

Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2013
(Nine Months Ended December 31, 2012) <under Japanese GAAP> (Consolidated)

February 7, 2013

Company name : NIKKO COMPANY
 ID number : 5343 Stock listing : Nagoya Stock Exchange Second Section
 URL : <http://www.nikko-company.co.jp/>
 Representative : Kazuto Futamata, Chief Executive Officer
 Contact : Yasuhiro Kurauchi, Chief Financial Officer (Phone: +81-76-276-2121)
 Scheduled date to submit Securities Report : February 13, 2013
 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 Nine Months Ended December 31, 2012 (April 1, 2012 - December 31, 2012)

(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	%
Nine months ended Dec. 31, 2012	11,990	(10.1)	(840)	-	(819)	-	(1,519)	-
Nine months ended Dec. 31, 2011	13,341	-	(79)	-	(86)	-	102	-

Note: Comprehensive income (Millions of yen): Dec. 31, 2012: (1,534) (-%) Dec. 31, 2011: 82 (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2012	(81.11)	-
Nine months ended Dec. 31, 2011	5.45	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2012	11,980	2,088	17.4	111.49
As of Mar. 31, 2012	13,173	3,623	27.5	193.41

Reference: Shareholders' equity (Millions of yen): Dec. 31, 2012: 2,088 Mar. 31, 2011: 3,623

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, 2012	-	0.00	-	0.00	0.00
Year ending Mar. 31, 2013	-	0.00	-		
Year ending Mar. 31, 2013 (forecast)				0.00	0.00

Notes: Revision of dividend forecast during the period: None

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2013 (April 1, 2012 - March 31, 2013)

(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
Full year	16,500	(9.5)	(1,130)	-	(1,100)	-	(1,800)	-	(96.09)

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

4. Notes

(1) Changes in significant subsidiaries (changes in specified subsidiaries accompanying changes in the scope of consolidation) during the period: None

New: — companies (Company name:)

Eliminated: — companies (Company name:)

(2) Application of special accounting methods for quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to changes in consolidated accounting methods: Yes

2) Changes other than 1) above: None

3) Changes in accounting estimates: Yes

4) Restatement: None

Note: The depreciation method has been changed from the first quarter of this fiscal year and this change is applicable to “a case when it is difficult to distinguish between a change in an accounting policy and a change in an accounting estimate.” For further information, please refer to Changes in accounting policies, estimates, and restatement in “Summary Information (Notes)”.

(4) Number of shares outstanding (common shares)

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

Dec. 31, 2012:	19,572,000 shares	Mar. 31, 2012:	19,572,000 shares
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2) Number of treasury stock at the end of the period

Dec. 31, 2012:	841,632 shares	Mar. 31, 2012:	838,142 shares
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3) Average number of shares issued during the period (cumulative; consolidated)

Nine months ended Dec. 31, 2012:	18,731,990 shares	Nine months ended Dec. 31, 2011:	18,735,187 shares
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*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 not 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 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.

1. Summary Information (Notes)

- (1) Overview of Changes in Consolidated Subsidiaries
No reportable information
- (2) Overview of Adoption of Special Accounting Methods
No reportable information
- (3) Changes in accounting principles, accounting estimates and retrospective restatement for consolidated (a change in an accounting policy which is difficult to distinguish from a change in an accounting estimate)
At the Company and its domestic consolidated subsidiaries, the depreciation method for Property and equipment acquired on or after April 1, 2012 had been changed to method under the revised act from the first quarter of this fiscal year. The impact of this change to income and loss is immaterial.

2. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheet

	FY03/2012 (As of Mar.31,2012)	(Millions of yen) Third quarter of FY03/2013 (As of Dec. 31,2012)
Assets		
Current assets		
Cash and deposits	1,131	1,423
Notes and accounts receivable-trade	3,203	2,263
Merchandise and finished goods	2,197	2,075
Work in process	731	609
Costs on uncompleted construction contracts	317	467
Raw materials and supplies	357	365
Deferred tax assets	1	0
Other	148	148
Allowance for doubtful accounts	(117)	(22)
Total current assets	7,970	7,332
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,783	6,714
Accumulated depreciation	(4,584)	(4,684)
Buildings and structures, net	2,198	2,030
Land	1,261	1,261
Other	6,995	6,797
Accumulated depreciation	(6,237)	(6,329)
Other, net	758	467
Total property, plant and equipment	4,218	3,758
Intangible assets	244	188
Investments and other assets		
Investment securities	595	533
Other	539	698
Allowance for doubtful accounts	(394)	(530)
Total investments and other assets	740	701
Total noncurrent assets	5,202	4,648
Total assets	13,173	11,980
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,370	3,186
Short-term loans payable	1,199	1,684
Current portion of long-term loans payable	328	341
Income taxes payable	53	42
Provision for bonuses	85	25
Provision for product warranties	128	380
Other	1,249	1,305
Total current liabilities	6,414	6,964
Noncurrent liabilities		
Long-term loans payable	1,441	1,216
Provision for retirement benefits	1,229	1,319
Provision for directors' retirement benefits	104	32
Other	359	359
Total noncurrent liabilities	3,135	2,927
Total liabilities	9,549	9,892
Net assets		
Shareholders' equity		
Capital stock	3,200	3,200
Capital surplus	1,321	1,321
Retained earnings	(259)	(1,778)
Treasury stock	(334)	(335)
Total shareholders' equity	3,927	2,407
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(173)	(193)
Foreign currency translation adjustment	(130)	(125)
Accumulated other comprehensive income	(303)	(318)
Total net assets	3,623	2,088
Total liabilities and net assets	13,173	11,980

(2) Consolidated quarterly statements of income
and consolidated quarterly statements of comprehensive income

Consolidated quarterly statements of income

(Millions of yen)

Third quarter of FY03/2012 Third quarter of FY03/2013
(Apr.1,2011-Dec.31,2011) (Apr.1,2012-Dec.31,2012)

Net sales	13,341	11,990
Cost of sales	9,415	8,656
Gross profit	3,926	3,334
Selling, general and administrative expenses	4,006	4,174
Operating income (loss)	(79)	(840)
Non-operating income		
Interest income	0	0
Rent income	18	19
Foreign exchange gains	—	20
Other	54	40
Total non-operating income	73	81
Non-operating expenses		
Interest expenses	39	36
Other	40	24
Total non-operating expenses	79	61
Ordinary income (loss)	(86)	(819)
Extraordinary Income		
Gain on sales of noncurrent assets	0	—
Gain on abolishment of retirement benefit plan	283	—
Other	0	—
Total extraordinary Income	284	—
Extraordinary loss		
Loss on retirement of noncurrent assets	7	10
Impairment loss	41	603
Loss on valuation of stocks of subsidiaries and affiliates	—	42
Business structure improvement expenses	11	—
Other	1	—
Total extraordinary losses	62	656
Income (loss) before income taxes	135	(1,476)
Income taxes-current	32	42
Income taxes-deferred	1	0
Total income taxes	33	43
Income (loss) before minority interests	102	(1,519)
Net income (loss)	102	(1,519)

Consolidated quarterly statements of comprehensive income

	(Millions of yen)	
	Third quarter of FY03/2012 (Apr. 1, 2011-Dec. 31, 2011)	Third quarter of FY03/2013 (Apr. 1, 2012-Dec. 31, 2012)
Income(loss) before minority interests	102	(1,519)
Other comprehensive income		
Valuation difference on available-for-sale securities	(11)	(20)
Foreign currency translation adjustment	(8)	5
Other comprehensive income	(19)	(15)
<u>Comprehensive income</u>	<u>82</u>	<u>(1,534)</u>
Comprehensive income attributable to owners of the parent	82	(1,534)
Comprehensive income attributable to minority interests	—	—

(3) Going Concern Assumption
No reportable information.

(4) Segment Information

[Segment Information]

I Third Quarter of FY03/2012 (Apr. 1, 2011 – Dec. 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 (Note 1)	Segment total	Adjustment (Note2)	Amounts shown on quarterly consolidated statements of income
Net sales							
(1)Sales to Outside Customers	7,899	3,832	1,562	47	13,341	-	13,341
(2)Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	7,899	3,832	1,562	47	13,341	-	13,341
Segment profit (loss) (Operating income (loss))	445	142	(221)	(15)	350	(429)	(79)

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

2. Segment income adjustment of 429 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 nine-month period, impairment loss amounted to 41 million yen in the Electro-Ceramics Division.

II Third Quarter of FY03/2013 (Apr. 1, 2012 – Dec. 31, 2012)

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

(Millions of yen, rounded down)

	Housing & Environmental Equipment	Tabletop	Functional Ceramics Product (Note 3)	Other (Note 1)	Segment total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statements of income
Net sales							
(1)Sales to Outside Customers	7,095	3,623	1,251	20	11,990	-	11,990
(2)Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	7,095	3,623	1,251	20	11,990	-	11,990
Segment profit (loss) (Operating income (loss))	(116)	(79)	(179)	5	(368)	(471)	(840)

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

2. Segment income adjustment of 471 million yen consists of expenses related to Administrative Headquarters and Strategic Planning Headquarters that do not belong to the reportable segments.

3. Effective from the third quarter of fiscal 2013, the name of reporting segment that is Electro-Ceramics has been changed to Functional Ceramics Product. There is no impact of this change to reportable segment.

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

During the subject nine-month period, impairment loss amounted to 603 million yen in the Functional Ceramics Product Division.

(5) Significant changes in Shareholder's Equity
No reportable information.

3. Supplementary Information

(1) Sales by Segment

(Millions of yen, rounded down)

Industry Segment	Third Quarter of FY03/2012 (Apr. 1, 2011 – Dec. 31, 2011)		Third Quarter of FY03/2013 (Apr. 1, 2012 – Dec. 31, 2012)		FY03/2012 (Apr. 1, 2011 - Mar. 31, 2012)	
	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales
Housing & Environmental Equipment	7,899	59.2%	7,095	59.2%	10,835	59.4%
Tabletop	3,832	28.7	3,623	30.2	5,245	28.8
Functional Ceramics Product	1,562	11.7	1,251	10.4	2,096	11.5
Other	47	0.4	20	0.2	62	0.3
Total	13,341	100.0	11,990	100.0	18,239	100.0

Notes:

1. Amounts are converted to sales prices.
2. Amounts do not include consumption taxes.
3. Effective from the third quarter of fiscal 2013, the name of reporting segment that is Electro-Ceramics has been changed to Functional Ceramics Product. There is no impact of this change to reportable segment.
4. 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	Third Quarter of FY03/2012 (Apr. 1, 2011- Dec 31, 2011)		Third Quarter of FY03/2013 (Apr. 1, 2012- Dec. 31, 2012)		FY03/2012 (Apr. 1, 2011 - Mar. 31, 2012)	
	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio
Housing & Environmental Equipment	-	-%	0	0.0%	-	-%
Tabletop	1,010	26.4	878	24.2	1,289	24.6
Functional Ceramics Product	438	28.0	359	28.7	620	29.6
Total	1,448	10.9	1,238	10.3	1,910	10.5