

Topcon to Accelerate Growth through Management Buyout with KKR and JIC Capital

Powerful combination of KKR and JICC creates stable foundations for Topcon to pursue long-term growth

TOKYO, Japan – March 28, 2025 – Topcon Corporation (“Topcon” or the “Company”; TSE stock code 7732), today announced that it is launching a management buyout (“MBO”) led by Topcon President and CEO Takashi Eto. The MBO will receive investment from funds managed by KKR, a leading global investment firm, and JIC Capital (“JICC”), a wholly owned subsidiary of Japan Investment Corporation (“JIC”). In connection with the MBO, TK Co., Ltd. (the “Offeror”), an entity owned by investment funds managed by KKR, intends to make a tender offer for the common shares and share acquisition rights, etc. of the Company. Topcon’s Board of Directors has resolved to support this tender offer and recommends that shareholders and share acquisition right holders tender their securities.

The tender offer price will be JPY 3,300 per share, determined after negotiations between KKR and Topcon.

The proposed tender offer price represents¹:

- A 99.5% premium over the simple average closing price of Topcon’s stock for the 12 months up to December 9, 2024; and
- A 105.2% premium over the simple average closing price of Topcon’s stock for the 6 months up to December 9, 2024.

KKR is making this investment predominantly from its Asian Fund IV, and it is planned that KKR will indirectly hold a majority interest in Topcon. Following the completion of the tender offer, JICC intends to indirectly hold voting rights in Topcon through JIC PE Fund No. 1 and JIC PE Co-Investment Fund No. 1, investment limited partnerships managed by JICC. Topcon President and CEO Takashi Eto also intends to participate in the tender offer and plans to make a reinvestment after the completion of the tender offer; the details of his investment are yet to be determined.

Topcon is pursuing its long-term vision leading up to its 100th anniversary in 2032, and the Company has been implementing its "Mid-Term Management Plan 2025" covering the fiscal years 2023–2025. Under this plan, Topcon has pursued sustainable business growth and improved profitability by deepening its orientation towards customers, and as the next step, the Company aims to evolve into "New Topcon 2.0," a business structure that will further accelerate the competitiveness of the Topcon Group. In particular, to transform its eye care business from a hardware-based business to a solutions business, and to achieve further growth in its positioning business, where the competitive environment is rapidly changing, the Company believes that bold, long-term investments and fundamental transformations beyond conventional business reforms are necessary.

Following an in-depth evaluation of all options, Topcon concluded that a management buyout in strategic partnership with KKR and JICC offers the Company the best path to achieve its long-term objectives and enhance its corporate value to benefit all stakeholders, including shareholders. Topcon's competitive edge lies in the combination of its advanced hardware design and manufacturing capabilities, rooted in Japanese craftsmanship, and its rapidly growing solutions business, particularly in the United States. Topcon believes that it is essential to develop an agile corporate structure to undertake bold investments and implement long-term initiatives. As a private company, the strategic partnership and patient capital support from KKR and JICC will enable Topcon to stay agile, undertake the bold investments and implement the long-term initiatives needed to accelerate its growth and strengthen its competitiveness. Topcon's current management team will continue to operate the Company and work with its shareholders to implement management initiatives to efficiently and quickly achieve its long-term goals.

Additionally, Topcon leverages its cutting-edge optical technology to develop and manufacture products for the space and defense industry, which is critical to Japan's national security. Therefore, JICC's investment will help the Company to develop these business areas and increase its value in the long term.

For KKR, Japan is a key market for its Asia Pacific and global strategy; it has around \$18 billion in assets under management in the country. In the ophthalmology sector related to Topcon’s business, KKR has a long track record,

¹ Based on the closing price of Topcon on December 9, 2024, the day before speculative media reporting about the bidding process that impacted the Company’s share price.

including *National Vision*, an optical retailer in the US; *nexeye*, a provider of value-for-money eye care in Europe; and *Lenskart*, an omni-channel eyewear retailer in India, and in the adjacent construction and civil engineering fields within the industrial sector, *GeoStabilization International*, a provider of geohazard mitigation solutions and roadway safety services in the US. KKR looks to support Topcon's growth after the privatization by leveraging its global network, deep operational expertise and investment experience in the ophthalmology, healthcare, and industrial sectors to share best practices and help Topcon expand internationally, including in the US, a priority market.

JICC, as a government-affiliated fund, has built deep public-private networks and operational know-how through extensive investment experience in Japan and overseas. JICC will support Topcon's transformation into a global solutions company centered on its eye care business, which will contribute to the creation of new industries and strengthen international competitiveness, and JICC will support this due to its policy significance. In particular, JICC's long-term, neutral funds will be essential to support Topcon's long-term structural reforms and growth strategies. Also, JICC will complement KKR's private markets expertise, with this combination of public and private funds providing medium- to long-term risk sharing and strong capital and credit alignment.

Takeshi Eto, President and CEO of Topcon, said "Today's announcement represents a crucial step in realizing "Topcon 2.0" and in achieving our long-term vision and to drive future growth. Strategically partnering with KKR and JICC will enable us to focus on bold, agile investments and management initiatives, including structural reforms, without being constrained by potential short-term uncertainties. I am confident that our close alignment between the management team and our future shareholders for this MBO will enable us to address mid- to long-term challenges together, implement management initiatives more effectively, and accelerate our business expansion."

Hiro Hirano, Deputy Executive Chairman of KKR Asia Pacific and CEO of KKR Japan, said, "We have long admired Topcon's strong product offering and are delighted to have the opportunity to invest behind their long-term global ambitions. As like-minded strategic partners, we are also pleased to join forces with JICC, who possess a deeply unique understanding of Japan and Topcon's critical sectors and equal commitment towards the Company's success. We look forward to collaborating closely with Mr. Eto and his talented management team and JICC to help Topcon accelerate its growth, including through our global network of industry experts and portfolio companies, and achieve its goal of becoming a leading global solutions company."

Shogo Ikeuchi, President and CEO of JIC Capital, said, "This transaction and joint investment with KKR marks a significant milestone for JICC. We believe that this strategic partnership between our three companies will certainly enhance the stability of Topcon's management, while at the same time paving the way for KKR to contribute significantly to Topcon's business. KKR has unique strengths that other investors and companies cannot achieve, and by making the most of KKR's outstanding strategic insights and resources, we are confident that Topcon will be able to achieve sustainable, stable growth and strengthen its leadership in the global market. Topcon is an excellent example of Japan's manufacturing prowess, and JICC aims to be a strong partner for Topcon to continue to grow its business in Japan and achieve its bold corporate strategy to transform from a hardware company to a global solutions business with significant overseas growth."

The tender offer is expected to commence around the end of July 2025, subject to the satisfaction or waiver of certain conditions precedent, including regulatory approvals in Japan and other jurisdictions. For details regarding the conditions of the commencement of the tender offer, please refer to the full text of the release issued by the Offeror today titled, "Notice Regarding the Planned Commencement of Tender Offer for the Shares of Topcon Corporation (Securities Code: 7732) by TK Co., Ltd. as part of the MBO Implementation and Capital Participation by KKR and JICC."

Forward-looking Statements

This press release should be read in conjunction with the release issued by the Offeror today titled “Notice Regarding the Planned Commencement of Tender Offer for the Shares of Topcon Corporation (Securities Code: 7732) by TK Co., Ltd. as part of the MBO Implementation and Capital Participation by KKR and JICC”.

The purpose of this press release is to publicly announce the tender offer and it has not been prepared for the purpose of soliciting an offer to sell or purchase in the tender offer. When making an application to tender, please be sure to read the Tender Offer Explanatory Statement for the tender offer and make your own decision as a shareholder or share acquisition right holder. This press release does not constitute, either in whole or in part, a solicitation of an offer to sell or purchase any securities, and the existence of this press release (or any part thereof) or its distribution shall not be construed as a basis for any agreement regarding the tender offer, nor shall it be relied upon in concluding an agreement regarding the tender offer.

The tender offer will be conducted in compliance with the procedures and information disclosure standards set forth in Japanese law, and those procedures and standards are not always the same as the procedures and information disclosure standards in the U.S. In particular, neither Sections 13(e) or 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; the same shall apply hereinafter) or the rules under these sections apply to the tender offer; and therefore the tender offer is not conducted in accordance with those procedures and standards. In addition, because the tender offer is a corporation incorporated outside the U.S., it may be difficult to exercise rights or demands against them that can be asserted based on U.S. securities laws. It also may be impossible to initiate an action against a corporation that is based outside of the U.S. or its officers in a court outside of the U.S. on the grounds of a violation of U.S. securities-related laws. Furthermore, there is no guarantee that a corporation that is based outside of the U.S. or its affiliates may be compelled to submit themselves to the jurisdiction of a U.S. court.

Unless otherwise specified, all procedures relating to the tender offer are to be conducted entirely in Japanese. All or a part of the documentation relating to the tender offer will be prepared in English; however, if there is any discrepancy between the English-language documents and the Japanese-language documents, the Japanese-language documents shall prevail.

This press release includes statements that fall under “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the Securities Exchange Act of 1934. Due to known or unknown risks, uncertainties or other factors, actual results may differ materially from the predictions indicated by the statements that are implicitly or explicitly forward-looking statements. Neither the Offeror nor any of its affiliates guarantee that the predictions indicated by the statements that are implicitly or expressly forward-looking statements will materialize. The forward-looking statements in this press release were prepared based on information held by the Offeror as of today, and the Offeror and its affiliates shall not be obliged to amend or revise such statements to reflect future events or circumstances, except as required by laws and regulations.

The Offeror, its and the Company’s respective financial advisors and the tender offer agent (and their respective affiliates) may purchase the common shares and share options of the Company, by means other than the tender offer, or conduct an act aimed at such purchases, for their own account or for their client’s accounts, including in the scope of their ordinary business, to the extent permitted under financial instrument exchange-related laws and regulations, and any other applicable laws and regulations in Japan, in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934 during the tender offer period. Such purchases may be conducted at the market price through market transactions or at a price determined by negotiations off-market. In the event that information regarding such purchases is disclosed in Japan, such information will also be disclosed on the English website of the person conducting such purchases (or by any other method of public disclosure).

If a shareholder exercises its right to demand the purchase of shares of less than one unit in accordance with the Companies Act, the Company may buy back its own shares during the tender offer period in accordance with the procedures required by laws and regulations.

About Topcon Corporation

Topcon Corporation is a global leader in the manufacturing of technology designed to address the essential challenges society faces in healthcare, agriculture, and infrastructure. Topcon specializes in developing optical, sensing and control solutions powered by leading digital transformation technologies for these industries. For more information about Topcon (Tokyo Stock Exchange: 7732), visit: www.global.topcon.com

About KKR

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com. For additional information about Global Atlantic Financial Group, please visit Global Atlantic Financial Group's website at www.globalatlantic.com.

About JIC Capital

JIC Capital aims to supply risk capital to achieve policy objectives of creating new businesses and industries to realize Society 5.0, promoting business portfolio transformation for enhancing the international competitiveness, and establishing next-generation social infrastructure to promote Digital Transformation ("DX").

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