

Corporate Social Responsibility Report TOPCON GROUP CSR Report 200099

The TOPCON GROUP believes that practicing Management Philosophy, Management Policy and Business Conduct Guidelines globally is to promote CSR Activities.

Management Philosophy

TOPCON will widely contribute to the human society through corporate activities.

Management Policy

- 1 TOPCON aims to be a leading global company.
- TOPCON earns profits through fair corporate activities and returns profits to its employees, the stockholders and the society.
- O TOPCON strives to create an environment enabling its employees to demonstrate their independent creativity to the full.
- TOPCON will devote itself to customer-orientation and provide high performance and high quality products at a fair price.
- TOPCON will achieve its growth as a good corporate citizen through solidarity and cooperation with the local society.

Business Conduct Guidelines

TOPCON will secure the profit through fair competition in order to reward the employees, the stockholders and the society and pursue to be a useful existence as a "good corporate citizen".

For these purposes, TOPCON will establish hereby the following business conduct guidelines, and will observe all domestic and foreign laws, international rules and their fundamental principles and make sound social judgment in accordance with such guidelines.

Management Philosophy, Management Policy: Establishment in 1983, revision in 1989

Company Overview

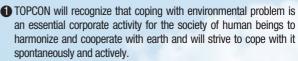
- Corporate name : TOPCON CORPORATION
- Location of the head office

: 7	5-1, Has	unuma-cho	o, Itabashi-k	u, Tokyo
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- Established : September 1, 1932
- Capital : 10,297 billion yen (as of March 31, 2009)
- Representative : Takahashi Yokokura, President
- Sales : Consolidated: 112.666 billion yen (Fiscal year ended March 2009)
- Workforce : Consolidated: 4,964 employees (as of March 31, 2009)
- Business : Positioning Business (dealing with Surveying equipment) Eye Care business (dealing with medical equipment) Finetech business (dealing with industrial equipment and optical devices)
- Group Companies : Domestic: 14 companies
- Overseas: 44 companies
- Major international CSR-related charters TOPCON supports

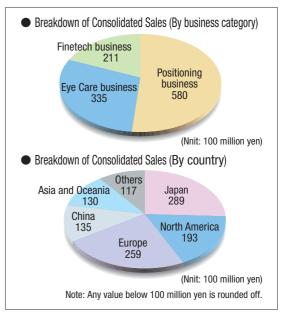
: United Nations Global Compact (participated in October 2007)

http://www.topcon.co.jp/eng/corporate/index.html (Company Overview)
http://www.topcon.co.jp/eng/invest/securities.html (Financial report)



- TOPCON will develop and provide the Products and the services helpful to the society considering their safety and perform the quality control with full preparations.
- OPCON will set its ideas at the formation of fair, transparent and free competitive society, and will hold sound relationship with politics and administration.
- TOPCON will positively confront the anti-social powers and groups that threat the public order and safety of civil society, and will have no relationship with them.
- TOPCON will have communication widely with the society and disclose the correct corporate information appropriately.
- TOPCON will realize the affluent life of Employees, secure the safe and worker-friendly workplace environment and respect the character and personality of each Employee.
- TOPCON will respect, in its overseas business activities, the culture and customs of the country and perform the activities to contribute the development of the country.
- O TOPCON will take appropriate preventive measures for and cope with all risks involved in business conduct and strive to prevent the loss of management resources.
- O Top executives of TOPCON will recognize that the realization of the fundamentals of business conduct guidelines is the role of their own, take leadership, promulgate the guidelines to the relevant persons, establish in-house system and cultivate the sense of ethics.

Business Conduct Guidelines: Establishment in 1990, the third revision in $2007\,$



About our Website>

http://www.topcon.co.jp/eng/csr/index.html (Social and Environmental Activities (CSR)) You can see this report also in our Website. (The back number is also carried.) When there is "http: 📃 ", supplementary information, detailed digital data, etc. are carried.

Efforts and Targets of CSR Activities (excerpt)

TOPCON CSR Committee confirms achievements per fiscal year to formulate the target and plan of the next year. As for the fiscal year 2008, we established CSR Basic Policy, started to formulate BCP (Business Continuity Plan) and carried out various training courses of Risk-Compliance as planned.

	Item	Major achievements in fiscal 2008	Major targets and plans in fiscal 2009
The m	Corporate of po		 Establishment of CSR Month (Thoroughness of policy, raising good atmosphere) Implementation of training of Corporate Governance/CSR (for all Senior Managers)
Governance Find of TOPCON		 Established BCP Basic Policy and BCP committee Furnished bulletin boards for Risk-Compliance Implemented trainings in Risk-Compliance (for managers in T.H.Q.) Implemented Compliance training with respect to each theme 	 Establishment of BCP and evaluation by top management Implementation of training of Risk-Compliance (for Managers/Senior Managers in T.H.Q) Continuation of fiscal 2008
Customersment (User meeting, Advisory board)demand of the market• Supported to strengthen Global quality assurance system• Continuation of fiscal 2008• Improved quality of Design Review to improve the quality of design• Implementation of attaching in feedback from quality in the mar forcement of quality-by-design order to improve the quality of design			
	Stockholders and Investors	• Sent out information to stockholders and investors (Substantial Web site and corpo- rate brochure. Implemented IR explanatory meeting)	Continuation of fiscal 2008
Social Performance		 Established Safety and Health Global Basic Policy Established Guidelines for the measures on smoking in the workplace Implemented trainings in human rights(ex. sexual harassment) (for managers in T.H.Q.) 	 Implementation of preventive measures (restrictied working time) based on the result of phisical examinations Implementation of measures on smoking (help stop smoking) Implementation of management training regarding obligation of security
ance	Suppliers • Established and supported RoHS investigation system for new products and parts		• Effective operation of RoHS investigation system for new products and parts
Corporate Citizenship		 Supplied environmentally-conscious/ener- gy-saving goods and goods/services useful to improve medical treatment/health/life International volunteer assistance for developing countries Assisted medical and academic institutes (Donated products, Established contribution course) 	Continuation of fiscal 2008
	Environmental Management System	 Promoted certainly the TOPCON Group Voluntary Environmental Plan 2010 Strengthened Global management system (Increased the object to be audited) 	 Continuation of fiscal 2008 Increase of the object to be audited from 6 to 8 companies)
Environme	Environmentally Conscious Products and Services - Strengthened the control of chemical sub- stances in products (compliance with REACH)		 Supply of Environmentally-Conscious Products (50% of sales quantity) Strengthen measures on RoHS directive and REACH regulations
Environmental Performance	Environmentally Conscious Production and Sales Processes	 Promoted to prevent Global Warming Continued ZERO EMISSION and increased the object Reduced chemical substance waste 	 Step-by-step switchover to Reduction by emission per unit of sales and Reduction of total emission Consideraton of substitution for cleaning solvent
ance	Environmental Communication	• Strengthened cooperation with administra- tion and local residents.	Continuation of fiscal 2008
Co	mmunication	 Issued the TOPCON Group CSR report Issued the first edition of CSR Group's medium (CSR INFO · LINK) Participated in section meeting of Global Compact Japan Network Released corporate information timely by TOPCON Web site 	Continuation of fiscal 2008

* Please see an environmental page about the achievements in fiscal year 2008 concerning an environmental report.

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[Target Period of the report] Our activities from April 1, 2008 to

March 31, 2009 are mainly reported.

[Scope of the target]

The target of the report is CSR activities at TOPCON CORPORATION and its group companies unless otherwise noted.

[Date of issuance]

June 2009 (the previous one was issued in June 2008)

[Guidelines used as references] GRI (GLOBAL Reporting Initiative), Sus-

tainability Reporting Guidelines 2002, 2006

Environment Accounting Guidelines 2007 by the Ministry of the Environment

The Mind of TOPCON CORPORATION

Message from Top Management

Implementation of CSR Management is my Principle

Practicing Its Management Philosophy

I believe that practicing our management philosophy, "TOPCON will widely contribute to the human society through corporate activities.", and aiming to become a group in which employees are proud, and that enjoys the confidence of the society is the management to fulfill our social responsibility.

We have our predecessors' thought incorporated in the Management Philosophy as a starting point, to have a clear vision for the future. In any kind of business situation, we will promote CSR Management. Especially, a viewpoint from consideration of the global environment, we have a common slogan "Hand down the Irreplaceable Global Environment to the next generation in a sound status." With this in mind, we will realize resource and energy savings by developing environmentally-conscious and environment-contributing products.

Raising Consciousness of Compliance and Risk

The TOPCON GROUP is global that approximately half of the employees of the group are working outside of Japan and sales of overseas are more than 74%. In each country and area, legislations, social norms, history and culture of its society are different and employees' senses of values are various.

Therefore, in order to promote CSR management all together as a group, it is important for everyone to share the basic sense of values and in October 2008, we issued Basic Policy for CSR. Furthermore, we ask our employees to polish their minds, that is, an understanding of diversity, flexible and refined sensibilities.



Respecting the spirit of the United Nations Global Compact The TOPCON GROUP participated in the United Nations Global Compact in October 2007 as we believe that the Ten Principles presented by the Global Compact should be embraced in our strategies, culture and daily works to have a guideline for better management activities. As the sense of values of the TOPCON GROUP, TOPCON reflected it to Basic Policy for CSR and the TOPCON Code of Business Conduct and laid the foundations to achieve responsible corporate activities for our stakeholders.

The TOPCON GROUP will promote CSR activities through corporate activities and is ready to fulfill its responsibility and raison d'etre as a corporate group and come up to your expectations. We would like you to provide us with your support and cooperation.

> TOPCON CORPORATION President

. Yokokura

TOPCON

Promotion of Global CSR Activities

Basic Policy for CSR

- TOPCON will locate CSR activities in the center of business and work on it intentionally in order to build, share and implement the sense of values and standards suitable for global enterprise.
- TOPCON will, to the extent of our influence, support and implement the rules and regulations that are globally approved regarding Human Rights, Labor Standards, Environment and/or Anti-Corruption as declared in THE GLOBAL COMPACT.
- ③ TOPCON will make a social contribution voluntarily and actively through developments, production, sales and services of useful products.

Relationship between stakeholders and the TOPCON GROUP

The TOPCON GROUP will observe foreign and domestic laws and regulations, respect the social ethics, contribute toward protecting the environment and provide safe and high-quality products. At the same time, the TOPCON GROUP attaches great importance to communications with its stakeholders and makes a social contribution through its business activities.

Relationship between Stakeholders and the TOPCON GROUP

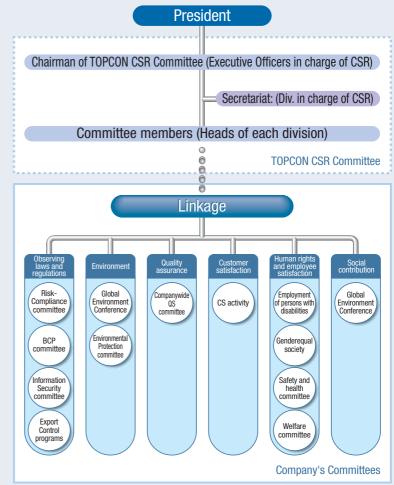


- TOPCON will promote an environmental management through the creation of environmentally-conscious business process and through providing with environmentally-conscious products and services.
- OFTOPCON will strive to establish CSR activities in every officer and employee's daily work and to infiltrate and establish them within global TOPCON GROUP companies.
- **(6)** TOPCON will acquire understanding and confidence of all the stakeholders of TOPCON GROUP companies by providing with information actively.

Structure of Promoting CSR

TOPCON'S CSR activities are conducted following the policy decided by "TOPCON CSR Committee", and developed within global TOP-CON GROUP companies through linkage with CSR-related divisions and other committees.

Linkage between the CSR Committee and Other Committees



The Mind of TOPCON CORPORATION

Participating in the United Nations Global Compact

«Activities regarding the United Nations Global Compact**»**

TOPCON participates in the United Nations Global Compact (GC) while joins GCJN which is a network of participating parties to GC. As a member of case study section meeting, TOPCON collects and uses information useful for our CSR promotion.

The United Nations Global Compact

The Global Compact was first announced by the then United Nations Secretary-General Kofi Annan in an address to The World Economic Forum held in Davos, Switzerland in January 1999 and was officially launched at the United Nations Headquarters in New York in July, 2000. The GC asks companies all around the world to embrace, support and enact the ten principles universally established in regard to human rights, labor standards, the environment and anti-corruption fields.



Http://www.unglobalcompact.org/ (United Nations Global Compact)

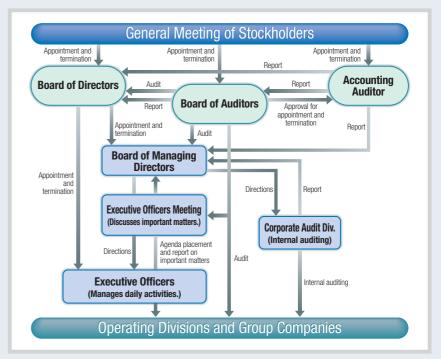
Corporate Governance Structure

"Corporate governance" in TOPCON means the acts of Board of Directors, which the director as a stockholder's representative constitutes, that decide a basic policy of the management, laws and statutes, others, matters of weight related to management, and also means the acts of the executives that supervise the execution of duties that use financial resources. That means the mechanism that makes the company exert the maximum power which it originally has, while keeping a system and the order of the company. Thereby, we will pursue the permanent increase of a corporate value, and the soundness and transparency of the management.

Meeting Frequency of the Boards of Directors and Executive Officers

	Frequency	
Board of Directors	Once per month, and provisionally	
Executive Officers Meeting	Once per week and provisionally	

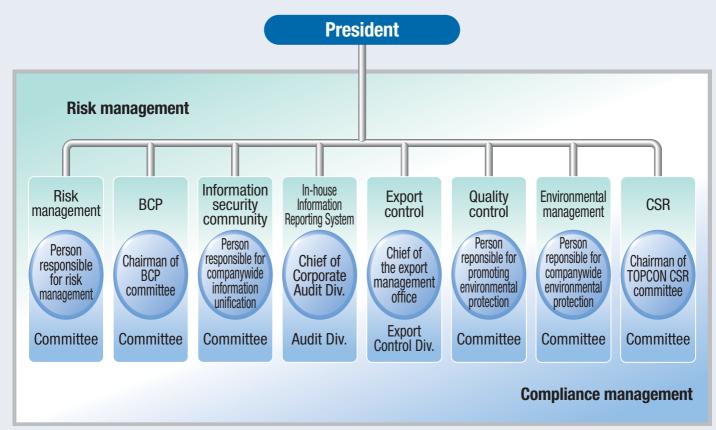
Corporate Governance Structure



Risk-Compliance

Concept of Risk-Compliance

As the first item of law and regulation observation, TOPCON GROUP has its own "Business Conduct Guidelines" and "Code of Conduct" which should be observed by all of the officers and employees. For risk management, TOPCON GROUP has established "Basic Rules for Risk-Compliance", Chief Risk-Compliance Management Officer and "In-house Information Reporting System". The result is a system capable of appropriately and individually dealing with all possible risks arising from TOPCON and its subsidiary companies on a timely basis.



In-house Information Reporting System, Protection of Information Providers

The standard concerning In-house Information Reporting System, Protection of Information Providers is as follows.

- **1** TOPCON will establish and appropriately operate the inhouse information reporting system to ensure that the Employees etc. may report the risk-compliance information (i.e. any information regarding prohibited actions or other actions that are suspected of prohibited actions, under the Code) to the Chief Risk-Compliance Management Officer (CRO or Presidents at subsidiary companies) or the division in charge of risk-compliance matters directly.
- 2 Employees etc. who have encountered the risk-compliance information will report such information to their superiors or will provide such information in accordance with the in-house information reporting system.
- 3 The Chief Risk-Compliance Management Officer (CRO or Presidents at subsidiary companies), the division in charge of risk-compliance matters and/or superiors who receive the risk-compliance information from the Employees etc. will respond and act immediately and appropriately.
- 4 No disadvantageous treatment will be taken against the Employees etc. who provide with the risk-compliance information for good reason and in good faith, on ground of providing with the risk-compliance information.

The Mind of TOPCON CORPORATION

Risk-Compliance

Risk-Compliance committee

This committee is assigned the task of discussion/drafting of basic strategy related to Risk-Compliance and basic plan, organization of management system, implementation of measures for maintenance, raising the atmosphere of organization that respects the compliance. In fiscal 2008, the committee worked on framing BCP (Business Continuity Plan) and raising the atmosphere that respects the Risk-Compliance as main tasks.

Risk-Compliance training for managers

TOPCON has implemented various trainings to create the atmosphere that respects the Risk-Compliance. In fiscal 2008, we implemented the trainings of Corporate Governance, CSR, Risk-Compliance system as main theme for all the managers in headquarters.



Risk-Compliance training for managers

Establishment of BCP (Business Continuity Plan)

If a pandemic of new influenza or a big earthquake occurred, inadequate measures could lead to a long-term shutdown of business activities. That would seriously affect customers, neighbors and each stakeholder. In accordance with BCP basic policy as followings, TOPCON is formulating a plan with business continuity in mind.

BCP Basic Policy

- 1 TOPCON will give priority to safety and relief of employees and their families.
- **2** TOPCON will fulfill the responsibility for supply of the goods to customers.
- 3 TOPCON will support the instauration and the restoration of the region and customers.
- 4 TOPCON will aim at an early restoration of business and minimize the adverse effects on management.

Personal Data Protection and Information Security

The TOPCON GROUP maintains "Basic Rules for Personal Information Protection" about the protection of personal data, and "Basic Rules for Information Security" about classified information, and is aiming at employees' understanding of the policy and the content. In addition to protecting data, information itself, these efforts enable timely, appropriate handling of any risk regarding the information.

Personal Data Protection Policy

- **1** TOPCON strictly observe the Personal Data and other relevant laws and regulations.
- 2 When TOPCON obtains personal data from customers, in case without any individual explanation, TOPCON uses personal data with the aim of providing the information of the products and services of TOPCON or of its 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 TOP-CON.
- 3 TOPCON takes rational safety measures against the risk of personal data in cases like unauthorized access and disclosure to personal data or the loss, destruction, alternation, etc.
- 4 TOPCON has established management system relating to personal data protection and strives to continuously improve.

http://www.topcon.co.jp/eng/privacy/index.html (Privacy Policy)

Information Security Policy

- **1** TOPCON will recognize the property value of information, respect the information of others and endeavor to prevent the unauthorized disclosure and inappropriate use of corporate information and to protect the property right of corporate information.
- **2** TOPCON will protect the personal information appropriately in its business activities.

TOPCON

Export control

TOPCON will take no part in any transaction that may undermine the maintenance of international peace and safety. For this purpose, TOPCON will understand sufficiently the aim of the laws and regulations relevant to export control of Japan and other countries where TOPCON carries out its business activities and the "Export Administration Act" of U.S.A. and its relevant regulations, and will establish and observe the "Export Control Program" and "Export Management and Compliance Program for U.S. Products and Technologies" (hereafter these programs are referred to as "the Control Program"), for the compliance with the said laws and regulations.

Code of Conduct regarding Export Control

Employees etc. will not make any business transaction of export and/or import of the restricted materials in violation of the export control law of Japan or of other countries where TOPCON carries out its business activities and its related laws and regulations.

Employees etc. will not export and/or re-export of the U.S. products and technologies in violation of Export Administration Act of U.S.A. and its related laws and regulations.

Education regarding Export Control and the result of audit on group companies

• Education of Export Control

In fiscal 2008, we had 26 education courses including introduction for new employees and export control seminars.

• Audit on group companies

In order to confirm the situation of establishment of export control systems, regulations in manuals and examinations on slips, and maintenance of evidence, we had the audit on 7 companies at home and abroad in fiscal 2008.



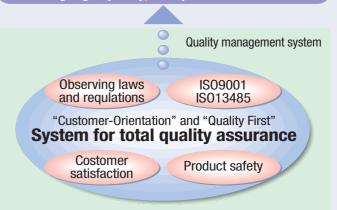
Export control seminar

Total Quality Assurance

Basic Policy

- 1 TOPCON will observe the relevant laws and regulations in accordance with TOPCON's management philosophy to contribute to the human society, devote itself to "Customer Orientation" and "Quality First" and provide with safe and high quality Products and services that satisfy customers.
- 2 TOPCON will make best efforts to ensure that the Products and services have the usefulness and safety that they should provide ordinarily and are provided to customers without defect in accordance with the laws and regulations and contracts. TOPCON will also make persistent effort and pay maximum attention to prevent Product Liability (PL) accident and Contract Liability (CL) accident from arising.

Providing high-quality, safe products and services



Social contribution through corporate activities



JAB Certificate

UKAS Certificate

Certicates that recognize compliance with ISO 9001: 2000, an international standard for quality management systems

http://www.topcon.co.jp/eng/corporate/quality.html (Quality Assurance Activities)



For Sustainable Society

TOPCON, not only producing environmentally-conscious products (energy saving, miniaturization), but has technologies and products that are a clue to the settlement of various problems in near future, that is, the coming of an aging society and depletion of resources, and contribute to create a sustainable society. We are introducing herewith the technologies and products of each business unit selected from that point of view.

Products from the Positioning Business Unit

 Mobile Measurement Technology relating to Energy Saving/Resource Saving "Mobile Mapping

System IP-S2" Mobile measurement is an innovative technology that has been getting increased attention in Japan and Western countries. Driving a car



Illustration of IP-S2 system

with Mobile Mapping System (IP-S2), a unified instrument of our GNSS receiver * and inertial measuring unit, can provide myriad data.

- 360-degree panoramic image
- Positional information from GNSS
- Steering wheel and traction information
- Laser scanning information

Integrating and processing these data will create a form of the driving path in three dimensions. Utilizing the data in map-making and city planning will enable a drastic reduction of the pieces of equipment and man hours previously required.

* An instrument that receives radio signals from the positioning satellites to determine its location.



Three-dimensional dots group including positional information

360-degree panoramic image data

Autonomous vehicles

The use of unmanned (autonomous) vehicles is possible by combining an automatic control system with three-dimensional route data, positioning information from GNSS satellite signals, and obstacle information detected by laser scanner. This emerging technology will take an important role in various scenarios, including realization of

the movement to intelligent transportation systems (ITS)*, and travel into hazardous areas (natural disasters or polluted areas) where danger to human is apparent.



Experimental unmanned driving in San Francisco, USA

Intelligent Transport Systems. This is a new traffic system that connects people, roads and the vehicles by information network. One major purpose of the development is to minimize road traffic problems, such as traffic accidents and traffic jams.

Products from the Eye Care Business Unit

• Dealing with Aging and Quality of Vision "Wave Front Analyzer KR-1W"



As a method of the refraction correction for near-sightedness, far-sightedness and astigmatism, in addition to the glasses and the contact lens, there is LASIK surgery (a kind of the refractive surgery).

Moreover, as the extension of life by the progress of medical technology, the cataract surgery (intraocular lens insertion) which is increasing among elderly people requires not only the recovery of transparency but Quality of Vision. By the measurement function of the Wave Front aberration that can contribute to the refractive surgery such as near-sightedness correction and the improvement of the Quality of Vision after the cataract surgery, and that attracts attention as new measurement/analysis of optical system of the glasses and a synthetic valuation method, this instrument contributes to provide with higher Quality of Vision.

Products from the Finetech Business Unit

"Chip Defect Inspection System Vi-1202" used for manufacturing process of LED which contributes to CO2 reduction "Luminance & Chromaticity Uniformity Measuring Device UA-1000A" "Ultra Low Luminance Spectroradiometer SR-UL2"

LED (Light Emitting Diode) attracts attention as a long-life and energy saving illumination comparing to conventional fluorescent lamp because it converts electric energy directly and effectively into light energy. For example, the accelerative spread of illumination using LED is raised as one of the concrete measures for target achievement of the "Kyoto Protocol accomplishment plan" by the Japanese Government.





part in the LED spread, and contribute to the global warming prevention by CO₂ reduction.

Moreover, LCD television with LED as a backlight instead

of a fluorescent tube attracts attention as energy saving

and eco-friendly goods. By offering inspection and mea-

surement equipment which is crucial for LED development

and manufacturing process, TOPCON will play a significant

UA-1000A



TOPCON

Special Topics

Spectroradiometer WR-100" used for solar power generation

Solar power, one of the most promising renewable energy source is rapidly spreading worldwide as a key solution of the global warming. TOPCON has started OEM sales for solar cell evaluation equipment of SOMA OPTICS.LTD. In the field of solar cell where a big effect of CO₂ reduction is expected in the future, we will offer new products by

joint developments by mutually supplementing Topcon's technology in Optics and that of SOMA OPTICS, LTD. in solar cell evaluation.



Development of LED manufacturing related product

SR-UL2 I am engaged in is the world top class optical characteristic evaluation standard equipment with highest sensitivity 0.0005cd/m² corresponding to the evaluation of mega contrast FPD*, and wide dynamic range of measurement luminance range $0.0005 \sim 300.000$ cd/m². In order to achieve the unprecedented ultra-low luminance measurement, the optical system and the electric system are newly designed and we succeed in removing the optical and electric noise thoroughly.

* FPD (Flat-panel display) of the contrast ratio 1 million 1



Finetech Business Unit Person in charge of Optical Instrument Design group

Industrial-government-academic, joint recycling promotion of lens abrasives

OPTONEXUS CO., Ltd. is proud of a domestic high share by the glass polish of the glasses lens. In the cerium oxide-related abrasives used for polish contain the rare-earth element which the resource dryness is concerned about. Therefore, at the OPTONEXUS Takine factory to which I belong, we push forward a study about effective use (reuse) of waste abrasives by industrial-government-academic cooperation including Fukushima Prefecture.

In fiscal 2008, first of all, we verified about the degradation (the quantity of lens polish before polish capability falls) by the use of unused abrasives as comparison material. After fiscal 2009, we will also inspect reproduction abrasives and grasp degradation.

We will, not only use it in the production site, but aim at the resource saving in the entire industry by offering our data.

> Person in charge of OPTONEXUS Co., Ltd. (Domestic subsidiary company)





Social Contribution Activities

Support for great earthquake revival

TOPCON offered various supports with all over the group for the revival from the big earthquake that hit People's Republic of China Sichuan in May, 2008.

- Donation of products to the China Earthquake Administration and the State Bureau of Surveying and Mapping
- For data collection of aftershock and monitoring of crustal movements, five sets of high precision GNSS receivers *1 and technical support were provided to the China Earthquake Administration. (TOPCON H.Q.)



- GNSS equipments were also provided to the State of Bureau of Surveying and Mapping for reconstruction of reference points * 2 in the seriously damaged area. (TOPCON H.Q. Topcon Positioning Systems, Inc. (A group company in U.S.))
- *1 An instrument that receives radio signals from the positioning satellites to determine its location.
- 2 Reference point is a marker that indicates its location on earth and the position above the sea level, Without recovery of the points, precise surveying compared with the maps cannot be done and it causes a delay in reconstruction.



Sokkia Surveying Instruments Trading (Shanghai) Co., Ltd. (a group company in China) also offered surveying instruments and sent staff for restoration of reference points in Pingwu district.

Donation activities

The TOPCON GROUP made donations for earthquake victims. The following pictures show a part of the donation activities that done by volunteer employees of group companies in China.



Donation by employees of Topcon (Beijing) Opto-Electronics Corporation



Donation by employees of Sokkia Surveying Instruments Trading (Shanghai) Co., Ltd.

Contributing to Eye Health

TOPCON GROUP is contributing to the health of eyes in various countries and regions.

Support for an ophthalmology medical examination program

Topcon South Asia Pte. Ltd. supported a free ophthalmic examination program for Singaporean people provided several times a year in domestic various areas, sponsored by the Singapore National Eye Center, and supported a free ophthalmic diagnostic program "Eyes Care Day" lead by Ministry of Health Singapore, and donated eye examination instruments. (Topcon South Asia Pte. Ltd.(A group company in Singapore))



Support for the eye examination

Topcon Medical Systems, Inc. supports every year the eye examination and free glasses activities for the underprivileged children "GIVE THE GIFT OF SIGHT" held by glasses chain store group Luxottica, and dispatches the staff. (Topcon Medical Systems, Inc. (A group company in U.S.))



Support for the medical system construction

TOPCON donated a fundus camera that was eye examination equipment to People's Hospital newly established in Dongguan City, Guangdong Province, China.



Support for scholarly investigation

- In Graduate School of Medicine, Osaka University, TOPCON has established the contribution course "Visual information control study", and various results such as development of the medical Wave Front Analyzer which became the first domestic production etc. have been achieved. (Since 2004)
- TOPCON also cooperated with the establishment of "Traceability instrumentation engineer contribution course" in the School of Engineering, The University of Tokyo for supporting the education and research activities. (Since 2008)

TOPCON performed the followings as activities for the local people who were important stakeholders. Here, the examples are introduced.



High school student internship. Workplace experience study by a junior high school student. Workplace visit acceptance (TOPCON, Topcon Yamagata, OPTONEXUS)

With everybody in the local area



Primary schoolchild tour of the factory, Cooperation in school events (TOPCON, OPTONEXUS)



Opening the ground to festivals or potato festivals sponsored by neighborhood self-governing bodies (TOPCON, Topcon Yamagata)



Holding of environmental event for local children "TOPCON green Christmas 2008"

All the electric power used in the event was covered by green electricity. (TOPCON)

As the other actions, SOKKIA TOPCON participated in "Zero garbage action in Ashigara" and "Sakawa River unification beautification campaign" which were the cleanup activities in surrounding areas of business places.

Now, the labor union becomes the organization that needs to participate in the whole activities of CSR in the company. The minimum labor standards that should be protected for workers are one of the main fields of CSR. Because the union member (employee) is an important stakeholder for a company and at the same time, he works on CSR with a company, the labor union is regarded as the **CSR and Labor Union**

existence incorporated in CSR. If CSR widely pursues the profit of the whole society, the labor union's participating in CSR becomes an important tool that materializes the philosophy the labor union aims at. I am convinced that securing union member's (employee) employment stability, proper wages, working conditions, and healthy workplace environment with protecting various stakeholders' profits will lead to sustainable development of a company.



Sociality Report

Relationship with Stockholders and Customers

Together with Stockholders and investors

TOPCON's Business Conduct Guidelines state as follows: TOPCON will have communication widely with society and disclose the correct corporate information appropriately. Besides disclosing information based on the related laws and regulations and the rules established by stock exchanges, the company is also making efforts to disclose any information related to its stakeholders rapidly and fairly.

Specific Standards of Conduct

- (1) TOPCON will disclose the corporate information appropriately and on a timely basis in conformity with the relevant laws and regulations.
- ② TOPCON will perform publicity activities sincerely toward mass media and securities analysts by clarifying the target and arranging the information and the data to be disclosed, based on the objective facts.

http://www.topcon.co.jp/eng/invest/index.html (Investor Relations)

Respect for Customers

Basic Policy

TOPCON will aim to contribute to the society through providing safe and useful Products and services that satisfy the diversified customer needs.

Universal Design

TOPCON puts an emphasis on universal design as a guiding principle for developing products. We strive to provide broad-spectrum solutions that help everyone.

An example of our effort (KR-1W)

- (1) Five measurements (refractive measurement, kerato measurement, cornea shape measurement, Wave Front aberration measurement, pupil diameter measurement) required for ophthalmic diagnoses are now combined in one single unit.
- ② Although it has various functions, a series of operation can be performed with one button so that the measurement may be possible for a short time in easy operation.
- ③ The screen design which an operator can operate without confusion, by the adoptions such

as a simple screen design, guide messages, and intuitionally imaginable icons. TOPCON will challenge the improvement of the further convenience so that all customers who use our products are satisfied.



KR-1W



Together with Suppliers

TOPCON strives to assure open and fair procurement practices based on green procurement. Besides, TOPCON is working to comply with the RoHS directive and other environmental regulations around the world. We also hold annual briefing meetings to get our business policy better understood by our customers. In fiscal 2008, approximately 90 companies were represented by 150 people in the briefing.

Procurement activities

- ① TOPCON will observe the laws and regulations related to procurement activities and procure the necessary materials (including services) at the appropriate quality, price and delivery period under a fair commercial relationship.
- (2) TOPCON will promote green procurement for the manufacture of the Products harmonized with the environment.



Business Policy Briefing

http://www.topcon.co.jp/eng/material/index.html (International Procurement)

Responsibilities to Employees

Respect for Human being

Based on a philosophy among the management policies, "TOPCON strives to create an environment enabling its employees to demonstrate their independent creativity to the full.", TOPCON is making efforts to build personnel measures fairly for the treatment etc of its employees in accordance with their "willingness, performances, challenge wills".

Our activity of coping with employees' needs to "work and continue working" consists of building a variety of job support systems for employees. We also create an environment for Persons with Disabilities enabling them to demonstrate their abilities to the full. We select their workplaces, build a slope way, consider their commutation methods.

Basic Policy of Respect for Human being -

- ① TOPCON will accept different values and respect the personality and character from the standpoint of respect of human dignity, and give Employees etc. the opportunity for self-realization and cultivate their capability to the full.
- ② TOPCON will fully comply with the laws and regulations and respect basic human rights, and will not make any discriminatory treatment. TOPCON will never engage in child labor or forced labor.
- ③ TOPCON will develop an environment where Employees etc. may perform their duties creatively and efficiently and so that Employees may achieve the "work-life balance" (ideal balance between work and home).

Basic Policy of Health and Safety

TOPCON established "TOPCON GROUPS Safety and Health Policy" in order to secure employees' safety and health which is one of the most important management's responsibilities. TOPCON sent it out to domestic and overseas subsidiaries. TOPCON also issued "Guidelines for Measures on Smoking" in the workplace. According to it, responsible officials at home and abroad should take measures on smoking.

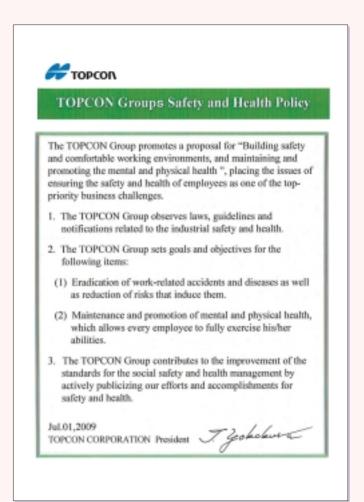
(FY08				
Emploees accident-free hours	Conseecutive hours free of accidents resulting in fatalities of absences of 1 day or longer			Approx. 657 thousand hours
Severity rate	Percentage of serious accidents			0.00%
Frequency rate per working hours	Number of dead and injured per million working hours			0.00%
Frequency rate per 1,000 worker	Number of dead and injured per 1,000 workers per annum			0.00%
Frequently-occur- ring work-related accidents		Tripping	Countermeasures: Held walking seminars, published observations on how accidents occurred, etc.	

* 1 The record of the no disaster time that continued from July, 2007 broke off up to 11.32 million hours due to a worker's accident (a tumble on the stairs) that occurred in December, 2008.

* 2 Headquarters-only statistics

(FY08)				
Program	Entitlem	Numbre of Applicants		
Maternity Leave	6 paid weeks before	8		
Child Care Leave	Up to 2 years of unpa	10		
Family Care Leave	Up to 1 years of unpaid leave		1	
Reemployment System for the Elderly	Reemployment of workers past retirement age		15	
Employment of Persons with Disabilities employment rate: 1.48%				
* Headquarters-only statistics				

* Headquarters-only statistics



Environmental Report

TOPCON GROUP'S Basic Policy for Environmental Protection

Recognizing that "It is the basic responsibility of human beings at present to hand down our 'One Precious Earth' to succeeding generations with its environment in sound state", TOPCON wishes to promote environmental protection activities as far as technically and economically possible and has established its own basic policy for environmental protection as follows.



Certification organization: Japan Audit and Certification Organization for Environ-ment and Quality (JACO)

State of Acquisition of ISO Certifications by TOPCON'S Affiliated Companies

The following member companies of the TOPCON GROUP have already acquired the ISO 14001 certification.

	Approval Date	organization
Topcon Yamagata Co., Ltd.	2000/3/20	TUV
Topcon Optical(Dongguan) Technology Ltd.	2001/5/17	SGS
OPTONEXUS Co., Ltd. (Headquarter)	2001/12/21	JQA
Topcon Technohouse Corporation	2005/3/9	JACO
OPTONEXUS CO., LTD (Takine factory)	2006/1/20	JQA

* Topcon Service Co., Ltd certified by Eco-Action 21 on April 26, 2005

http://www.topcon.co.jp/csr/index.html (Additional Information to Environmental Report)

Environmental Protection Activities

Targets and Achievements of Environmental Protection Activities in FY2008

Target	Criterion of comparison	Target	Achievement	Result
Reducing the total amount of waste generation (per unit of sales)	FY 2000	A decrease of 18.8% (1.034)	An increase of 1.9% (1.298)	Not achieved
(Total amount generated)		(615 tons)	(550 tons)	\mathbf{x}
Reducing hazardous chemical substances Reducing the amount of VOC generation		Monthly counting, Drafting of 1-BP substitute plan	All implemented	Already achieved
Amount of second class organic solvent consumed	FY 2000	A decrease of 71%	A decrease of 71.7%	\bigcirc
Energy saving (per unit of sales)	FY 1990	A decrease of 20%	A decrease of 3.8%	Not achieved
(Amount of CO ₂ emission)		(5,748t-CO2)	(4,921t-CO2)	\mathbf{i}
Developing environmentally conscious products (ECPs) Ratio of ECPs to sales	Ratio of all products sold by volume	35%	35.5%	Already achieved
Power consumption	Comparison with previous model per function	A decrease of 20%	A decrease of 24.3%	\bigcirc
Compliance with product I of each country	egislation	Collection/sending information Support/guidance	Collection/sending information Support/guidance	Already achieved
Controlling and auditing chemical substances contained in procurements from major supplier		30 companies	31 companies	\bigcirc
Conducting environmental audits at affiliated companies Establishment of global environmental protection system		6 environmental audits (3 domes- tic 4 sites, 3 overseas) 2 environmental visits (overseas)	6 environmental audits (3 domestic 4 sites, 3 overseas) 3 environmental visits (1 domestic group, 2 overseas)	Already achieved
Education and publicity Conducting environmental	education	Company-wide implementation by hierarchy		Already achieved
Public relations		Issuing a CSR report and environmental news		\bigcirc

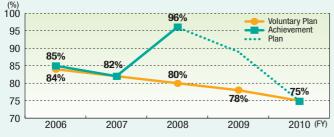
Targets of Environmental Protection Activities in FY 2009

Target	Criterion of comparison	Target	
Reducing the total amount of waste generation (per unit of sales)	FY 2000	A decrease of 19.4% (1.026)	
Reducing hazardous chemical substances Reducing the amount of VOC generation	FY 2000	Monthly counting, Drafting of 1-BP substitute plan	
Amount of second class organic solvent consumed	FY 2000	A decrease of 72%	
Energy saving (per unit of sales)	FY 1990	A decrease of 11%	
(Amount of CO2 emission)		(4,921t-CO ₂)	
Developing environmentally conscious products (ECPs) Ratio of ECPs to sales	Ratio of all products sold by volume	50%	
Power consumption	Comparison with previous model per function	A decrease of 20%	
Compliance with product legislation of each country		Collection of information Revision of registration Compliance Support/guidance	
Controlling and auditing chemical substances contained in procurements from major supplier		More than 5 domestic, 1 overseas com- panies	
Conducting environmental audits at affiliated companies Establishment of global environmental protection system		7 environmental audits (3 domestic 4 sites, 4 overseas) environmental visits 1 group (overseas)	
Education and publicity Conducting environmental education		Company-wide implementation by hierarchy	
Public relations		Issuing a CSR report and environmental news	

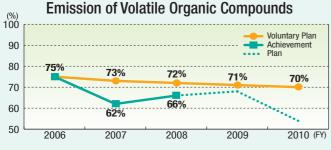
Prevention of Global Warming

The amount of CO₂ emission in fiscal 2008 was less than last year's result. However, emission per unit of sales was affected by the worldwide economic depression and unattainable for the target. In order to fulfill CO₂ emission reduction obligation by Tokyo municipal ordinance, TOPCON will take the Emission Trading System into consideration as a new method and aim at accomplishment of a goal together with the voluntary plan.

Reduction of CO₂ Emissions Due to Business Activities



Reduction of Chemical Substance



Voluntary Environmental Plan 2010

Voluntary Plan:

Plan for the company's commitment to voluntary activities

The TOPCON GROUP, mainly its affiliated companies engaged in domestic production, has formulated and implemented a Voluntary Plan covering the period from FY 2006 to the end of FY 2010.

The names of the companies targeting the Voluntary Plan are listed here.			TOPCON CORPORATON Topcon Technohouse Corporation Topcon Yamagata Co., Ltd. OPTONEXUS Co., Ltd. Topcon Service Co., Ltd.		
AC	tivity item		dicator	Criterion of comparison	Target
Offering environ-	Creating more ECPs	Ratio of volume	ECPs sold by	Total number of units sold	60%
mentally	Reducing power consumption		eduction in power on per function	Previous model	20%
products (ECPs)	Reducing hazardous substances	The 15 specified substances contained in products		Newly devel- oped product	Total ban
Preventing greenhouse warming	Reducing the amount of CO ₂ emission	Reducing the amount of CO ₂ emission per unit of sales		FY 1990	25%
Making effective	Reducing the total amount of waste generation		he total amount of ation per unit of sales	FY 2000	20%
use of resources	Reducing the amount of waste from final treatment	Achieving the target of zero waste emission		Voluntary criterion	All sites targeted
Managing chemical substances	Reducing the amount of volatile organic compounds generated	Total amo VOC emis		FY 2000	30%

Efficient Use of Resources

In fiscal 2008, the total amount of waste generation was below the last year's result. However, emission per unit of sales was unattainable for the target as well. The calculation method does not suit the present condition by the increase of trade-in products. In fiscal 2009, TOPCON will review the method and aim at the achievement of the voluntary plan.

Reduction of Waste Caused by Business Activities



Zero Emission Achievement by the TOPCON GROUP

Way to Topcon Yamagata's Zero Emission Achievement

Topcon Yamagata achieved Zero Emission in April 2009. The way to the achievement was not smooth at all. We are introducing the activities that the person in charge tackled.

- ① Secretariat made some garbage cans for easy separation.
- 2 We performed the enlightenment movement to the separation thoroughness to each one with the slogan "The most important thing for Zero Emission is separation"
- ③ We promoted 5S (housekeeping, workplace organization, cleanup, keep cleanliness, and discipline) by all employees' participation.
- (4) We investigated waste recyclers, negotiated, selected and concluded a contract.
- (5) We visited the recycler to confirm if the recycler was disposing of the waste properly.
- (6) We confirmed if the items of the waste are consistent with the contents of contract.

Zero Emission was not able to be achieved by only secretariat without cooperation of a lot of people like employees, waste recycler and suppliers.



Environmental Report

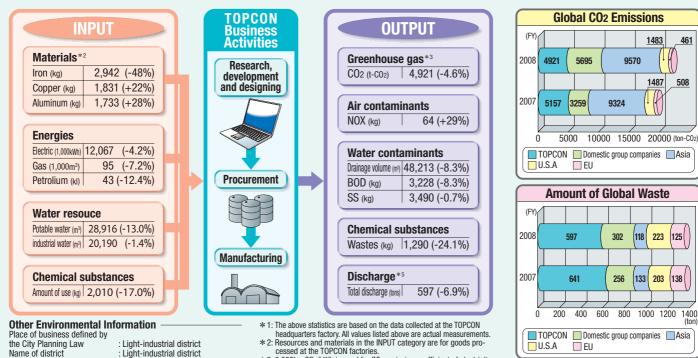
Environmental Report

Environmental Burdens Caused by TOPCON

Results of FY 2008

Major environmental burdens caused by TOPCON's business activities such as product development, procurement and production include energy consumption, the use of water resource and chemical substances, CO2 and exhaust gas emissions, drainage to sewers, and waste disposals. In this section, these environmental burdens are presented in two categories, INPUT and OUTPUT, to show the balance of energy and materials.

TOPCON endeavors to manufacture good and ecofriendly products by understanding where environmental burdens occur and working out countermeasures to minimize them. The total amount of CO₂ due to overall energy consumption was 4,921 tons. The atmospheric emission of chemical substances (7 items based on Tokyo Metropolitan Environmental Security Ordinance) was 1,290 kg.



: Light-industrial district : 23,499m2 Name of district Lot area Regulations on specified plants : None (Tokyo Metropolitan Water drainage Sewage September 29, 1997 Acquisition of IS014001 Approval Organization Lead office and division name .IACO Persons responsible for environmental protection : 5 full-time employees

Environmental Security Ordinance) : Administration & CSR Dept.

3: 0.382kg-C02/kWh is used for C02 emission coefficient of electricity.
 4: Values in parentheses are year-on-year percentage changes
 5: The scope of the calculation of the total discharge is different from the total discharge is different from

that of Achievement in FY2008 in page 15.

group companies has increased because SOKKIA joined us

* In fiscal 2008, the amount of the waste of the domestic

Results of Environmental Training

Capacity	Contents	Attendees
General employees	Raises awareness for the environment and improves the levels of environmental protection activities	1,139
Senior Managers Managers	Environment management, ISO 14001, trend in environmental legislation, etc.	288
Significant machine operators	Operation, control, environmental impacts and emergency measures for specific facilities	25
New employees	Global environmental problems,domestic and over- seas legislation,ISO 14001, environment policy, etc	31
By occupational qualification	Usage of the Industrial Waste Control form,latest trend on environmental legislation related to products	75
Internal Auditors	ISO 14001, ISO surveillance results,trend in environmental legislation	16
	Total	1,574

Global Environmental Audit

The TOPCON GROUP based on Environmental Basic Policy, is developing global environmental protection activities. Among them, environmental audits are important activities to prevent environmental accidents, strengthen compliance with environmental related regulations, and to raise the sense of



Audit scenery in manufacturing company in China

employees on environmental protection. In fiscal 2008, we have audited 6 group companies including 3 domestic manufacturing companies, 2 manufacturing companies in China and one manufacturing and sales company in U.S.A. We visit production sites directly to confirm the compliance with local regulations and the status of control even they are overseas affiliated companies. For that purpose, we have made Chinese and English version 'Check List' for audit and have a face to face conversation to enhance communications with the local staff. In these countries, I could feel that the consciousness of global environmental protection was gradually growing.



Third-Party Opinion

Tamio Yamaguchi Representative Junkangata Shakai Kenkyukai (specified non-profit organization)



In the third party opinion of 2008 version, I highly appreciated that quantitative information was described in many items for the first time, and at the same time I asked TOP-CON to open the door of information disclosure certainly even little by little. At the beginning of this year, I heard that 2009 version would decrease 12 pages compared with that of last year and was very anxious about the retreat of information disclosure. However, such an anxiety ended in imaginary fears when I read 2009 versions. About the information that stakeholders wanted to know. the information disclosure has progressed rather than retreated. When an example is given, they are so-called PDCA list of CSR, establishment of BCP, education regarding export control and the results of audit on group companies. CSR and Labor Union and amount of global waste. Especially, the description of PDCA list of CSR and amount of global waste are appreciated as an important step for a future action and substantial report. Moreover, the decrease of the pages is covered by utilizing a Website more positively and inserting supplementary information, details and numerical values. However, at the time of the demand for the information disclosure from stakeholders rises, it is difficult to describe the triple bottom line only in 18 pages even though they are only the main items. Under the present conditions. I expect the increase of pages of the booklet. On the other hand, there are the choices such as specializing in Website, making the booklet a direction board to Website and focusing on the materiality (importance), or integration with an annual report. As for all, lively communication with stakeholder is a purpose. To that end, establishing mid-term communications strategy and practicing it steadily might be effective.

Junkangata Shakai Kenkyukai:

This is a civic group whose main purpose is to (1) discuss from a global point of view, the ideal figure of a circulation-based society, which is to have harmony with the natural ecosystem that should be handed down to our next generations, and (2) research, support, and implement any efforts to form a circulation-based society by local citizens, businesses, and public administrations.

URL: http://www.nord-ise.com/junkan/

Another feature of 2009 version is that it clarifies the definition and the concept. The typical example is that it defines CSR activities as "Practicing Management Philosophy, Management Policy and Business Conduct Guidelines globally", and established CSR basic policy. Since CSR of TOPCON became clear by this, I expect that the progress based on this definition is reported every year. The question is how much such guidelines filter into employees and how much it is reflected in daily activities. In order to verify them, I would like TOPCON to conduct an opinion survey and to let us know the result of the evaluation and its subsequent measure etc.

Thus, the CSR report has been improved steadily in this way, however, from the viewpoint of the summit in our country, I cannot but say, "Much more efforts are required." The first improvement for that is an examination of the content. How your company managed the report and what kind of performance you reached. Self-evaluation to the process and the performance, and a measure for the next fiscal year should become the main contents. However, the CSR report devoted space to the policy, the system and code of conduct, and the above-mentioned contents are few or finished with statement of several lines. Even if pages are the same, I think that it could be improved by shifting the policy and the system to Website. There are some other things that I would like TOPCON to make efforts, however, the most essential thing for you is to reconfirm the significance and merit to disclose nonfinancial information positively.

In Response to Third-Party Opinion

On the TOPCON GROUP CSR report that became the 4th issue, Mr. Yamaguchi made comments that are to the point from various viewpoints. To be honest with you, although we worked on a new content such as PDCA list of CSR, we cannot deny the lack of important statements about "What kind of management we did and what kind of performance we reached". We have made progress of sharing the philosophy and the sense of values such as "What is CSR for TOPCON GROUP?" during this year. As a next subject, we

will repeat concrete practices and the results will be reflected in an intelligible form for this report. Although trial and error continues still more, it would be greatly appreciated if the opinion and the proposal without the reserve can be obtained.

> TOPCON CSR Committee Chairman Hiromasa Miyawaki

Third-Party Opinio



