

Financial Results for the First Quarter of Fiscal Year Ending March 31, 2012
(Three Months Ended June 30, 2011) <under Japanese GAAP> (Consolidated)

August 11, 2011

Company name : NIKKO COMPANY
 ID number : 5343 Stock listing : Nagoya Stock Exchange Second Section
 URL : <http://www.nikko-company.co.jp/>
 Representative : Makoto Yoshida, Chief Executive Officer
 Contact : Yasuhiro Kurauchi, Finance and Administration, General Manager (Phone: +81-76-276-2121)
 Scheduled date to submit Securities Report : August 12, 2011
 Scheduled date to begin dividend payments : -
 Preparation of supplementary materials for quarterly financial results: None
 Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2011 (April 1, 2011 - June 30, 2011)

(1) Consolidated operating results (Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2011	4,422	-	22	-	26	-	247	-
Three months ended Jan. 31, 2011	4,461	9.0	(238)	-	(229)	-	(257)	-

Note: Comprehensive income (Millions of yen): June 30, 2011: 241 (-%) Jan 31, 2011: (262) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June. 30, 2011	13.22	-
Three months ended Jan. 31, 2011	(13.76)	-

Note: Nikko Company has changed its fiscal year-end from October 31 to March 31 as a result, the months used in comparisons of the first quarter of the current fiscal year (April 1 to June 30) and the first quarter of the previous fiscal period (November 1 to January 31) differ and therefore comparisons with the same period of the previous period are not provided.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2011	13,558	3,622	26.7	193.36
As of Mar. 31, 2011	13,288	3,381	25.4	180.49

Reference: Shareholders' equity (Millions of yen): June 30, 2011: 3,622 Mar. 31, 2011: 3,381

2. Dividends

(Record date)	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2011	-	-	-	0.00	0.00
Year ending Mar. 31, 2012	-	-	-	-	-
Year ending Mar. 31, 2012 (forecast)	-	-	-	0.00	0.00

Notes: Revision of dividend forecast during the period: None

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 - March 31, 2012)

(Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	-	-	-	-	-	-	-	-	-
Full year	19,500	-	100	-	100	-	200	-	10.68

Notes: Revision of projected consolidated performance during the period: None

*1. We do not present a forecast for the first half of the fiscal year ending March 31, 2012.

*2. The fiscal period ended March 31, 2011 was an irregular 5-month period resulting from the change in fiscal year end and therefore comparisons with the previous period are not provided.

4. Other

(1) Changes in major subsidiaries during the period: None

New: — companies (Company name:)

Eliminated: — companies (Company name:)

(2) Application of special accounting methods for quarterly consolidated financial statements: Yes

Note: Application of simplified methods and special accounting methods for presenting quarterly consolidated financial statements

(3) Changes in accounting policies, changes in accounting estimates, or restatement

1) Changes in accounting policies due to changes in consolidated accounting methods: None

2) Changes other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding (including treasury stock) at the end of the period

June 30, 2011: 19,572,000 shares Mar. 31, 2011: 19,572,000 shares

2) Number of treasury stock at the end of the period

June 30, 2011: 836,847 shares Mar. 31, 2011: 835,419 shares

3) Average number of shares issued during the period (cumulative; consolidated)

Three months ended June 30, 2011: 18,735,970 shares Three months ended Jan. 31, 2011: 18,737,940 shares

*Information regarding the implementation of quarterly review procedures

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, we have completed the review process for these consolidated statements.

*Appropriate use of business forecasts, other special items

Forecasts regarding future results in these materials are based on assumptions judged to be valid and information available to the Company at the time the materials were created. Actual results may differ significantly from these forecasts for a number of reasons.

2. Quarterly Consolidated Financial Statements
(1) Consolidated Balance Sheet

	FY03/2011 (As of Mar.31,2011)	(Millions of yen) First quarter of FY03/2012 (As of June 30,2011)
Assets		
Current assets		
Cash and deposits	1,468	1,449
Notes and accounts receivable-trade	3,060	2,924
Merchandise and finished goods	1,959	2,323
Work in process	857	833
Costs on uncompleted construction contracts	218	297
Raw materials and supplies	352	459
Deferred tax assets	2	2
Other	132	120
Allowance for doubtful accounts	(158)	(156)
Total current assets	7,893	8,254
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,750	6,755
Accumulated depreciation	(4,426)	(4,470)
Buildings and structures, net	2,324	2,285
Land	1,261	1,261
Other	6,900	6,912
Accumulated depreciation	(6,089)	(6,128)
Other, net	810	783
Total property, plant and equipment	4,395	4,329
Intangible assets	319	300
Investments and other assets		
Investment securities	542	540
Other	525	522
Allowance for doubtful accounts	(388)	(388)
Total investments and other assets	679	673
Total noncurrent assets	5,395	5,303
Total assets	13,288	13,558
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,364	3,707
Short-term loans payable	793	801
Current portion of long-term loans payable	162	176
Income taxes payable	30	22
Provision for bonuses	373	419
Provision for product warranties	103	104
Other	1,385	1,311
Total current liabilities	6,212	6,542
Noncurrent liabilities		
Long-term loans payable	1,720	1,677
Provision for retirement benefits	1,414	1,162
Provision for directors' retirement benefits	99	93
Other	459	459
Total noncurrent liabilities	3,694	3,392
Total liabilities	9,907	9,935
Net assets		
Shareholders' equity		
Capital stock	3,200	3,200
Capital surplus	2,066	2,066
Retained earnings	(1,231)	(983)
Treasury stock	(334)	(334)
Total shareholders' equity	3,701	3,948
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(191)	(194)
Foreign currency translation adjustment	(128)	(131)
Accumulated other comprehensive income	(319)	(325)
Total net assets	3,381	3,622
Total liabilities and net assets	13,288	13,558

**(2) Consolidated quarterly statements of income
and consolidated quarterly statements of comprehensive income
(For the Three-month Period)**

Consolidated quarterly statements of income

	(Millions of yen)	
	First quarter of FY03/2011 (Nov.1,2010-Jan.31,2011)	First quarter of FY03/2012 (Apr.1,2011-June30,2011)
Net sales	4,461	4,422
Cost of sales	3,231	3,058
<u>Gross profit</u>	<u>1,229</u>	<u>1,364</u>
Selling, general and administrative expenses	1,468	1,341
<u>Operating loss</u>	<u>(238)</u>	<u>22</u>
Non-operating income		
Interest income	0	0
Foreign exchange gains	10	—
Rent income	6	7
Other	12	25
<u>Total non-operating income</u>	<u>29</u>	<u>32</u>
Non-operating expenses		
Interest expenses	14	12
Foreign exchange loss	—	7
Other	7	8
<u>Total non-operating expenses</u>	<u>21</u>	<u>28</u>
<u>Ordinary loss</u>	<u>(229)</u>	<u>26</u>
Extraordinary Income		
Gain on sales of noncurrent assets	—	0
Reversal of allowance for doubtful accounts	12	—
Gain on abolishment of retirement benefit plan	14	283
<u>Total extraordinary Income</u>	<u>26</u>	<u>283</u>
Extraordinary loss		
Provision of allowance for loss on valuation of investments of subsidiaries and affiliates	—	7
Impairment loss	—	41
Loss on adjustment for changes of Accounting Standard for asset retirement obligations	43	—
Loss on liquidation of subsidiaries and affiliates	5	—
Other	0	1
<u>Total extraordinary losses</u>	<u>50</u>	<u>51</u>
<u>Loss before income taxes</u>	<u>(253)</u>	<u>259</u>
Income taxes-current	10	11
Income taxes-deferred	(5)	0
<u>Total income taxes</u>	<u>4</u>	<u>11</u>
<u>Loss before minority interest</u>	<u>(257)</u>	<u>247</u>
<u>Net loss</u>	<u>(257)</u>	<u>247</u>

Consolidated quarterly statements of comprehensive income

	(Millions of yen)	
	First quarter of FY03/2011 (Nov. 1, 2010-Jan. 31, 2011)	First quarter of FY03/2012 (Apr. 1, 2011-June 30, 2011)
Income(loss) before minority interests	(257)	247
Other comprehensive income		
Valuation difference on available-for-sale securities	(7)	(2)
Foreign currency translation adjustment	2	(3)
Other comprehensive income	(4)	(6)
Comprehensive income	(262)	241
Comprehensive income attributable to owners of the parent	(262)	241
Comprehensive income attributable to minority interests	—	—

(3) Going Concern Assumption

No reportable information.

(4) Segment Information

[Segment Information]

I First Quarter of FY03/2011 (Nov. 1, 2010 - Jan. 31, 2011)

1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen, rounded down)

	Housing & Environmental Equipment	Tabletop	Electro-Ceramics	Other	Segment total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statements of income
Net sales							
(1)Sales to Outside Customers	2,456	1,346	649	9	4,461	-	4,461
(2)Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	2,456	1,346	649	9	4,461	-	4,461
Segment profit (loss) (Operating income (loss))	(11)	(38)	(20)	(13)	(84)	(153)	(238)

Notes: 1. The "Other" category indicated businesses not included in reporting segments, including sales of other products.

2. Segment income adjustment of 153 million yen consists of expenses, such as general administrative expenses, and research and development costs that do not belong to the reportable segments.

2. Information regarding impairment loss on fixed assets and goodwill by reportable segment

No reportable information

II First Quarter of FY03/2012 (Apr. 1, 2011 - June 30, 2011)

1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen, rounded down)

	Housing & Environmental Equipment	Tabletop	Electro-Ceramics	Other	Segment total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statements of income
Net sales							
(1)Sales to Outside Customers	2,720	1,174	512	15	4,422	-	4,422
(2)Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	2,720	1,174	512	15	4,422	-	4,422
Segment profit (loss) (Operating income (loss))	203	22	(55)	(5)	164	(142)	22

Notes: 1. The "Other" category indicated businesses not included in reporting segments, including sales of other products.

2. Segment income adjustment of 142 million yen consists of expenses, such as general administrative expenses, and research and development costs that do not belong to the reportable segments.

2. Information regarding impairment loss on fixed assets and goodwill by reportable segment

During the subject three-month period, impairment loss amounted to 41 million yen in the Electro-Ceramics Division.

(5) Significant changes in Shareholder's Equity

Not applicable.

(Supplementary Information)
Sales by Segment

(Millions of yen, rounded down)

Industry Segment	First Quarter of FY03/2011 (Nov. 1, 2010 - Jan. 31, 2011)		First Quarter of FY03/2012 (Apr. 1, 2011 - June 30, 2011)		FY03/2011 (Nov. 1, 2010 - Mar. 31, 2011)	
	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales
Housing & Environmental Equipment	2,456	55.1%	2,720	61.5%	4,390	56.6%
Tabletop	1,346	30.2	1,174	26.5	2,247	29.0
Electro- Ceramics	649	14.5	512	11.6	1,085	14.0
Other	9	0.2	15	0.4	31	0.4
Total	4,461	100.0	4,422	100.0	7,754	100.0

Notes:

1. Amounts are converted to sales prices.
2. Amounts do not include consumption taxes.
3. The following table indicates the Company's Overseas sales share by industry segment and percentage figures represent Overseas sales ratio.

(Millions of yen, rounded down)

Industry Segment	First Quarter of FY03/2011 (Nov. 1, 2010 - Jan. 31, 2011)		First Quarter of FY03/2012 (Apr. 1, 2011- June 30, 2011)		FY03/2011 (Nov. 1, 2010 - Mar. 31, 2011)	
	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio
Tabletop	445	33.1%	327	27.9%	685	30.5%
Electro- Ceramics	163	25.1	162	31.7	306	28.3
Total	608	13.6	490	11.1	992	12.8