

**Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2015  
(Nine Months Ended December 31, 2014) <under Japanese GAAP> (Consolidated)**

February 10, 2015

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 : Kazuo Miyanabe, Chief Financial Officer (Phone: +81-76-276-2121)  
 Scheduled date to submit Securities Report : February 13, 2015  
 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, 2014 (April 1, 2014 - December 31, 2014)**

(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, 2014	11,488	(6.3)	(168)	-	(51)	-	(190)	-
Nine months ended Dec. 31, 2013	12,260	2.3	(278)	-	(185)	-	(235)	-

Note: Comprehensive income (Millions of yen): Dec. 31, 2014: (54) (-%) Dec. 31, 2013: (208) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2014	(9.39)	-
Nine months ended Dec. 31, 2013	(12.58)	-

(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, 2014	10,738	1,150	10.7	49.33
As of Mar. 31, 2014	10,705	671	6.3	35.85

Reference: Shareholders' equity (Millions of yen): Dec. 31, 2014: 1,150 Mar. 31, 2014: 671

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended Mar. 31, 2014	-	0.00	-	0.00	0.00
Fiscal Year ending Mar. 31, 2015	-	0.00	-		
Fiscal Year ending Mar. 31, 2015 (forecast)				0.00	0.00

Notes: Revision of dividend forecast during the period: None

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2015 (April 1, 2014 - March 31, 2015)**

(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	17,000	2.2	20	-	20	-	(150)	-	(7.13)

Notes: 1. Revision of projected consolidated performance during the period : None

2. Net income per share for the fiscal year ending March 31, 2015 is calculated using the average number of share issued during the period. The company has issued 4,600,000 shares on September 30, 2014.

**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 : 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

As of Dec. 31, 2014:	24,172,000 share	As of Mar. 31, 2014:	19,572,000 shares
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2) Number of treasury stock at the end of the period

As of Dec. 31, 2014:	849,462 shares	As of Mar. 31, 2014:	845,323 shares
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3) Average number of shares issued during the period (cumulative; consolidated)

Nine months ended Dec. 31, 2014:	20,279,765 shares	Nine months ended Dec. 31, 2013:	18,728,429 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) Consolidated Balance Sheet

	FY03/2014 (As of Mar.31,2014)	(Millions of yen) 3rd Quarter of FY03/2015 (As of Dec. 31, 2014)
<b>Assets</b>		
Current assets		
Cash and deposits	501	1,584
Notes and accounts receivable-trade	2,711	2,144
Merchandise and finished goods	1,374	1,439
Work in process	573	606
Costs on uncompleted construction contracts	329	469
Raw materials and supplies	290	289
Deferred tax assets	0	2
Other	128	104
Allowance for doubtful accounts	(24)	(15)
<b>Total current assets</b>	<b>5,885</b>	<b>6,625</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,705	6,809
Accumulated depreciation	(4,599)	(4,715)
Buildings and structures, net	2,106	2,093
Machinery, equipment and vehicles	4,861	4,873
Accumulated depreciation	(4,596)	(4,647)
Machinery, equipment and vehicles, net	264	235
Tools, furniture and fixtures	1,209	1,275
Accumulated depreciation	(1,144)	(1,196)
Tools, furniture and fixtures, net	65	78
Land	1,194	1,145
Lease assets	557	456
Accumulated depreciation	(241)	(270)
Lease assets, net	316	186
Construction in progress	45	19
<b>Total property, plant and equipment</b>	<b>3,992</b>	<b>3,749</b>
Intangible assets		
Lease assets	10	4
Other	111	91
<b>Total intangible assets</b>	<b>122</b>	<b>96</b>
Investments and other assets		
Investment securities	573	139
Claims provable in bankruptcy, claims provable in rehabilitation and other	516	505
Other	131	128
Allowance for doubtful accounts	(516)	(506)
<b>Total investments and other assets</b>	<b>704</b>	<b>267</b>
<b>Total noncurrent assets</b>	<b>4,820</b>	<b>4,113</b>
<b>Total assets</b>	<b>10,705</b>	<b>10,738</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	3,256	2,735
Short-term loans payable	1,800	1,785
Current portion of long-term loans payable	335	369
Lease obligations	183	112
Income taxes payable	57	40
Provision for bonuses	54	26
Provision for product warranties	389	318
Other	1,240	1,277
<b>Total current liabilities</b>	<b>7,317</b>	<b>6,665</b>
Noncurrent liabilities		
Long-term loans payable	745	993
Lease obligations	155	87
Provision for directors' retirement benefits	36	42
Net defined benefit liability	1,654	1,647
Deferred tax liabilities	—	9
Other	123	143
<b>Total noncurrent liabilities</b>	<b>2,716</b>	<b>2,923</b>
<b>Total liabilities</b>	<b>10,034</b>	<b>9,588</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,200	3,470
Capital surplus	1,321	1,584
Retained earnings	(3,005)	(3,196)
Treasury stock	(335)	(336)
<b>Total shareholders' equity</b>	<b>1,179</b>	<b>1,521</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(86)	1
Foreign currency translation adjustment	(116)	(115)
Remeasurements of defined benefit plans	(305)	(256)
<b>Total accumulated other comprehensive income</b>	<b>(508)</b>	<b>(371)</b>
<b>Total net assets</b>	<b>671</b>	<b>1,150</b>
<b>Total liabilities and net assets</b>	<b>10,705</b>	<b>10,738</b>

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

## Consolidated quarterly statements of income

	(Millions of yen)	
	3rd Quarter of FY03/2014 (Apr.1,2013-Dec.31,2013)	3rd Quarter of FY03/2015 (Apr.1,2014-Dec.31,2014)
Net sales	12,260	11,488
Cost of sales	8,683	8,128
<b>Gross profit</b>	<b>3,576</b>	<b>3,359</b>
Selling, general and administrative expenses	3,855	3,528
<b>Operating income (loss)</b>	<b>(278)</b>	<b>(168)</b>
Non-operating income		
Interest income	0	0
Rent income	32	29
Gain on sales of wastes	32	15
Foreign exchange gains	38	83
Other	46	42
<b>Total non-operating income</b>	<b>149</b>	<b>170</b>
Non-operating expenses		
Interest expenses	37	28
Stock issuance cost	—	5
Other	18	19
<b>Total non-operating expenses</b>	<b>56</b>	<b>53</b>
<b>Ordinary income (loss)</b>	<b>(185)</b>	<b>(51)</b>
Extraordinary Income		
Gain on sales of noncurrent assets	122	2
Gain on liquidation of subsidiaries and affiliates	—	7
Reversal of provision for loss on lead trouble measures	—	36
<b>Total extraordinary Income</b>	<b>122</b>	<b>46</b>
Extraordinary loss		
Loss on sales of noncurrent assets	0	19
Loss on retirement of noncurrent assets	13	—
Loss on lead trouble measures	119	—
Loss on sales of investment securities	—	123
<b>Total extraordinary losses</b>	<b>133</b>	<b>143</b>
<b>Income (loss) before income taxes</b>	<b>(196)</b>	<b>(149)</b>
Income taxes-current	38	34
Income taxes-deferred	0	7
<b>Total income taxes</b>	<b>39</b>	<b>41</b>
<b>Income (loss) before minority interests</b>	<b>(235)</b>	<b>(190)</b>
<b>Net income (loss)</b>	<b>(235)</b>	<b>(190)</b>

## Consolidated quarterly statements of comprehensive income

	(Millions of yen)	
	3rd Quarter of FY03/2014 (Apr.1,2013-Dec.31,2013)	3rd Quarter of FY03/2015 (Apr.1,2014-Dec.31,2014)
Income(loss) before minority interests	(235)	(190)
Other comprehensive income		
Valuation difference on available-for-sale securities	19	87
Foreign currency translation adjustment	7	0
Remeasurements of defined benefit plans, net of tax	—	48
<b>Other comprehensive income</b>	<b>26</b>	<b>136</b>
<b>Comprehensive income</b>	<b>(208)</b>	<b>(54)</b>
Comprehensive income attributable to owners of the parent	(208)	(54)
Comprehensive income attributable to minority interests	—	—

**[Segment Information]**

I Third Quarter of FY03/2014 (Apr. 1, 2013 –Dec. 31, 2013)

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	Other (Note 1)	Segment total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statements of income
Net sales							
(1)Sales to Outside Customers	7,455	3,108	1,694	2	12,260	-	12,260
(2)Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	7,455	3,108	1,694	2	12,260	-	12,260
Segment profit (loss) (Operating income (loss))	130	(78)	189	(0)	241	(520)	(278)

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

2. Segment income adjustment of 520 million yen consists of expenses related to Strategic Planning Headquarters, Technical Headquarters and Administrative Headquarters 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 Third Quarter of FY03/2015 (Apr. 1, 2014 –Dec. 31, 2014)

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	Other (Note 1)	Segment total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statements of income
Net sales							
(1)Sales to Outside Customers	7,155	2,512	1,820	-	11,488	-	11,488
(2)Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	7,155	2,512	1,820	-	11,488	-	11,488
Segment profit (loss) (Operating income (loss))	90	57	180	-	328	(497)	(168)

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

2. Segment income adjustment of 497 million yen consists of expenses related to Strategic Planning Headquarters, Technical Headquarters and Administrative Headquarters that do not belong to the reportable segments.

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

No reportable information.

[Supplementary Information]

Sales by Segment (Millions of yen, rounded down)

Industry Segment	3rd Quarter of FY03/2014 (Apr. 1, 2013 – Dec. 31, 2013)		3rd Quarter of FY03/2015 (Apr. 1, 2014 – Dec. 31, 2014)		FY03/2014 (Apr. 1, 2013 - Mar. 31, 2014)	
	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales
Housing & Environmental Equipment	7,455	60.8%	7,155	62.3%	10,296	61.9%
Tabletop	3,108	25.4	2,512	21.9	4,110	24.7
Functional Ceramics Product	1,694	13.8	1,820	15.8	2,230	13.4
Other	2	0.0	-	-	2	0.0
Total	12,260	100.0	11,488	100.0	16,639	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	3rd Quarter of FY03/2014 (Apr. 1, 2013- Dec. 31, 2013)		3rd Quarter of FY03/2015 (Apr. 1, 2014- Dec. 31, 2014)		FY03/2014 (Apr. 1, 2013 - Mar. 31, 2014)	
	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio
Housing & Environmental Equipment	-	-%	-	-%	-	-%
Tabletop	790	25.4	876	34.9	1,006	24.5
Functional Ceramics Product	585	34.5	591	32.5	738	33.1
Other	0	21.5	-	-	0	21.5
Total	1,376	11.2	1,467	12.8	1,745	10.5