care Business

#### VISIA Imaging S.r.l. (Italy)



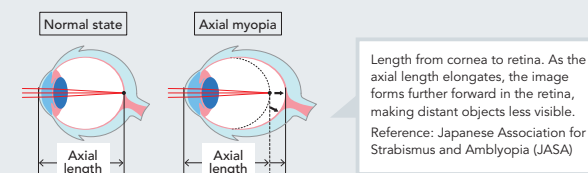
**Enhancing overall capabilities as an ophthalmic diagnostic device manufacturer.**

VISIA Imaging S.r.l. ("VISIA") is an Italian company that develops and manufactures anterior segment examination devices (covering the cornea, crystalline lens, etc.) and related software. Founded in 1993 by a group of engineers specializing in developing image analysis software for microscopes, VISIA joined the Group in July 2021. This addition of anterior segment examination device and related software to our strengths in fundus imaging device, such as fundus cameras and OCT (optical coherence tomography), will reinforce our comprehensive capacity as an ophthalmic diagnostic device manufacturer. In addition to creating synergy through an expanded product portfolio and brand building, we will work to create stronger global organizations to accelerate development and supply that accurately captures market needs.

It is estimated that 50% of people worldwide will be myopic in 2050. The primary cause of myopia is an elongation of the axial length (the depth of the eye). The broad impact of myopia is said to include a decline in academic performance of school-age children, as well as a deterioration of quality of life. It also increases the risk of other eye diseases, such as glaucoma and pathological myopia. MYAH is a multi-functional device that offers the technologies required to support myopia management: optical biometry, corneal topography and pupillometry. MYAH has the opportunity to make a significant contribution in the area of myopia management.

Holden, BA, Fricke, TR, Wilson, DA et al.  
Global prevalence of myopia and high myopia and temporal trends from 2000 through 2050.  
Ophthalmology. 2016; 123:1036-42. Available from: doi: 10.1016/j.ophtha.2016.01.006

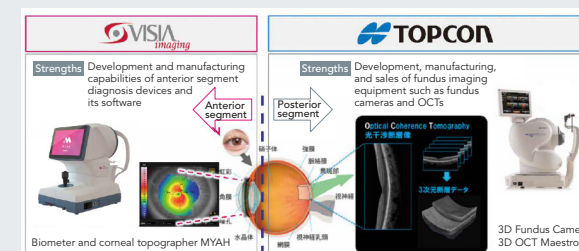
#### What is the axial length?



Overview of VISIA

Key business: Design, development, and manufacturing of ophthalmic medical devices and software

HP: <https://www.visiainaging.com/en/>





## Strategies by Business –Positioning Business–

### POSITIONING BUSINESS



Our Positioning Business leverages our core technology of precision positioning to drive digital transformation (DX) solutions in construction and agriculture, contributing to the development of more robust social infrastructure.

#### Strengths in the Positioning Business

##### A high level of technological capabilities and reliability

- High-precision 3D measurement technology and precise hydraulic control technology
- Auto-steering technology for agricultural machinery that utilizes precision GNSS
- High durability and operability in harsh environments such as construction and agriculture sites

##### A broad product portfolio

- Provision of automated construction work solutions that enable centralized management of the construction workflow: surveying, design, construction and verification
- Provision of automated farm operation solutions that enable management of the farming cycle: planning, sowing, cultivation, and harvesting

##### A global network

- Global expansion through extensive sales networks and partners
- Entry into emerging markets with high growth potential

#### Potentially Positive External Circumstances

##### Increased demand for IT Agriculture, IT Construction, and Building Construction DX

- IT Agriculture: Increased demand for automation amid labor shortages
- IT Construction: Huge potential market for solutions tailored to small-to-mid-sized construction machinery
- Construction DX: Rising demand for enhanced productivity and quality in the building construction field, driven by tighter project timelines and the need for clearer quality benchmarks

##### Integration of digital technologies

- Increased added-value through integration of location data with the cloud, IoT, and other such technologies
- Recurring revenue generation through subscriptions and application development

##### Growth in emerging overseas markets

- Increased demand for high-precision positioning solutions due to improved agricultural productivity and expanded infrastructure investment in emerging economies
- Expansion of market share in emerging markets through our global network

#### Potentially Negative External Circumstances

##### The rapid evolution of new technologies and the emergence of competitors

- Rapid advancements in GNSS technology and drone surveying techniques are attracting new competitors, raising concerns about intensified price and technological competition

##### The impact of international political and economic conditions

- Increases in raw material cost and supply chain vulnerabilities stemming from challenges in semiconductor and electronic component procurement, and rising geopolitical instability
- Unstable revenue generation due to the effects of foreign exchange rate fluctuations

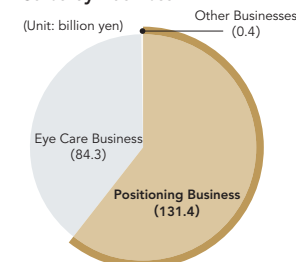
##### Regulatory and standardization changes

- Delays in new product launch schedules due to compliance with changes in the regulations and technical standards of various countries

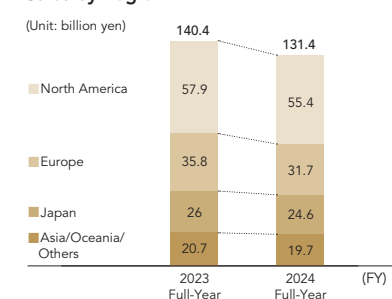
#### Performance Highlights

In the Positioning Business, net sales decreased 6.4% year on year to ¥131,359 million due to sluggish sales in IT construction in Europe and the U.S., caused by restrained investment amid high interest rates and uncertainty surrounding trade, financial, and industrial policies under the new U.S. administration. In addition, although a surveying instrument was released, sales struggled to recover from delays earlier in the fiscal year. In IT agriculture, global sales also slowed, impacted by restrained investment from a decline in grain prices and other factors. While restructuring efforts produced the intended effects, operating income decreased by 34.3% year on year to ¥5,984 million, due to lower net sales compared to the previous fiscal year.

##### Sales by Business



##### Sales by Region



#### Message from the Head of Positioning Business

TOPCON CORPORATION has supported a wide range of infrastructure and agriculture sites with our precision positioning technology and automation solutions over the years. These industries face increasing challenges, such as global labor shortages, environmental concerns, and the ability to increase productivity cost effectively. We want to expand our success through the acceleration of digitalization in these markets. Going forward, we will promote a strategy of providing optimal value to our customers using simpler and more innovative technology to better meet our customers' needs. Specifically, we will introduce new products and services that contribute to improved operational efficiencies and productivity.

We will also strengthen collaborations with partner companies to lead the transformation of social infrastructure. By continuing to take on new challenges of improved internal efficiencies, and an increased focus to make our customers' lives simpler, we aim to achieve sustainable growth and contribute to society.



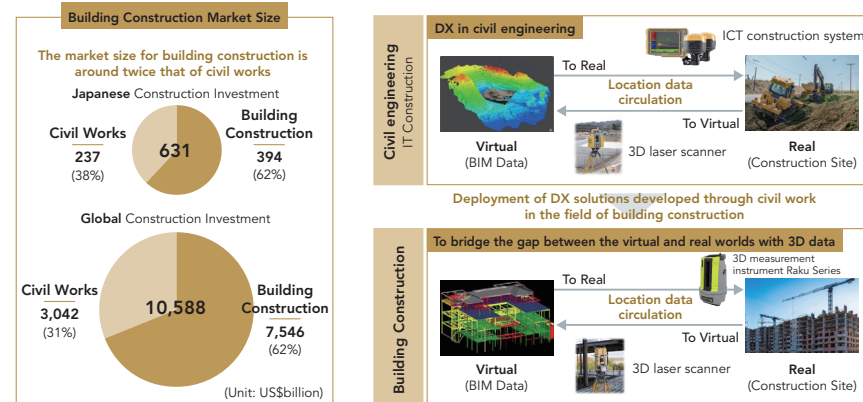
**Ivan Di Federico**  
Senior Executive Officer  
General Manager,  
Positioning Company  
President & CEO,  
Topcon Positioning Systems, Inc.

## Strategies by Business –Positioning Business–

# POSITIONING BUSINESS

## Growth Strategy

### Building Construction DX Business: Proprietary Solution to Increase Building Construction Productivity



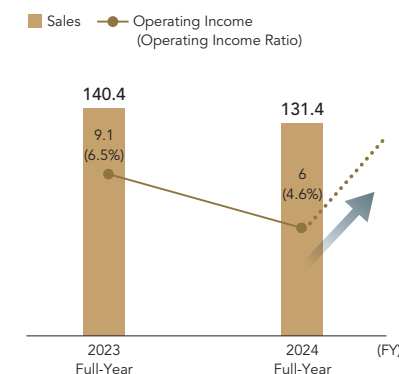
Source: Calculated from the National Bureau of Statistics' China Statistical Yearbook 2020, converted at 1 USD = 6.57 yuan. /Calculated from the US Department of Commerce's Bureau of Statistics' Construction Spending. /Compiled from the European Federation of Construction Industry FIEC "KEY FIGURES 2019," converted at 1 USD = 0.82 EURO. /Calculated from the Ministry of Land, Infrastructure, Transport and Tourism's FY 2020 Construction Investment Outlook, converted at 1 USD = 103.6 yen.

## Structural Reforms

In the Positioning Business, the selling, general and administrative expenses ratio temporarily increased in FY2024 due to a decline in sales caused by market conditions. However, the absolute cost of selling, general and administrative expenses, primarily labor costs, was reduced through the promotion of structural reforms. Furthermore, by adopting the V-model for Headquarters product development, we have established a consistent development process—from requirement definitions to verification—tailored to on-site needs. As a result, we have released a series of new products that dramatically improve productivity at surveying and construction sites, including the total station GT/iX-1500, the GNSS receiver HiPer XR/GRX5, the 3D measurement program SDR5000 with a new UI, and the CR-P1 high-density 3D laser scanner. In the building construction field, solutions that assist in reducing labor and improving accuracy have also been introduced, such as the Raku Ichi single-operator layout navigator and the steel frame erection guidance app Raku Choku. These initiatives are enhancing our technological capabilities and market responsiveness and effectively establish the infrastructure needed to achieve both greater competitiveness and improved productivity.

### Net Sales / Operating Income

(Unit: billion yen)



## Innovative solutions to accelerate Building Construction DX

Topcon is launching numerous innovative products and services to accelerate Building Construction DX. Most notably, our new layout navigator LN-160, which also supports BIM integration, and the HP SitePrint robot, which automatically carries out high-precision layout work, eliminate reliance on individual expertise and significantly improve construction accuracy and efficiency. CR-P1 3D laser scanner and the update of new field software Collage Site, which supports remote operation and real-time data verification for scanners, enable fast, high-precision capture of site geometries. Additionally, our field apps, operable via smartphones, contribute to reducing on-site labor through high-precision, single-operator layout work solutions (Raku Zumi) and single-operator steel frame erection guidance solutions (Raku Choku). These solutions facilitate the merging of virtual and real-world physical locations, elevating productivity and quality control at building construction sites to the next level.



The construction industry faces a chronic labor shortage, worsened by an aging workforce and challenges in attracting younger employees. Moreover, differences in construction practices and site-specific administrative systems result in inconsistent quality and reliance on individual expertise, making productivity gains difficult to achieve.

To address these industry challenges, Topcon is applying its accumulated experience in DX solutions from the civil engineering field to the building construction field, driving the digital transformation of construction sites. Building Construction DX refers to initiatives that dramatically improve productivity and quality on-site by digitally linking each process—design, construction, and evaluation—and precisely aligning the virtual (designing and planning) with the physical (site and construction).

This bridging of the gap between the virtual and real worlds is the core concept behind Building Construction DX. Accurately translating 3D models and BIM data from the design phase into on-site construction helps minimize errors and redundant work, while reducing reliance on individual expertise. Furthermore, digitally recording progress and measurement results during construction enables remote management and quality control.

Layout systems developed from precision positioning equipment such as Topcon's Robotic Total Station, along with cloud-based software suites, form a critical technological foundation that underpins the integration of virtual and real elements at building construction sites.

This foundation enables the digital recording of progress and measurement results during construction, allowing for accurate site assessments and ensuring alignment with design specifications. Storing and utilizing digital data in the cloud also allows for remote construction management and quality control.

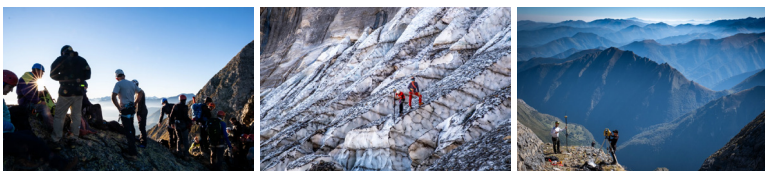
Implementing these measures ensures uniform quality in building construction work, improves work precision, and guarantees safety.

## Environmental and Social Initiative Contributions Through Our Positioning Business

### Climate change visualization and environmental contributions through glacier research support

In collaboration with a French agency specializing in geospatial data and GNSS technology, we supported survey activities on the Arcouzan Glacier in the Pyrenees Mountains. Our GLS-2200 3D laser scanner demonstrated exceptional robustness and operability in the harsh, high-altitude environment, enabling highly accurate measurements of changes in glacier volume and thickness. Contrary to previous predictions, this has numerically demonstrated that glaciers are melting and shrinking due to the effects of climate change. While this survey has provided significant scientific insights into the reality of climate change, it has also demonstrated the effectiveness of our surveying technology in environmental research.

 Supporting glacier research in the Pyrenees (France)  
<https://global.topcon.com/sustainability/news/12157/>

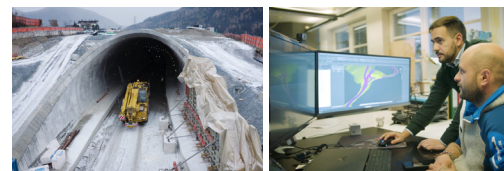


#### Materiality

- Providing Creative Products through Technological Innovation

### Contributing to regions and the environment through digital infrastructure support

In the municipality of Rasun-Anterselva in Northern Italy, the Perca Bypass (total length 3 km) is under construction as part of the transportation infrastructure development for the 2026 Winter Olympics. Implementing Topcon's 3D machine control and Aptix solutions in construction not only improved design accuracy but also enabled tracking of work progress and CO<sub>2</sub> emissions, contributing to reduced material and fuel consumption. Aptix is providing daily visualization of site conditions, contributing to improved construction quality and reduced environmental impact. These initiatives have led to improved quality of life for local residents, and Topcon will continue to support the realization of a sustainable society through digital technology.




#### Materiality

- Providing Creative Products through Technological Innovation
- Coexisting with the Local Community

### Automating agriculture to reduce our impact on the environment

The challenge for large-scale potato farms in Ireland was to maintain productivity while reducing the use of chemicals such as pesticides. To address this, we utilized Topcon's crop monitoring sensor for continuous monitoring and analysis. We were able to identify the correlation between soil changes caused by the amount of fertilizer and pesticides used and the growth rate of potatoes, and we were successful in reducing excessive chemical substances. With the optimization of fertilizers, land previously unsuitable for farming became available for cultivation, and increased yields were achieved. Its auto-steering system also leads to reduced CO<sub>2</sub> emissions.

 Contributing to the environment by reducing pesticide and fertilizer use / Monitoring crop health to improve potato harvests (Ireland)  
<https://global.topcon.com/sustainability/news/10013/>



#### Materiality

- Promoting and Accelerating DX Solutions
- Reducing the Impact on the Global Environment

### Cooperation with Southeast Asian government agencies

Topcon participated in the Japanese government's activities aimed at the development and utilization of electronic reference stations in Thailand through JICA's technical promotion project. Because Thailand is facing a serious social issue of labor shortages in the agriculture, civil engineering and construction industries due to rapid aging, the Thai government is promoting the automation of practical work. We have demonstrated the benefits of establishing and utilizing electronic reference stations through proof-of-concept experiments and seminars related to IT Construction and high-precision surveying by utilizing high-precision positioning data and 3D data in the fields of surveying, construction, and agriculture.

 Cooperation with Southeast Asian government agencies / Japanese and Thai companies collaborate in the fields of surveying, construction, and agriculture (Japan)  
<https://global.topcon.com/sustainability/news/12107/>



#### Materiality

- Promoting and Accelerating DX Solutions
- Coexisting with the Local Community



## Strategies by Business –Eye Care Business–

### EYE CARE BUSINESS



Through eye examination equipment and IT solutions, Topcon contributes to maintaining healthy vision and enhancing the efficiency and sophistication of ophthalmic care.

#### Strengths in the Eye Care Business

##### Strong brand presence in ophthalmic equipment

- Our long track record in ophthalmic equipment has established a high level of recognition and credibility both in Japan and overseas

##### Advanced technology development capability

- Our R&D capabilities enable us to deliver high-precision, cutting-edge solutions for eye care, such as OCT (optical coherence tomography) and digital diagnostic equipment

##### User-friendly product design

- Product designs for OCT, fundus cameras, and examination equipment that incorporate fully-automated alignment and other features to boost operability and comfort for both examiners and patients

##### Global sales and service network

- Having bases in Europe, the U.S., and other regions, we have established local systems that make it easy to approach diverse markets and customers

#### Potentially Positive External Circumstances

##### Growing demand in the eye care and healthcare fields

- Increasing global demand for ophthalmic examination and treatment driven by an aging population, a rising prevalence of myopia, and awareness of preventive healthcare

##### Progress in digital health and remote care

- More development opportunities for solutions driven by growth in fields such as telemedicine and AI-powered automated diagnosis

##### Growth in emerging markets

- Growing demand for medical infrastructure development primarily in Asia and Africa driven by a growing middle class, creating greater opportunities for market entry

#### Potentially Negative External Circumstances

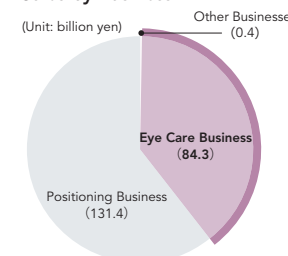
##### Regulatory and certification hurdles

- Longer lead times for product launch due to increased costs and time required to comply with international medical device standards and stricter regulations in each nation

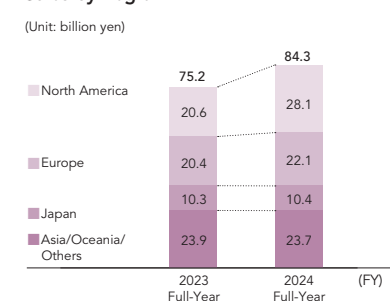
#### Performance Highlights

In the Eye Care Business, net sales increased by 12.2% year on year to ¥84,311 million, driven by continued solid sales to major optical store chains in Europe and the U.S., as well as a significant sales increase resulting from securing a large strategic project in North America, despite sluggish performance in China. Although personnel expenses and software development costs increased due to the enhancement of the sales structure in North America, these were offset by the sales growth, resulting in an increase of 27.0% year on year in operating income to ¥8,527 million.

##### Sales by Business



##### Sales by Region



#### Message from the Head of Eye Care Business

Topcon has fostered innovative technologies and products in the field of eye care, helping improve the health and quality of life for people around the world. FY2025 is the final year of our current Mid-Term Business Plan and a pivotal step toward our next phase of growth. By combining our strengths of fully-automated robotic examination equipment, AI, and cloud-based software platforms by leveraging a new system that uses data obtained from eyes to screen overall health, we will work to achieve early detection of disease and create new business opportunities through the use of data. As we accelerate business growth in the U.S. market, we will strengthen our internal organization, optimize business processes, deliver faster and more reliable services, and promote sustainable growth and contribution to society.



**Hideyuki Takizawa**  
Managing Executive Officer  
General Manager,  
Eye Care Business Div.



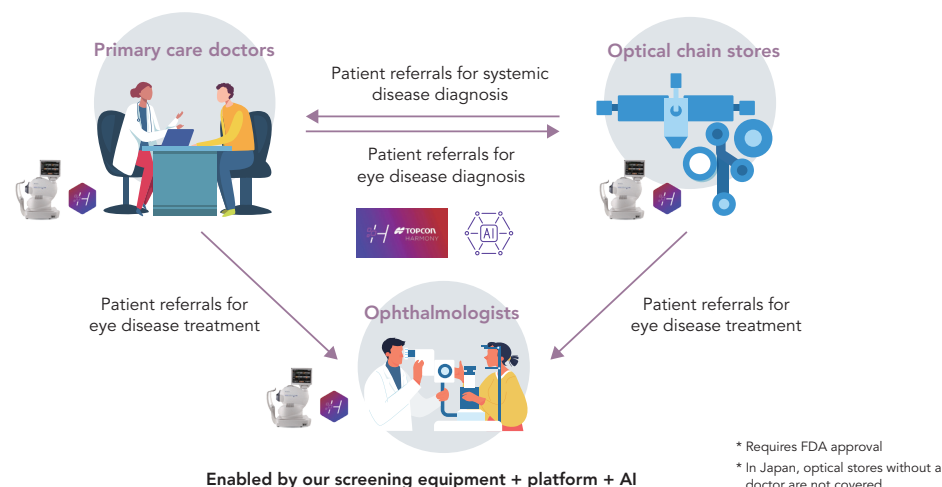
## Strategies by Business –Eye Care Business–

# EYE CARE BUSINESS

## Growth Strategy

### Promoting “Healthcare from the Eye”

- Early detection of systemic diseases through a screening ecosystem involving primary care doctors, optical chain stores, and ophthalmologists
- Using AI diagnosis, it is possible for non-specialists to perform health checks. Primary care doctors, optical chain stores, and ophthalmologist—all benefit from this arrangement
- Early detection of diseases and early treatment through referrals can significantly reduce the burden on patients and medical costs



This is a business model that aims to detect systemic diseases at an early stage based on information from the eye. It does so by integrating hardware devices equipped with our proprietary full-auto alignment technology and services centered on the referral platform Harmony with AI technology. Our targets include primary care physicians, optical shops, ophthalmologists, hospitals, and specialized outpatient clinics. Furthermore, by utilizing these technologies and products owned by the Company, we also offer solutions—previously dependent on specialized technicians—through methods such as a Clinical Decision Support System (CDSS).

Screening programs essential for early detection and early treatment have undergone significant evolution through technological innovation. What would previously take the specialized staff at reading centers several days to process can now be handled rapidly and efficiently through AI-based screening. Such technological advances are well aligned with our commitment to developing user-friendly products, and we expect more growth in global markets through the integration of AI and Topcon products.

\* CDSS: Clinical Decision Support System

When referring patients, mistaken referrals of healthy patients waste the time of both the patient and the physician, causing significant user dissatisfaction. CDSS is a tool that allows primary care doctors and optometrists to refer patients based on set criteria and serves as a filter for maintaining the quality of our patient referral network, differentiating us from competitors.

## Structural Reforms

The Eye Care Business achieved an operating income ratio of 10.1% in FY2024. This means we achieved our final target for FY2025 in the Mid-Term Business Plan a year ahead of schedule, with the shift to a direct sales structure in the North American market contributing significantly to increased sales. In parallel with this, we have set forth ECB2.0 Vision and are implementing structural reforms based on the six pillars below. Of these, the Change to Project-Based Management helped us shift from conventional department-based management to a structure where dedicated project managers oversee everything from development to sales for each product and service. This has maximized ROI (return on investment) and streamlined our upstream processes, creating a strong foundation for profitability and sustainable business growth.

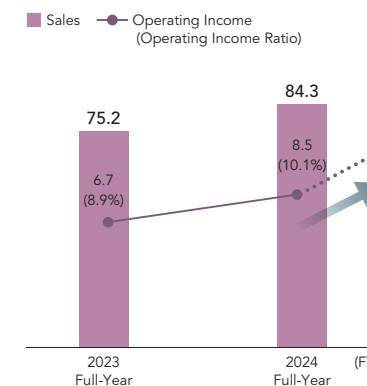
Under the ECB 2.0 Vision, implement six pillars of structural reforms and growth strategies in parallel

### ECB 2.0 Vision

- Realize sustainable growth and OP of 10% or more
- Reorganize business portfolio (Key point of growth phase)
- Establish a grand design and execution plan for the Mid- to Long-Term Business Plan (Key point in the growth phase)
- Change to Project-Based Management
- Improve planning and development upstream processes
- Develop and implement a human resource development plan to create next-generation global management team

## Net Sales / Operating Income

(Unit: billion yen)



## Acquisition of RetInSight

Topcon acquired RetInSight, an Austrian company that possesses AI technology specialized in ophthalmic image analysis.

RetInSight has developed a proprietary algorithm that uses fundus images to detect, with high precision, the risk of major retinal diseases that are leading causes of vision loss worldwide and has high technological capabilities in the area of AI-based ophthalmic diagnostic support.

Integrating the technologies of both companies will further accelerate Topcon's strategy of “Healthcare from the Eye” and provide new value to medical practices and patients, such as improved access to high-quality eye care, reducing healthcare costs, and improved diagnostic and treatment outcomes.



RetInSight is an AI provider based in Austria.





## Environmental and Social Initiative Contributions Through Our Eye Care Business

### International collaboration and medical support for early detection of diabetic retinopathy

In partnership with Orbis International and the Rwanda International Institute of Ophthalmology, Topcon Healthcare Inc. is supporting initiatives for the early detection of diabetic retinopathy. We donated non-mydriatic fundus cameras TRC-NW400 and NW500 to the screening center in Kigali, Rwanda. By integrating them with Orbis's AI tool Cybersight AI, we were able to introduce a system that quickly detects signs of eye diseases. This has enabled rapid acquisition of test results and medical referrals, significantly increasing the potential to prevent vision loss due to disease progression. In areas where medical professionals are scarce, wider adoption of such screening is a crucial initiative that can alleviate the burden on healthcare resources. Through support for the early detection and treatment of eye diseases, the Group will continue to contribute to the realization of healthy lives.



Topcon and Orbis International Join Forces to Expand Diabetic Retinopathy Screening in Rwanda  
<https://global.topcon.com/sustainability/news/12263/>



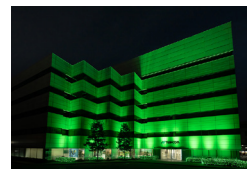
#### Materiality

- Promoting and Accelerating DX Solutions
- Coexisting with the Local Community

### Sponsorship of the Light up in GREEN campaign to raise awareness of glaucoma

Since 2020, the Company has been supporting the glaucoma awareness campaign launched by the Japan Glaucoma Society. During the international awareness campaign World Glaucoma Week, we participated in the Light up in GREEN campaign organized by the society, illuminating our eight sales offices nationwide, including our headquarters (Itabashi Ward, Tokyo), in green in 2025. Glaucoma is the leading cause of blindness in Japan, and its early detection and ongoing treatment are considered crucial.

Topcon is contributing to the maintenance of healthy eyes through development and provision of equipment and systems for the diagnosis and treatment of eye diseases. We will continue our efforts to raise awareness through educational activities, widely communicating the seriousness of glaucoma and promoting early detection and treatment.



#### Materiality

- Providing Creative Products through Technological Innovation

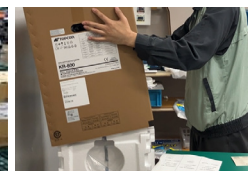
### Initiatives to reduce greenhouse gases through lighter, more compact packaging materials

We regard reducing the environmental impact of our business activities as a key management priority to contribute to the realization of a sustainable society. Recognizing that supply chain logistics processes are closely linked to greenhouse gas emissions, we are working to review and improve our logistics systems.

The first measure involves applying a new packaging system to the KR-800 series (ophthalmic examination device) and deploying it globally.

In the past, we employed double packaging, where outer packaging was applied over inner packaging. Under this initiative, however, we have omitted the outer packaging by enhancing the strength of the inner box, enabling shipment using single packaging. Through transportation testing, this new specification has been thoroughly verified for safety and durability before implementation. The new specification simultaneously achieves reduced packaging materials and streamlined work processes while maintaining transportation quality.

The result is greenhouse gas reduction benefits across a wide range of stages, from material procurement and transportation to disposal. Specifically, by reducing the weight and size of packaging materials, emissions related to material procurement (Scope 3 Category 1), transportation and distribution (Category 4), and end-of-life (Category 12) are being reduced. The improved transportation efficiency has also yielded business benefits beyond environmental



advantages, such as cost reductions.

Moving forward, we intend to expand deployment of this system to key equipment such as Maestro2 and NW500, aiming to build a more efficient and sustainable logistics framework while maintaining transport quality.

These reductions are estimated based on the results of an evaluation conducted from a product-life-cycle perspective, encompassing: reduced emissions during material procurement due to decreased packaging material usage; reduced fuel consumption during transportation due to lighter weight; and reduced end-of-life disposal burden.



#### Materiality

- Reducing the Impact on the Global Environment

## Sustainability Management

### Policy

As a corporate group that provides products to global markets, Topcon aims to achieve a sustainable society while also realizing sustainable growth as a company based on its Corporate Identity to “contribute to enrich human life by solving the societal challenges within healthcare, agriculture and infrastructure.”

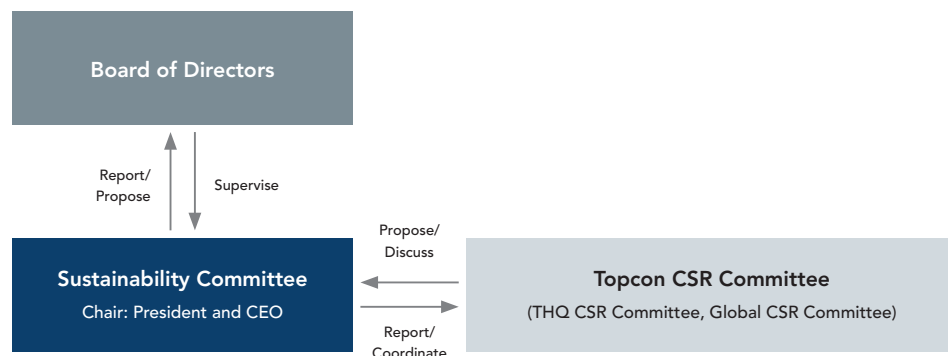
### Structure

Topcon has established the Sustainability Committee as an advisory body to the Board of Directors, comprising the President & CEO, executive officer in charge of Sustainability, and outside directors.

The Sustainability Committee, chaired by the President & CEO, meets at least twice a year and deliberates on sustainability and ESG (Environment, Society, and Governance) initiatives in a speedy and flexible manner under the direction of the Board of Directors and in cooperation with the Topcon CSR Committee (THQ<sup>1</sup> CSR Committee and Global CSR Committee). As a rule, the outcomes of Sustainability Committee meetings are reported and recommended to the Board of Directors.

The governance structure related to sustainability is as shown in the figure below.

1. Topcon Headquarters



### Communication with stakeholders

The Topcon Group offers products and services that address societal issues, based on its basic policy for CSR. At the same time, the Group attaches great importance to communications with our diverse stakeholders, and endeavors to make social contributions through our business activities. The Group conducts checks and evaluations of the performance of our ESG activities each fiscal year, and draws on the results of these evaluations to set goals for the activities for each stakeholder in the following fiscal year. Our website is our primary channel for disclosing information in our communications with all stakeholders. In addition, we also utilize various other means, such as IR, local events, exhibitions, academic conferences, and publications, in order to disclose information and communicate with stakeholders, in a multifaceted and multilayered manner.

#### Communication with Various Stakeholders



## Materiality

We have identified six Material Issues (Important Issues) based on the concept of practicing contribution to a sustainable society and environment together with sustainable economic growth through our business activities. When identifying these Material Issues, we have not only verified their consistency with our ESG Management Vision but also with the SDGs established by the United Nations. We have selected 8 goals out of the 17 SDGs that are highly relevant to the Group's Material Issues. Each of our Material Issues (Important Issues) and eight SDGs have been

identified based on the discussion by the Global CSR Committee, which consists of members across the organizations in the Topcon Group, and opinions of the Sustainability Committee, which includes independent outside directors, and have been reported to and decided by the Board of Directors. We will proceed to set specific KPIs and steadily promote our efforts, aiming to generate corporate value while simultaneously bringing value to the society and environment that surround us, and build connections to enable our stakeholders to relate to and participate in these efforts.



## Environmental Initiatives

### Environmental Policy for Topcon and Affiliated Companies in Japan

We uphold the TOPCON WAY, which embodies our Corporate Identity of "contribute to enrich human life by solving the societal challenges within healthcare, agriculture and infrastructure." We strive to reduce the environmental footprint of our business activities based on the Topcon Global Code of Conduct. Furthermore, we contribute to reductions in the environmental footprint through our products and services, with the aim of realizing a sustainable society.

We promote the continued improvement of our environmental management system, in order to enhance the environmental performance of our business activities. To this end, we consider our environmental efforts as one of our important management tasks, and set environmental goals and targets involving all employees, including the top management.

We comply with applicable laws and regulations, acts, guidelines, agreements, and other accepted requirements, and apply strict management and control.

We strive to reduce our environmental footprint, conserve biodiversity, and prevent environmental pollution. We have set the following goals to reduce environmental risks.

- We will offer environmentally friendly products and services, with our product lifecycle in consideration.
- We will increase the level of control of chemical substances and the chemical substances contained in our products.
- We will focus on reducing waste emissions, and strive to enhance the value of waste as a recyclable resource.
- We will promote efforts to mitigate global warming, and strive to reduce greenhouse gas emissions.
- We strive to keep our premises and neighborhood clean and beautiful, and actively participate in local community activities, in order to exist in harmony with the local community.
- We raise the awareness of our employees through the enhancement of environmental education and PR activities, and improve environmental conservation activities, with the participation of all employees.
- We provide systematic and active guidance and support to subsidiaries and affiliates, in order to raise the awareness of the Topcon Group as a whole.

### Topcon Group Environmental Vision 2030

Based on the TOPCON WAY, the Topcon Group will further enhance its corporate value by addressing the two issues of "reducing environmental impact through products" and "addressing climate change"

#### 1 Reducing environmental impact through products

We will promote energy and resource conservation, including for water, by further reducing environmental impact through the utilization of our products. We also work with our customers to offer products, technologies and services that contribute to the prevention of global warming, the effective use of resources, and the conservation of biodiversity.

Furthermore, in our manufacturing-oriented environment, we basically endeavor to recycle and effectively use waste generated from our business activities, including procurement, development, manufacturing, sales and services. In addition, we make efforts to use resources appropriately by promoting reductions in the use of chemicals and water in manufacturing processes.

#### 2 Responding to climate change

The Topcon Group regards response to climate change as the most important environmental issue, and is striving to increase the use of renewable energy power. We seek to reduce greenhouse gas emissions from our business activities in Japan by 40% by the end of FY2030 compared to the FY2013 level.

In accordance with this policy, we strive to reduce greenhouse gas emissions and increase the use of renewable energy power at overseas sites.

### Initiatives Against Climate Change

Topcon regards climate change as the most serious global environmental issue. Identifying "reducing the impact on the global environment" as a Material Issue, we will work together with our stakeholders to contribute to the reduction of environmental impact, including climate change, on the whole of society and aim for the realization of a sustainable society.

### Disclosure Based on the TCFD Recommendations

#### Governance

Topcon has built a governance structure with the view that initiatives for sustainability, including response to climate change, are a key management issue.

▶P26 Sustainability Management Structure

#### Risk management

We conduct monitoring and management with the view that climate-change-related risks are part of business risk.



## Environmental Initiatives

### Strategy

We conducted scenario analyses for our businesses to identify the risks and opportunities related to climate change that are expected to have a major impact in 2030. In those scenario analyses, based on the Task Force on Climate-related Financial Disclosures (TCFD), we envisaged scenarios in which the global temperature rise in 2100 would be 1.5°C and 4°C higher than pre-industrial levels. The 1.5°C scenario assumes satisfactory progress in the global implementation of measures against climate change, the introduction of climate policies (introduction of carbon tax, tightening of decarbonization regulations, etc.), the transition of markets and technologies to low-carbon models (introduction of energy conservation measures/renewable energy sources, growing need for carbon neutrality, etc.), as well as changes in reputation.

The 4°C scenario assumes little progress in the implementation of measures against climate change and resultant changes such as a more serious impact of climate change, increased severity of extreme weather events (larger-scale typhoons, hurricanes, etc.), rising temperatures, and increased incidence of extreme weather events.

We also conducted materiality assessments and financial impact assessments with reference to the scenarios disclosed by research institutions shown in the table below. We have summarized risks and opportunities identified through the scenario analyses and considered countermeasures to minimize the risks and maximize the opportunities.

Temperature rise	Transition scenarios	Physical scenarios
	IEA World Energy Outlook 2023	IPCC AR5
4°C	STEPS	RCP8.5/RCP6.0
1.5°C	NZE	RCP1.9

#### 1.5°C rise scenario (NZE, RCP1.9)

The global temperature in 2100 would be 1.5°C above pre-industrial levels

The implementation of measures against climate change makes progress, curbing global warming  
=Transition to a decarbonized society

#### Envisaged impact on businesses

##### All businesses

- Introduction of carbon tax
- Tighter decarbonization regulations, heightened awareness of decarbonization
- Restrictions on the movement of people and goods
- Tighter regulations for measurement, tracking, and reporting of environmental initiatives
- Increased demand for energy-saving performance
- Changes in reputation among customers/investors
- Improvement of efficiency of production and logistics processes
- Increased demand for assistance with productivity improvements across entire value chain

##### Positioning Business

- Growing demand for low-carbon/decarbonization in construction, surveying, and agricultural sectors
- Progress in high-precision, efficient agricultural and construction solutions
- Advancement of next-generation technologies

##### Eye Care Business

N/A

#### Steps to develop TCFD strategy and scenario analysis

<b>Step1</b> Select scenarios	Select two temperature rise scenarios for 2100 from several alternatives
<b>Step2</b> Envisage worldview	Envisage a worldview unique to the Company based on the globally common worldview under the scenarios selected in Step 1
<b>Step3</b> Identify risks and opportunities	In the light of the worldview envisaged in Step 2, identify risks (negative side) and opportunities (positive side) impacting on the Company's businesses
<b>Step4</b> Assess financial impact	Estimate the potential financial impact of the risks and opportunities identified in Step 3
<b>Step5</b> Present measures	Present measures to respond to the risks and opportunities identified in Step 3

#### 4°C rise scenario (STEPS, RCP6.0/RCP8.5)

The global temperature in 2100 would be 4°C above pre-industrial levels

The implementation of measures against climate change hardly makes progress,  
global warming increases

#### Envisaged impact on businesses

##### All businesses

- Increased severity of extreme weather events (larger-scale typhoons, hurricanes, etc.)
- Rising temperatures and increased incidence of extreme weather events

##### Positioning Business

- Increased severity of extreme weather events (larger-scale typhoons, hurricanes, etc.)
- Changes in precipitation/weather patterns
- Increased demand for products and services for disaster recovery

##### Eye Care Business

- Higher incidence of eye diseases due to climate change
- Increase in near-sighted people due to longer hours of indoor living

### Climate-related risks and opportunities under 1.5°C scenario

#### Climate-related risks

Category	Envisaged impact on business	Details	Applicable Segment*
Transition risk	Introduction of carbon tax	Increased operating costs, such as procurement and transport costs, due to introduction of carbon tax	Company-wide
		Decline in price competitiveness of products if costs resulting from introduction of carbon tax are passed through to product prices, resulting in reduction of market share	Company-wide
	Tightening of decarbonization regulations, heightened awareness of decarbonization	Increased energy costs if restrictions on thermal power generation using fossil fuels are tightened	Company-wide
		Costs to update to alternative equipment if use of fossil fuels is restricted	Company-wide
		Imposition of fines and penalties and even suspension of operations if unable to respond to tighter carbon-related regulations	Company-wide
	Restriction of movement of people and goods	In the movement of people and goods, possibility that the use of aircraft, which have large CO <sub>2</sub> emissions, will be restricted, making lead times from product manufacture to sale longer, increasing operational costs and reducing revenue	Company-wide
	Tightening of regulations for measurement, tracking and reporting of environmental initiatives	In addition to existing compliance requirements in the EU such as CSDDD and CSRD, increased emphasis on regulations for measurement, tracking and reporting of environmental initiatives, with a focus on climate change, and higher operational costs to address those regulations	Company-wide
	Technology	Increased demand for energy-saving performance	Company-wide
Market and Reputation	Changes in reputation among customers/investors	Demands for use of renewable energy and carbon neutral responses resulting from growing customer demands on suppliers for energy saving, and loss of opportunity and reduced revenue if unable to meet those demands	Company-wide
		Reduced revenue if unable to respond to customers' demands for electrification	Company-wide
		Decrease in corporate value due to reputational damage if decarbonization responses and information disclosures are inadequate	Company-wide
		Reduced revenue caused by customers choosing products made in their own country or region with the promotion of local production for local consumption caused by heightened customer awareness of decarbonization	Company-wide

#### Climate-related opportunities

Category	Envisaged impact on business	Details	Applicable Segment*
Opportunities	Resource efficiency	Reduced CO <sub>2</sub> emissions and costs related to packaging materials and transport from simplification of packaging for product shipment and streamlined logistics	Company-wide
		Possibility of enhancement of corporate value by increasing customers' and investors' recognition of technologies and business developments for the reduction of future carbon taxes, energy costs, and CO <sub>2</sub> emissions and contributing to the realization of a decarbonized society through reduced energy consumption and other measures achieved by introducing efficient production processes, energy-saving activities, optimization of lighting, renovating manufacturing buildings and replacement of air conditioning systems	Company-wide
	Products and services	Increased demand for assistance with productivity improvements across entire value chain	Company-wide
	Market	Higher demand for low carbon/decarbonization in construction, surveying, and farming sectors	Company-wide
		Increased revenue from construction machinery that contributes to low/zero-carbon efforts and surveying instruments that achieve quality improvement in the construction market and, by extension, IT construction solutions	POB
		Increased revenue from farming machinery that contributes to optimization of water use and low/zero-carbon efforts in the agricultural market and, by extension, auto steering systems for farming machinery	POB
	Technology	Progress in high precision, efficient farming and construction solutions	POB
		Potential for increased demand for the Company's farming automation systems if restrictions on use of fossil fuels lead to advancement of large-scale cultivation of crops that can be used as raw materials for bioethanol such as sugar cane and maize	POB
		Rising environmental awareness	Company-wide
Technology	Advancement of next-generation technologies	Expansion of market and increased revenue with the advancement of hybridization, electrification, and ICT conversion of construction machinery	POB
		Expansion of market and increased revenue with the advancement of hybridization and electrification of farming machinery and of smart agriculture	POB
	Increased demand for products and services that address climate change	Greater recognition from customers/investors, leading to enhancement of corporate value by strengthening responses to regulations with the promotion of GHG emissions reductions through adoption of technologies and business expansion that contribute to the realization of a carbon-free society, the introduction of renewable energy, and cooperation with suppliers	POB

\* POB: Positioning Business, ECB: Eye Care Business



## Environmental Initiatives

### Climate-related risks and opportunities under 4°C scenario

#### Climate-related risks

Category	Envisaged impact on business	Details	Applicable Segment*
Physical risk	Acute	Increased severity and incidence of extreme weather events such as torrential rain and floods lead to the suspension of production and shipment of Topcon plants, with manufacturing facilities located in Italy and Germany being particularly susceptible to flood risk, causing lower revenue, higher costs, and other disaster-related damages that lead to deterioration of our financial situation	Company-wide
		Reduced revenue caused by decline in customers' financial leeway when crop productivity declines and infrastructure construction projects are interrupted as a result of extreme weather events caused by climate change	POB
	Chronic	Rising temperatures and increased incidence of extreme weather events	Company-wide
		Reduced revenue due to suspension of distribution, sales, repair services, etc., in manufacturing and sale regions around the world resulting from extreme weather events caused by climate change	Company-wide
		Rising temperatures	Company-wide
		Changes in precipitation/ weather patterns	POB
Opportunity	Market	Rising sea levels, rising temperature, and increased frequency of extreme weather events	Company-wide
		If climate change continues, extreme weather events, changes in weather patterns, and rises in average temperature and sea level will worsen, and manufacturing facilities in Italy and Germany among our European subsidiaries will be affected by flood risk and heat stress, with potential increases in operating costs from weather damage	Company-wide

#### Climate-related opportunities

Category	Envisaged impact on business (Opportunity)	Details	Applicable Segment*
Opportunity	Market	Higher incidence of eye diseases due to climate change	ECB
		Possibility of increased revenue due to increased demand for the Company's eye examination and surgical equipment resulting from higher incidence of eye diseases due to climate change and the further acceleration in the proportion of near-sighted people as people spend more time indoors	ECB
	Resilience	Increased demand for products and services that address disasters and climate change	ECB
Opportunity	Market	Increased demand for remote medicine and mobile medical equipment amid increasing climate disasters, creating new market opportunities	ECB
		Continued demand for products and services to respond to national land infrastructure resilience, including roads, tunnels, bridges, embankments, and dams; disaster readiness and recovery; and simultaneously, increased demand for and revenue from construction with the Company's products	POB

### Metrics and targets

The Topcon Group uses greenhouse gas emissions as an indicator for managing risks and opportunities related to climate change in order to address these risks and opportunities. In Japan, we have set a target of a 40% lower emissions than FY2013 by the end of FY2030 in an effort to achieve a decarbonized society.

#### Greenhouse gas emissions (unit: t-CO<sub>2</sub>)

	FY2023	FY2024
Scope 1 <sup>1</sup>	843	1,988
Scope 2 <sup>1</sup>	8,833	8,024
Scope 3 <sup>2</sup>	236,310	428,919
Total	245,986	438,931

#### [Calculation method and scope]

- FY2023: Japan and overseas manufacturing bases  
FY2024: All work bases in Japan, some manufacturing bases and non-manufacturing bases outside Japan
- FY2023: Categories 1-9, 11, 12 for Japan manufacturing bases  
FY2024: Categories 1-9, 11, 12 for work bases in Japan and some manufacturing bases outside Japan

### Efforts to Reduce Environmental Impact

#### Pollution prevention and waste management

We strive to reduce our total emissions based on a zero-emission initiative at our work bases in Japan and are working to improve recycling rates and reduce waste. In FY2024, we reduced waste from Japanese production bases by 4% year on year thanks to better separation of waste and recyclable resources. We are also working to reduce VOCs (volatile organic compounds) as part of our management of chemical substances. As an effort to reduce VOCs, we have switched from solvent paint to water paint. The wear durability of conventional water-based paints tends to be lower than those of solvent paints, but the water-based paints we have developed have wear durability equal to or better than those of solvent paints and are compatible with both environmental conservation and product durability.

#### Emissions from manufacturing bases in Japan (Unit: kg)

	FY2023	FY2024
Waste	502,083	480,617
VOC	32,529*	31,278

\* The calculation method for VOCs has been revised, and FY2023 figures have been corrected retroactively.

## Environmental Initiatives

### Water resource initiatives

Topcon Group uses a high volume of water in the processes for lens manufacturing and metal processing, its core technologies. Since water discharged from these processes contains organic and inorganic substances, we strictly control and treat wastewater properly to keep it below the standard values for hazardous substances specified in the Water Pollution Prevention Act before discharging it to avoid adversely affecting the ecosystem and people's lives. In FY2024, total water discharge from production bases in Japan decreased by 3% year on year.

We also conduct water risk assessments using Aqueduct\* at our production bases in and outside Japan (11 bases). As of 2024, two bases operating in areas assessed as having extremely high water stress (Baseline Water Stress: Extremely High) do not use high volumes of water in their production processes; still, we will continue working on measures to reduce risk. We will continue to monitor risks at each base and strive to ensure the appropriate use of water resources by promoting water conservation and reducing water consumption.

\* Aqueduct: An online tool developed by World Resources Institute (WRI) to evaluate water risk

Water discharge from manufacturing bases in Japan (unit: m<sup>3</sup>)

	FY2023	FY2024
Headquarters	26,883	26,496
Topcon Yamagata	5,177	5,668
Topcon Optonexus	19,931	18,125
Total	51,991	50,289

### Environmental management system

The Topcon Group has acquired ISO 14001 certification, which is an international standard for environmental management systems, particularly among manufacturing-related companies.

1	TOPCON CORPORATION	8	TOPCON SOKKIA POSITIONING JAPAN CO.,LTD.
2	TOPCON YAMAGATA CO., LTD. (Headquarters and factory)	9	Topcon Precision Agriculture Pty Ltd.
3	TOPCON YAMAGATA CO., LTD. (West factory)	10	Topcon Precision Ag Europe S.L.
4	TOPCON YAMAGATA CO., LTD. (Shirakawa factory)	11	Satel Oy
5	TOPCON OPTONEXUS CO., LTD.	12	Topcon Electronics GmbH & Co. KG
6	TOPCON MEDICAL JAPAN CO., LTD.	13	Topcon Optical (Dongguan) Technology Ltd.
7	TOPCON G.S. CORPORATION	14	Topcon Positioning Systems, Inc.

### Use of renewable energy

At the Topcon Group's manufacturing bases, renewable energy power is used. We have installed solar power generation facilities in the U.S. and Spain.

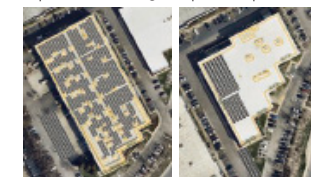
- TOPCON
- TOPCON YAMAGATA (Japan)
- TOPCON OPTONEXUS (Japan)
- Topcon Positioning Systems, Inc. (United States)
- Topcon Precision Ag Europe S.L. (Spain)
- Satel Oy (Finland)
- Topcon Europe Positioning B.V. (Netherlands)

#### Relevant Materialities

Reducing the Impact on the Global Environment



Topcon Precision Ag Europe S.L. (Spain)



Solar power generation system on building at Topcon Positioning Systems, Inc. (U.S.)

### Promoting environmentally conscious products\*

At least 99% of the products we manufacture are environmentally conscious products.\* We have been engaged in developing environmentally conscious products since 2001, and in addition to reducing environmental impact throughout the manufacture and sale of these products, we endeavor to recycle and effectively use the waste generated at each stage of the process.

\* Environmentally conscious products (ECP): All products whose life cycle, including product planning, material research, manufacturing, distribution, use, disposal and recycling are environmentally conscious

#### Relevant Materialities

Reducing the Impact on the Global Environment



### New Topcon Yamagata factory obtains ZEB Oriented certification

Headquarters factory building 3, currently under construction, has obtained a 5-star rating under the Building-Housing Energy-efficiency Labeling System (BELS),<sup>1</sup> an evaluation standard for environmentally conscious buildings, as well as ZEB Oriented<sup>2</sup> certification.

1. A system spearheaded by the Ministry of Land, Infrastructure, Transport and Tourism to evaluate and label energy-saving performance.
2. A factory or other building with a total floor area of 10,000 m<sup>2</sup> or more that has reduced primary energy consumption by 40% or more but less than 50%.

#### Relevant Materialities

Reducing the Impact on the Global Environment





## Message from the Head of Human Resources

Toward an organization that empowers individuals, where strong, self-reliant members shine.

We will establish Topcon as a team of professionals and continue to challenge ourselves to create new value.



**Reiko Watanabe**

Director  
Managing Executive Officer  
General Manager, General Administration, Human Resource & Legal Div.  
Sustainability Promotion Officer

### Toward the realization of TOPCON 2.0

At Topcon, we place our organizational and talent strategy on a key shift—from “individuals within an organization” to “an organization that empowers individuals.” This focus remains unchanged even after the MBO and delisting. Rather, precisely because we as a company are at a major turning point, I believe it is essential to advance this strategy with even greater vigor.

As of TOPCON 2.0, we have established a Long-Term vision of “achieving greater global growth, while leveraging our manufacturing excellence.” In an ever-changing business environment, there always comes a moment when a company must dig its heels in to take the next step forward. For Topcon, that moment is now. TOPCON 2.0 aims to create new businesses that will become pillars of future growth, with each business planning and executing for maximum growth, embracing risk, and moving with speed. To achieve this, it is essential to break away from the top-down hierarchical structure that has been the norm for traditional Japanese companies. Accordingly, we place strict demands on our employees to become “strong, self-reliant individuals” and to “act as professionals.”

### The two pillars of our strategy:

#### Developing individuals and creating an organization that people choose

The essence of self-reliance lies in “thinking for oneself and making one’s own decisions.” In other words, a “strong, self-reliant individual” refers to someone who continually questions their own value within the organization and approaches their work proactively. Moreover, professionals at Topcon are those who not only work hard to acquire specialized skills themselves, but who can also encourage others to do the same.

For example, even when working alone, they think deeply about situations on their own, like wringing out a wet cloth until no water remains, identify the right direction, and take steady action toward it. They possess absolute standards of judgment within themselves, returning to them when uncertain. They see through whatever they have decided to do, taking responsibility for the outcome. Furthermore, they provide useful information to those around them and never fail to offer advice. We aim to transition to a flexible “project-based” organization where “strong, self-reliant individuals” possessing these skills and mindset connect organically according to the task at hand, each demonstrating leadership within their respective areas of expertise. In addition, we will cultivate an organizational culture that encourages moving forward with an attitude of “On to the next challenge!” even when things don’t go as planned. This is what is meant by moving from “individuals within an organization” to “an organization that empowers individuals.”

At the same time, it is crucial for management to foster an organization that attracts self-reliant individuals. We are committed to supporting employee growth through various human resources initiatives, enabling each individual to find meaning in working at the Company and achieve their desired career path. It is here that my primary mission lies.

Over the years, Topcon has repeatedly taken on various challenges. At times, these challenges have resulted in what could be called failures. However, it is precisely because our predecessors never stopped moving forward that we have created technologies and products no one else had been able to accomplish, establishing a strong foothold in various markets. In this era of discontinuity, which can no longer be viewed as an extension of what came before, we will rebuild Topcon into a company that can once again keep taking on challenges without hesitation.

## Human Resources Strategy

### Topcon Group Social Vision 2030

Based on the TOPCON WAY, the Topcon Group aims to realize the creation of social value by contributing to society. As society's values continue to diversify, we will promote efforts to realize a sustainable society through our business activities.

#### ① Creation of social value

We contribute to solving social issues by creating new social value through the provision of original products based on technological innovations, productivity improvements based on DX solutions, and innovative services. Furthermore, we aim to coexist with local communities to realize affluent lifestyles for people.

#### ② Creating an organization that can co-create with diverse values

We develop and strengthen human resources that enable our people to maximize their abilities and realize changes by respecting the values of each individual and fostering an organizational culture that allows for diverse and flexible work styles.

#### ③ Respect for human rights

We respect diverse values of individuals in light of respect for human rights, and will help to realize a society without discrimination through a deep understanding of human rights not only in the Company but also in our supply chain.

### Human Resources Strategy at Topcon

The Topcon Group provides employees with fair and equitable opportunities to grow through independent learning, and strives to foster a workplace culture that is conducive to making the most of their qualities. We provide employees with opportunities for self-improvement, to enable them to perform duties that are commensurate with their assigned areas, responsibilities, and authority, while improving their skills both in and outside of work.

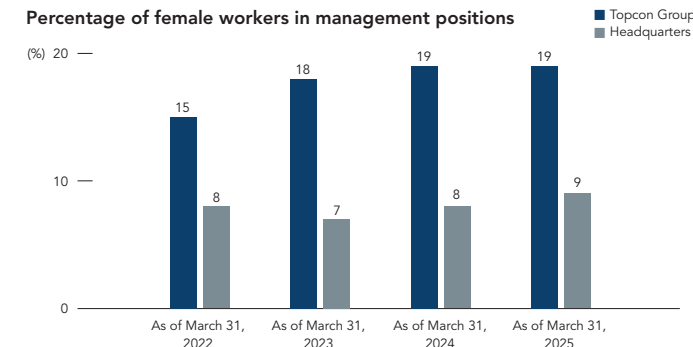
The development of "Topconians" is Topcon Group's strategic human resource theme to realize its management vision. A Topconian possesses three qualities: 1) seeks to develop and maintain a high level of expertise, while utilizing his/her expertise to generate profits; 2) acts with universal values, including thinking globally and respecting cultural diversity; and 3) is a team player who makes the most of collaboration. We hold lectures and training regularly in order to further the development of such human resources.

Specifically, we provide human resource training in accordance with the organization's growth strategy, including position-specific training to develop the abilities required at each level from new employees to executives, training for selected employees to acquire the knowledge and skills necessary for future management positions, compliance training, improvement and transmission of technology and skills, and self-development.

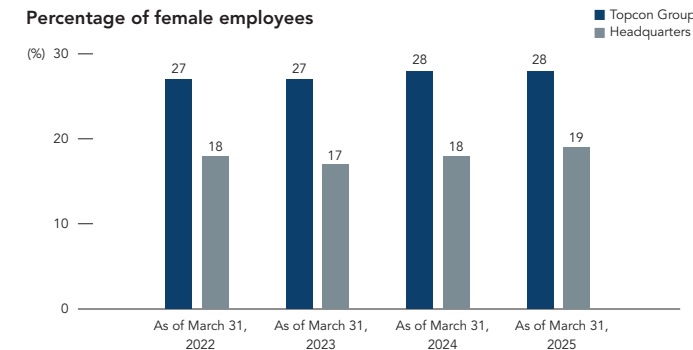
In addition, as initiatives to support employees' self-supporting career building, we have a mentor program and a career training program that allows employees to reflect on their careers at certain ages. The mentor program is operated with the objectives of relieving young employees' anxiety about work and career development, fostering a sense of security by having someone they can feel free to talk to at any time, and providing support in resolving specific concerns, as well as creating dialogue that helps them envision their future careers. Moreover, career training provides opportunities to promote self-understanding of career strengths cultivated over the years and to think comprehensively, including financial planning, toward the fulfillment of life careers, with an eye toward the 100-year lives.

Each employee working autonomously and achieving maximum performance in a variety of work styles will be key to the Company's acceleration of its growth strategy and the further development of its business. To create an environment in which diverse human resources can each maximize their individual performance, we have introduced flexible work styles such as flextime and work-from-home to support the advancement of each and every employee.

#### Percentage of female workers in management positions

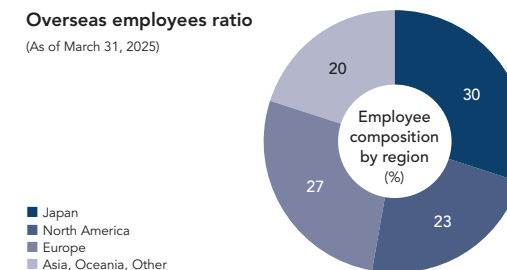


#### Percentage of female employees



#### Overseas employees ratio

(As of March 31, 2025)



## Human Resources Strategy

### Human Resources Development

#### Mentor system

We have introduced a mentor system to support the growth and retention of young employees.

Senior employees in a position different from that of a direct supervisor provide mentees (young employees) consultation on careers and interpersonal relationships outside of routine work, offering opportunities to broaden their perspectives and viewpoints.

Mentors are selected through open recruitment or recommendation and are matched based on mentees' preferences and aptitudes.

The program targets employees who joined as new graduates and are now in their second through fourth years (fifth year is optional) as well as young mid-career hires, with ongoing dialogue continuing over a fixed period. For mentors as well, working to develop the next generation of workers and creating awareness of their contribution to the organization helps foster leadership, which is why this initiative has developed to help a culture of mutual learning take root throughout the organization.

#### Change Agents

We define those who serve as catalysts or initiators of change in the organization to be next-generation leaders and select them under the name of Change Agents. Change Agents undergo a development program where they systematically learn fundamental management skills, problem-solving and facilitation skills, and a transformation mindset, refining their abilities as Change Agents through practice and mutual encouragement. Program graduates lead key positions as drivers of transformation, propelling Company growth. Through the work of human resources who welcome challenges and drive change of their own volition, we are building a foundation to support sustainable growth.

#### Reskilling initiatives

We recognize that the rapid changes in the business environment and technological advancement have increased the need to address obsolescence of traditional job skills and acquire new skills. We began restructuring our education and training systems in 2018 as a measure to develop and bolster individual skills, reinforcing training tailored to the stage of the individual employee. In 2024, we introduced an educational platform system (Workday), consolidating educational content that had been scattered across departments to create an environment where employees can learn regardless of time or place. This has created an environment where employees can learn independently the skills needed in this day and age to respond flexibly to changes inside and outside the Company rather than just wait for the Company to provide such opportunities.

### Ensuring Diversity

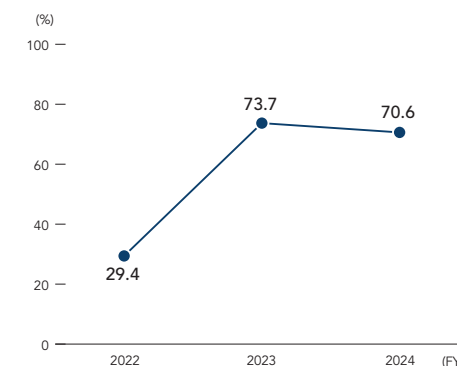
To create a workplace culture that is conducive to leveraging the resources of a diverse workforce, we are engaged in the key challenge of creating an environment in which women are able to fully exercise their individuality and abilities, and realize their own careers.

In terms of specific measures, we aim to create a support system that enables women to build continuous, Long-Term careers, by providing an environment where women can play even more active roles, regardless of their line of work. In addition to exempting employees from working hours necessary for health check-ups, we have established a system to support childbirth, including a "spouse's maternity leave" system, which allows employees to take three days' leave when their spouse gives birth. Even after childbirth, we have established a childcare leave system that allows employees to take childcare leave until the first April 30 after their child reaches two years of age, to coincide with the child's starting at childcare. As a result, 70.6% of male employees took childcare leave in FY2024 (reporting company).

We are also enhancing our systems to give employees greater flexibility in their choice of work styles, such as shorter working hours/fewer working days, work-from-home, and flextime working systems. We also offer a childcare leave system for employees with children who are still in elementary school, which allows employees to take up to five days a year for one child and up to ten days a year for two or more children. In such ways, we accommodate diverse work styles to support the child-rearing generation. As a result of these activities, the Company obtained Kurumin Certification as a child-rearing support company in 2024, and the Eruboshi Certification (Level 2) as a company that excels in promoting the active participation of women in 2025 from the Ministry of Health, Labour and Welfare.

As part of its efforts to promote the active participation of women, the Company has set a target of "increasing the percentage of women employed to at least 30%." The result for the most recent year was 31%.

#### Percentage of male employees taking child care leave



Kurumin Certification



Eruboshi Certification



## Human Resources Strategy

### Initiatives for achieving a workplace culture that fosters individuals

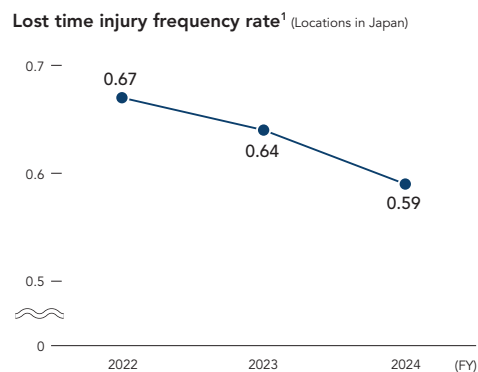
The Topcon Group is a global company with approximately 80% of its net sales in overseas markets, and develops businesses in 22 development bases, 11 production bases, and 52 sales bases worldwide. Likewise, approximately 70% of our employees are people of different nationalities, hailing from Europe, the Americas, Asia, Oceania, and elsewhere, and we recruit a richly diverse range of human resources with a global perspective.

We also recruit the mid-career personnel needed for our growth strategies throughout the year, based on the needs of each division, and appoint them as executive officers and managers. In this way, the Topcon Group provides environments and systems where diverse human resources can play active roles regardless of factors such as nationality and race. Therefore, we have not set specific targets for the promotion of non-Japanese employees and mid-career recruits to management positions.

### Safety management of employees

The Topcon Group views ensuring safety and health as essential to enabling our employees to perform at their best and avoiding workplace accidents. The Group has adopted necessary safety measures for buildings and facilities, and established work standards that prioritize employee safety and health based on this policy. Recognizing that safety comes first, employees are required to comply with laws, regulations, and internal company rules regarding safety and health.

We have established a crisis response system for unforeseen events, to ensure the safety of employees on business trips and overseas assignments, as well as that of their families, regardless of country or region. We are working to establish and strengthen safety measures with the primary aim of preventing incidents and accidents.



1. Number of lost time occupational injuries and fatalities per million working hours

### HIGHLIGHT

#### Creating a Great Place to Work globally

In 2024, the Topcon Group was certified once again as a Great Place To Work (GPTW) in the U.S. and received this certification for the first time at its bases in Spain and the Netherlands. GPTW is an international certification system that evaluates workplace culture, employee experience, and leadership behavior, with assessments based on feedback from employees who actually work there. In our most recent internal survey, 85% or more of employees responded positively to items such as "honest and ethical management," "work based on trust," and "welcoming attitude during onboarding," demonstrating high satisfaction regarding fulfillment in the workplace.

The Topcon Group focuses on creating an environment where every employee is respected and supported as they increase their expertise. By providing diverse career opportunities that support innovation in construction, agriculture, and surveying, we aim to create workplaces where employees can bring their passion to life. Having received this certification at multiple bases symbolizes how our initiatives have taken root as our shared values across nations and cultures, boosting our credibility globally as a great place to work.

Topcon will continue to create an organization based on employee feedback and invest in its people as the source of sustainable value creation across regions and domains.



## Quality Assurance / Procurement / Human Rights

### Quality Assurance

#### Quality Policy

We will continuously improve the quality of Topcon products and services from the customer's perspective and build relationships of trust with our customers.

#### Status of obtainment of quality management system certifications

##### ISO 9001 Certified

Topcon has obtained ISO 9001:2005, an international standard for quality management systems, for its business field (Surveying instruments and optical unit products for overseas markets) from SGS United Kingdom Ltd. (SGS Japan Inc. in Japan).

##### ISO 13485 Certified

Topcon has obtained ISO 13485:2016, an international regulatory requirement for medical devices, for the scope of qualification (design, development, production and distribution of ophthalmic medical devices) from TÜV SÜD (Germany).

Never satisfied with the status quo, we intend to continue to work on offering even more reliable products and services, and meet our commitments as a global company.



### Procurement

Topcon has established the following basic policy for procurement.

#### Equal and fair procurement activities

We engage in transparent, equal, and fair procurement activities in transactions with all clients.

We make decisions on the selection of clients based on comprehensive and objective evaluations and procedures covering aspects such as certainty in quality, price, deadline, stability in technical standards and administration, and an environmental consideration.

#### Coexistence and co-prosperity

We constantly maintain and encourage trust-based relationships and aim to achieve coexistence and coprosperity with our clients through business transactions.

#### Rules on the compliance with laws

We engage in business transactions while complying with laws, social norms, and healthy commercial practices.

### Management and protection of information

We never disclose confidential information of our procurement activities with clients outside of the Company.

#### CSR procurement

Topcon established Business Partners' Code of Conduct with the aim of bettering society and the global environment and realizing sustainable development of the Company together with its suppliers. We ask all of our suppliers to implement this guideline.

#### Green procurement

We at Topcon Corporation are engaging in environmental activities in close cooperation with our suppliers and implementing green procurement as part of these activities. As a basic policy, suppliers independently conduct activities for environmental protection, and we help them to improve such activities when necessary. Specifically, we evaluate and determine our suppliers' efforts for the acquisition of externally authenticated ISO 14001 certification, green procurement, and environmental protection activities. We also purchase products, parts, materials, and raw materials which produce low environmental load in their lifecycles and procure items from partners that are implementing environmental conservation activities.



### Respect for Human Rights

The Topcon Group has participated in the UN Global Compact since October 2007.

The Topcon Group has a global, diverse workforce with a wide variety of backgrounds, origins, experiences, and cultures. We respect diverse values, fundamental human rights, and individual personalities and characters in light of human dignity, and seek to maintain a workplace where every individual is respected.

We are committed to providing equal opportunity in employment and business. We will not tolerate unlawful discrimination in the workplace, and ensure that all employees, job applicants, customers, and suppliers are treated equally and respectfully, regardless of race, religion, sex, nationality, age, physical or mental disability, sexual orientation, or other attributes.

Our commitment to a safe and secure work environment means that we will not tolerate workplace violence or threats. Prohibited conduct includes not only physical violence or abuse, but also abusive, intimidating, or disorderly conduct and threatening language. Moreover, we will not allow for using child labor or forced labor.

The Topcon Group considers a direct exchange of views between labor and management as critical for protecting the rights of workers. In Japan, we have both the Topcon Labor Union and the Topcon Group Labor Union Council for affiliated Group manufacturers. Topcon holds regular labor-management gatherings and councils, where it explains the Company's business conditions to the Topcon Labor Union, in an effort to enhance communication.

## Governance

### Topcon Group Governance Vision 2030

The Topcon Group realizes effective corporate governance based on the TOPCON WAY to achieve sustainable growth and medium- to Long-Term enhancement of corporate value.

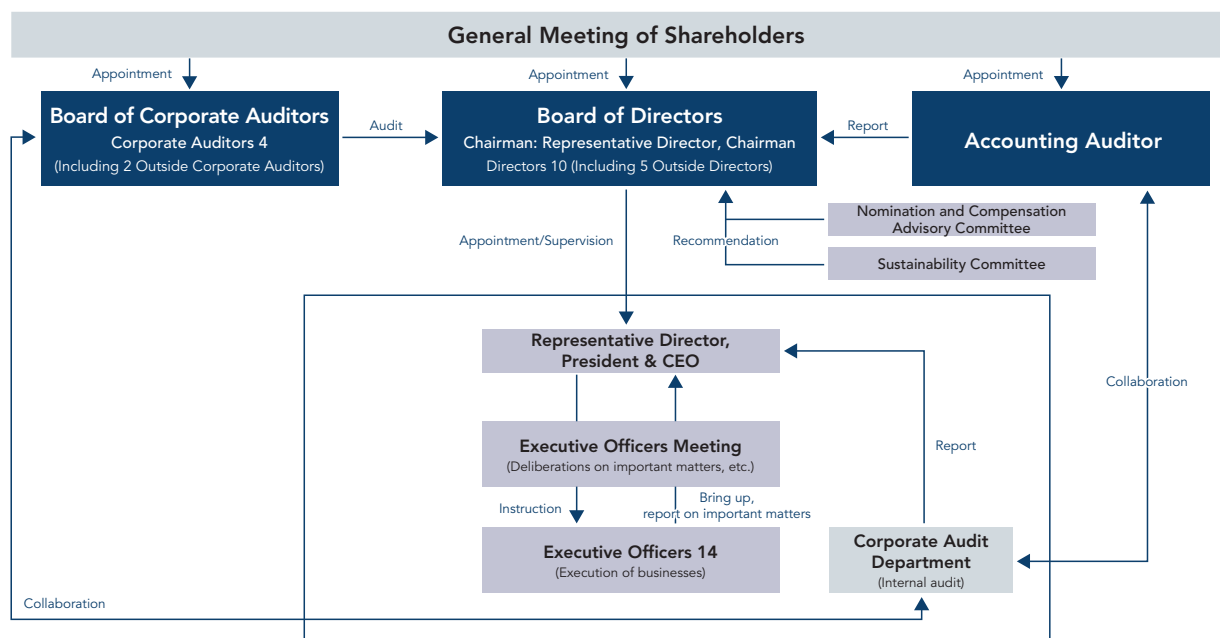
#### ① Corporate governance

Topcon Group's highest priority in corporate governance is to increase management transparency, strengthen supervisory functions, accelerate decision-making, and ensure compliance, which is why it aims to enhance corporate value by promoting the strengthening and enhancement of its corporate governance system.

#### ② Compliance and risk management

In conducting our business activities, we will act in accordance with the Topcon Global Code of Conduct, which was established from the perspective of complying with laws, regulations, and internal rules, and acting in accordance with social ethics and other relevant standards. Furthermore, we will strengthen our risk management system to ensure timely and appropriate response to any risks that may occur in the course of our business activities.

#### Topcon's Corporate Governance Structure (As of June 26, 2025)



\* The Corporate Audit Department has a system under which any important matters discovered are reported to the Board of Directors, the Board of Corporate Auditors, and the President & CEO in a timely manner.

### Corporate organization

The Company has adopted the corporate structure of a Company with a Board of Corporate Auditors under the Companies Act. The Board of Directors appoints at least two independent outside directors to enhance supervisory functions by incorporating outside opinions into management. The Board of Corporate Auditors and the Corporate Audit Division, which serves as the internal audit department, mutually discuss audit plans and policies in advance and cooperate by regularly sharing information in order to increase the efficiency and effectiveness of the work of the corporate auditors. In addition, the Company has established the Nomination and Compensation Advisory Committee as an advisory body to the Board of Directors, which is chaired by an independent outside director, and the majority of whose members are Independent outside directors.

#### Corporate Organization: Company with a Board of Corporate Auditors

Directors (Outside Directors)	10 (5)
Term	1 year
Number of Board of Directors Meetings (FY2024)	15
Corporate Auditors (Outside Corporate Auditors)	4 (2)
Number of Board of Corporate Auditors Meetings (FY2024)	13
Executive Officer System	Yes
Number of Independent Directors/Corporate Auditors	7



## Management Structure (As of October 1, 2025)

### Directors

#### Satoshi Hirano

Representative Director,  
Chairman of the Board of Directors

#### Takashi Eto

Representative Director,  
President  
Chief Executive Officer

#### Haruhiko Akiyama

Director  
Senior Managing Executive Officer  
General Manager, Accounting & Finance Div.  
General Manager, Custom Products Business  
Promotion Div.

#### Yoshikuni Ito

Director  
Senior Managing Executive Officer  
General Manager, Corporate Planning &  
Digital Business Operation Div.

#### Reiko Watanabe

Director  
Managing Executive Officer  
General Manager, General Administration,  
Human Resource & Legal Div.  
Sustainability Promotion Officer

#### Naoko Yamazaki

Director  
(Outside Director)

#### Yoshiharu Inaba

Director  
(Outside Director)

#### Naoki Hidaka

Director  
(Outside Director)

#### Katsuhiro Teramoto

Director  
(Outside Director)

#### Hajime Nakai

Director  
(Outside Director)

### Corporate Auditors

#### Shokyu Nakamura

Corporate Auditor  
(full time)

#### Nobuyuki Ryu

Corporate Auditor  
(full time)

#### Keiji Taketani

Corporate Auditor  
(Outside Auditor)

#### Kiyoshi Suzuki

Corporate Auditor  
(Outside Auditor)

### Executive Officers

#### Takashi Eto

Representative Director,  
President  
Chief Executive Officer

#### Haruhiko Akiyama

Director  
Senior Managing Executive Officer  
General Manager, Accounting & Finance Div.  
General Manager, Custom Products  
Business Promotion Div.

#### Yoshikuni Ito

Director  
Senior Managing Executive Officer  
General Manager, Corporate Planning &  
Digital Business Operation Div.

#### Reiko Watanabe

Director  
Managing Executive Officer  
General Manager, General Administration,  
Human Resource & Legal Div.  
Sustainability Promotion Officer

#### Hideyuki Takizawa

Managing Executive Officer  
General Manager,  
Eye Care Business Div.

#### Ivan Di Federico

Senior Executive Officer  
General Manager,  
Positioning Company  
President & CEO,  
Topcon Positioning Systems, Inc.

#### David Alan Mudrick

Senior Executive Officer  
President & CEO,  
Topcon America Corporation

#### Tetsuya Morita

Senior Executive Officer  
General Manager,  
Smart Infrastructure Business Div.

#### Takafumi Kira

Senior Executive Officer  
General Manager, Production Div.

#### Shigehiro Ogino

Executive Officer  
Vice General Manager,  
Eye Care Business Div.

#### Murray Lodge

Executive Officer  
Executive Vice President,  
General Manager,  
Positioning Solution Business Unit,  
Topcon Positioning Systems, Inc.

#### Kazuyuki Nojima

Executive Officer  
General Manager,  
Quality Assurance Div.

#### Hiroaki Okada

Executive Officer  
Vice General Manager,  
Eye Care Business Div.



## Compliance / Risk Management

### Basic views

The most important thing for Topcon Group, a global company made up of diverse nationalities and cultures, is that each and every employee makes decisions and acts fairly, honestly, and appropriately based on common values and decision-making principles. Therefore, we established the TOPCON WAY, which sets out the highest values of the Group that transcend national borders and company boundaries, we professed our management philosophy of contribution to the creation of prosperous society by solving social issues related to healthcare, agriculture and infrastructure, and we declared that we put the highest priority on compliance and continue to be trusted by all stakeholders.

We established the Topcon Global Code of Conduct, which sets out the principles of conduct expected of Topcon Group's employees, so that all directors and employees around the world can fully understand the Topcon Group's management philosophy, vision and values, and can act with a high sense of ethics. We are working actively to ensure that the Topcon Global Code of Conduct be well learned by every director and employee.

### Specific initiatives

The Group continuously implements various training and awareness activities for directors and employees to increase compliance awareness and to foster a compliance mindset.

For example, for all directors and employees of the Group, we conduct comprehensive compliance, governance, and export control training once a year, which covers essential topics, and has achieved a high participation rate. For Group companies in Japan, we conduct training on information security, personal information protection, subcontract law and medical compliance, while for overseas companies, legal teams in each main office overseas provide training in the respective jurisdictions.

### Anti-corruption

As an initiative to combat corruption as stipulated in The Ten Principles of the UN Global Compact, the Topcon Group prohibits giving out bribes or inappropriate profits in any form that violate laws, regulations or sound business practices. In addition, we prohibit employees from accepting inappropriate personal benefits or profits in connection to their work or position.

#### Prohibition of improper payments

The Topcon Global Code of Conducts prohibits the offering or giving of bribes, or any other improper interests, that violate laws, regulations, and/or sound customs of trade. Employees must understand that bribes not only to government officials, but also to employees in private enterprises are prohibited in certain countries, and employees must understand and comply with all applicable laws and regulations of the country or region in which employees are involved in business.

The Topcon Group defines a "bribe" as the provision of anything of value to the specified parties listed below with the intent of gaining improper business advantages or to reward receiving such benefits, and strictly prohibits this conduct.

- government officials, foreign government officials (including employees of state-owned enterprises and international organizations, also including ex-officials);
- politicians, candidates of politician, political parties and employees thereof;
- customers (legal or natural persons).

A bribe does not have to be cash. It can include entertainment, gifts, donations, gratuities and any other type of benefit. Even items of minimal value may constitute a wrongful bribe.

When using an intermediary (such as an agent) in our business, employees must ensure that they will not engage in the corrupt practices designated above, and also clearly agree in advance on the scope of the services as well as on the amount of compensation, and ensure that these conditions are reasonable.



## Compliance / Risk Management

### Prohibition of demanding or accepting gifts and entertainment as business inducements

Employees must not demand or accept any personal benefits in connection with his/her job.

However, receiving gifts and entertainment from business partners or customers is permissible only if it is inexpensive in value and customary in nature and is consistent with applicable laws, regulations and sound customs of trade and only if it would not affect a particular business decision of the Group. Any gifts or entertainment which are excessive or seem unreasonable must be refused.

### Prohibition of money laundering and participate to the financing of terrorism

The Group is firmly committed to full compliance with applicable anti-money-laundering and counter-terrorism laws and regulations. We conduct business only with reputable third parties (including suppliers, vendors, and small and medium-sized contractors) who engage in legitimate business activities.

Employees are prohibited from participating in any activity aimed at laundering money or financing terrorism, from benefiting from the proceeds of a criminal act or illegal activity, and from providing assistance to any person or organization controlling funds invested for the benefit of a terrorist organization.

## Strengthening our global export control system

Our Corporate Identity seeks to resolve societal challenges related to, healthcare, agriculture and infrastructure, and contribute to building a more prosperous society. Building such a society requires an environment where people can live in peace, safety, and security. To ensure that our advanced products and technologies do not reach countries, regions, individuals, or organizations that may undermine efforts to maintain international peace and security, and to prevent their improper use for undesirable purposes, we are committed to maintaining and strengthening our global export control system. More specifically, we implement strict export controls via the activities outlined below.

### Conducting export control audits

The Company conducts an internal audit annually for all Headquarters departments involved in export operations. Then, measures for improvement which was requested during audit are

discussed with departments audited for one to two months after audit to correct nonconformities at an early stage. The next year's audit conducts follow-ups to check if such measures are carried out on a continuous basis. It also checks for missing items and inadvertent errors such as in administration procedures in the entire process. Meanwhile, for Group companies in and outside Japan, we have established annual plans and conduct Group company audits, and strive to maintain and strengthen local export control systems. In addition, we receive an export control audit (external audit) by an outside organization once every three years to have our export control system and control procedures evaluated objectively by external eyes.

### Providing export control education

At the Topcon Group, we provide export control education annually for all officers and employees in the Group to raise awareness about compliance. We also provide separate education as necessary for employees engaged in export control. In addition, to improve the expertise of employees engaged in export control, we recommend that they take certification as an STC Associate from the Center for Information on Security Trade Control (CISTEC). We are also working to raise the overall base level of awareness of the Group companies through measures such as the provision of export control education for local staff each time we implement audits.

## Personal information

Topcon will continue to seek to respect and protect each customer's personal data. Topcon will implement the following Personal Data Protection Policy in its business activities.

### Basic Policy

Topcon strictly observes the Personal Data and other relevant laws and regulations.

When Topcon obtains personal data from customers, in case without any individual explanation, we use personal data with the aim of providing the information of the products and services of us or of our affiliated company, etc for the customer and also of showing new or useful information. Topcon may provide and confide data to third parties with a view to analyzing or processing, feeding back, etc for our customer. The information will be handled appropriately in all these processes in accordance with the business activities and scale of us.

Topcon takes rational safety measures against the risk of personal data in cases like unauthorized

## Compliance / Risk Management

access and disclosure to personal data or the loss, destruction, alternation, etc

Topcon has established management systems relating to personal data protection and strives to continuously improve.

Topcon responds appropriately to questions, complaints and consultations regarding personal data from customers.

### Internal Audit Department, and others

Our Corporate Auditing Department reports directly to the President & CEO. The Corporate Audit Department, comprising seven qualified professionals including certified internal auditors (CIAs), internal auditors, and information systems internal audit specialists, conducts audit activities as outlined below in accordance with the Corporate Audit Regulations.

- The Corporate Audit Department conducts risk-based internal audits of the Group's business operations from an independent, impartial, and objective standpoint, independent of each department. It evaluates compliance with laws and regulations, operational effectiveness and efficiency, reporting reliability, asset preservation, and other such aspects while offering advice and guidance for improvement.
- The Corporate Audit Department works to promote a shared understanding of audit findings with audited departments, follows up on corrective and improvement measures, provides advice and guidance when necessary, and aims to enhance corporate value by improving the effectiveness and efficiency of internal controls and operations.
- The Corporate Audit Department reports to the President & CEO, and as necessary to the Executive Officers Meeting and the Board of Directors, regarding audit planning, the status of audit operations, internal control status evaluations based on audits, and the status of corrective actions and improvements based on audit findings. It also shares information and coordinates with the Board of Corporate Auditors.
- The Corporate Audit Department works closely with three auditors assigned to holding companies in the EU and U.S. by collaborating on audit tasks and other activities. To ensure appropriate and effective global audits across the entire Group, the department formulates common internal audit policies, compiles audit plans and results, and reports to the President & CEO, and if required, to the Executive Officers Meeting and the Board of Directors.

### Whistleblowing system

Topcon has established a whistleblower hotline (Topcon Whistleblower System) in accordance with the Whistleblower Protection Act. Contact points are offered internally and externally (independent of the Group), and reports can be made by Company employees and dispatch workers under their real names, anonymously or semi-anonymously at any time. The system also covers reports of bribery, corruption, discrimination, human rights, and harassment.

In addition, to ensure that whistleblowers are not treated unfairly, Topcon has put in place thorough measures such as confidentiality and prohibition of retaliatory actions to protect them. Furthermore, the contents of reports are investigated and addressed in collaboration with the relevant departments. For cases involving significant risks, reports are submitted to management in a timely and appropriate manner, enabling the early detection and correction of problems and preventing recurrence.

### Information security

The Group has improved and built information systems for each of the manufacturing, sales, R&D and other activities as an infrastructure for business promotion. To prepare for failures of these systems (equipment malfunctions, power failures, etc.) and prevent unauthorized access and information leaks, the Group is taking such measures as ensuring the thorough application of security policies, providing education to all employees, reinforcing system backups, and preventing confidential information from leaking out.

### Business risks

Business risks relating to business conditions, financial status, and other matters that may have a significant impact on investor decisions are described in the Annual Securities Report. ([https://global.topcon.com/invest/wp-content/uploads/library/securities-reports/Topcon\\_FY2024\\_Annual\\_Securities\\_Report\\_EN.pdf](https://global.topcon.com/invest/wp-content/uploads/library/securities-reports/Topcon_FY2024_Annual_Securities_Report_EN.pdf))

The risks described in the report are risks that the Company determined as of the end of FY2024, and the report does not fully cover every risk related to the Company.



# Eleven-Year Summary

Topcon Corporation and Consolidated Subsidiaries

Unit: million yen

	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
<b>Profit or loss results</b>											
Net sales	128,569	130,735	128,387	145,558	148,688	138,916	137,247	176,421	215,625	216,497	216,000
Positioning Business <sup>1</sup>	—	—	—	—	—	—	—	—	—	140,386	131,359
Positioning Company	58,672	61,977	60,602	74,945	77,722	73,989	71,416	96,692	124,731	—	—
Smart Infrastructure Business	33,909	32,989	33,091	36,626	36,744	33,398	33,982	39,040	42,163	—	—
Eye Care Business	41,240	43,834	43,148	46,515	47,713	44,758	44,251	57,352	66,899	75,172	84,311
Other Businesses	6,558	4,997	3,708	2,493	1,698	1,319	1,165	1,184	1,335	1,167	435
Elimination	(11,812)	(13,063)	(12,163)	(15,023)	(15,190)	(14,549)	(13,568)	(17,848)	(19,505)	(228)	(106)
Overseas sales	97,568	102,794	98,937	114,847	115,299	108,878	106,041	142,438	176,353	180,006	181,190
Operating income	16,041	8,803	9,551	12,073	13,596	5,381	6,593	15,914	19,537	11,204	8,826
Positioning Business	—	—	—	—	—	—	—	—	—	9,106	5,984
Positioning Company	6,652	2,385	5,596	8,018	8,358	4,537	6,064	11,548	15,427	—	—
Smart Infrastructure Business	5,965	3,909	3,939	5,102	6,393	5,027	4,972	5,821	5,037	—	—
Eye Care Business	5,093	4,850	2,598	2,038	2,896	136	122	3,203	3,968	6,715	8,527
Other Businesses	163	196	10	88	(65)	(144)	(536)	(365)	(344)	(177)	(1,350)
Eliminations / Adjustments	(1,833)	(2,538)	(2,593)	(3,173)	(3,986)	(4,175)	(4,028)	(4,293)	(4,551)	(4,439)	(4,333)
Ordinary profit	14,880	7,366	7,622	10,674	11,497	2,895	5,587	14,820	17,829	8,857	4,729
Profit attributable to owners of parent	8,670	4,197	4,395	6,028	6,548	935	2,376	10,699	11,806	4,940	417
Capital expenditures	5,070	5,203	4,438	5,138	6,234	8,399	4,206	5,279	8,618	19,332	6,791
Depreciation	3,732	4,715	4,660	5,408	5,983	6,757	7,416	7,763	10,383	12,155	12,359
Amortization of goodwill	1,833	2,546	2,451	2,651	2,145	1,999	1,858	1,912	1,589	2,131	2,206
R&D expenditures	10,677	11,329	10,411	12,964	14,014	15,979	14,916	16,180	20,743	24,200	25,147
Free cash flows	7,951	(23,121)	13,238	5,488	7,844	1,137	10,213	10,748	(2,930)	(17,771)	(6,215)
<b>Financial position</b>											
Equity	63,460	58,311	59,716	65,173	69,037	63,100	69,351	83,491	95,310	108,300	103,345
Total assets	143,181	166,542	158,280	160,747	160,288	161,721	168,210	184,983	207,890	247,029	249,144
Interest-bearing liabilities <sup>2</sup>	44,014	64,141	53,021	48,225	44,061	51,228	47,692	38,134	42,770	68,708	83,026
<b>Per share data</b>											
Earnings per share (EPS)	80.27	38.97	41.46	56.87	61.76	8.87	22.59	101.71	112.16	46.90	3.96
Net assets per share (BPS)	587.52	550.04	563.30	614.78	651.11	600.03	659.31	793.57	905.17	1,027.99	980.39
<b>Management indicators</b>											
Gross profit ratio (%)	51.5	50.2	51.1	51.5	52.8	52.3	49.5	51.1	52.1	53.0	52.7
Operating income ratio (%)	12.5	6.7	7.4	8.3	9.1	3.9	4.8	9.0	9.1	5.2	4.1
Profit attributable to owners of parent ratio (%)	6.7	3.2	3.4	4.1	4.4	0.7	1.7	6.1	5.5	2.3	0.2
Ratio of R&D expenditures to net sales (%)	8.3	8.7	8.1	8.9	9.4	11.5	10.9	9.2	9.6	11.2	11.6
Overseas sales ratio (%)	75.9	78.6	77.1	78.9	77.5	78.4	77.3	80.7	81.8	83.1	83.9
Return on assets (ROA) (%)	6.1	2.7	2.7	3.8	4.1	0.6	1.4	6.1	6.0	2.2	0.2
Return on equity (ROE) (%)	14.8	6.9	7.4	9.7	9.8	1.4	3.6	14.0	13.2	4.9	0.4
Price earnings ratio (PER) (times)	36.7	38.1	48.0	36.5	21.1	90.4	59.4	15.4	15.9	38.0	821.6
Price book-value ratio (PBR) (times)	5.0	2.7	3.5	3.4	2.0	1.3	2.0	2.0	2.0	1.8	3.3
Equity ratio (%)	44.3	35.0	37.7	40.5	43.1	39.0	41.2	45.1	45.8	43.8	41.5
Total assets turnover ratio (times)	0.92	0.84	0.79	0.91	0.93	0.86	0.83	1.00	1.10	0.95	0.87
D/E ratio (times) <sup>2</sup>	0.7	1.1	0.9	0.7	0.6	0.8	0.7	0.5	0.4	0.6	0.8
Dividend payout ratio (%)	19.9	61.6	38.6	35.2	38.9	270.7	44.3	35.4	37.4	89.6	504.7

1. In FY2023, the Positioning Company and the Smart Infrastructure Business were integrated into the Positioning Business.

2. Excluding lease liabilities

3. Amounts in parentheses represent negative figures/amounts.

## Corporate Profile

(As of March 31, 2025)

### Corporate Name

TOPCON CORPORATION

### Headquarters

75-1, Hasunuma-cho, Itabashi-ku, Tokyo  
174-8580, Japan

### Established

September 1, 1932

### Paid-in Capital

¥16,891 million

### Topcon Group

Consolidated subsidiaries 56  
Equity method affiliates 8

### Employees

5,327 (consolidated)  
830 (non-consolidated)

## Major Group Companies

### Japan

#### Domestic Sales Companies

TOPCON SOKKIA POSITIONING JAPAN CO., LTD.  
TOPCON MEDICAL JAPAN CO., LTD.  
TOPCON ESSILOR JAPAN, CO., LTD.

#### Domestic Manufacturing Companies

TOPCON YAMAGATA CO., LTD.  
TOPCON OPTONEXUS CO., LTD.

#### Domestic Service Companies

TOPCON G.S. CORPORATION

### Asia/Oceania

Topcon Positioning Asia (Malaysia) Sdn. Bhd.  
Topcon Instruments (Malaysia) Sdn. Bhd.  
Topcon Singapore Positioning Pte. Ltd.  
Topcon Singapore Medical Pte. Ltd.  
Topcon Positioning Asia (Thailand) Co., Ltd.  
Topcon Instruments (Thailand) Co., Ltd.  
PT. Weeo Solutions Frontier  
Topcon Sokkia India Pvt. Ltd.  
Mehra Eyetech Pvt. Ltd.  
Topcon Optical (H.K.) Ltd.  
Topcon Optical (Dongguan) Technology Ltd.  
Topcon (Beijing) Medical Technology Co., Ltd.  
Shanghai Topcon-Sokkia Technology & Trading Co., Ltd.  
Topcon Sokkia Positioning Korea Co., Ltd.  
TOPCON KOREA MEDICAL Co., Ltd.  
Topcon Precision Agriculture Pty Ltd.  
Topcon Positioning Systems (Australia) Pty Ltd.  
Topcon Healthcare Solutions Australia Pty Ltd.

### North America

Topcon America Corporation  
Topcon Positioning Systems, Inc.  
ClearEdge3D, Inc.  
Topcon Healthcare, Inc.  
Topcon Agriculture Canada, Inc.  
Topcon Canada, Inc.

### Europe/Africa/Middle East

Topcon Europe B.V.  
Topcon Europe Positioning B.V.  
Topcon Agriculture S.r.l.  
Topcon Deutschland Positioning G.m.b.H.  
Topcon Electronics GmbH & Co. KG  
Topcon Positioning France S.A.S.  
Topcon Precision Ag Europe S.L.  
Topcon Positioning Spain, S.L.U.  
Topcon Positioning Portugal, L.D.A.  
Topcon Positioning Italy S.r.l.  
Topcon Positioning (Great Britain) Ltd.  
Topcon Technology Ltd.  
Tierra S.p.A.  
Topcon Mirage Technologies S.L.  
Topcon Technology Finland Oy  
Satel Oy  
Topcon Positioning Belgium BV BA  
Topcon Positioning Middle East and Africa FZE  
Topcon Precision Agriculture Africa Pty Ltd  
Topcon Europe Medical B.V.  
Topcon Polska Sp. Zo. o.  
VISIA Imaging S.r.l.  
Topcon Healthcare Solutions EMEA Oy

## External Evaluations



DX Platinum Companies  
2024-2026  
Digital Transformation

DX Platinum Company  
2024-2026



CDP Discloser



Topcon Positioning Systems, Inc.



Topcon Electronics GmbH

EcoVadis Bronze



Kurumin Certification



Eruboshi Certification

# TOPCON CORPORATION

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