

## Consolidated Financial Results for the Nine Months of Fiscal Year Ending March 31, 2021 <under Japanese GAAP>

February 5, 2021

Company name : NIKKO COMPANY  
 ID number : 5343 Stock listing : Nagoya Stock Exchange Second Section  
 URL : <http://www.nikko-company.co.jp/>  
 Representative : Akiko Mitani, Chief Executive Officer  
 Contact : Kazuya Nunokawa, Chief Financial Officer (Phone: +81-76-276-2121)  
 Scheduled date to submit Securities Report : February 5, 2021  
 Scheduled date to begin dividend payments : -  
 Preparation of supplementary materials for financial results : None  
 Holding of 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, 2020 (April 1, 2020 - December 31, 2020)

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

	Net sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2020	8,114	(16.2)	(603)	-	(502)	-	(519)	-
Nine months ended December 31, 2019	9,687	(4.3)	12	-	61	393.3	63	-

Note: Comprehensive income (Millions of yen) : December 31, 2020 : (504) (-%) December 31, 2019 : 75 (469.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2020	(22.28)	-
Nine months ended December 31, 2019	2.71	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2020	9,167	909	9.9	39.01
Year ended Mar. 31, 2020	9,254	1,413	15.3	60.66

Reference: Shareholders' equity (Millions of yen) : December 31, 2020: 909 Mar. 31, 2020: 1,413

### 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, 2020	-	0.00	-	0.00	0.00
Year ending Mar. 31, 2021	-	0.00	-		
Year ending Mar. 31, 2021 (forecast)				0.00	0.00

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)**

The NIKKO Group will no longer disclose its projected consolidated results for periods starting from that ending in March 2019. Details of the decision are described in "3. Projected Consolidated Results for FY2020" in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2020" disclosed on May 12, 2020.

**※Notes**

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

(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 : 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

December 31, 2020	:24,172,000 shares	Mar. 31, 2020	: 24,172,000 shares
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2) Number of treasury stock at the end of the period

December 31, 2020	: 864,592 shares	Mar. 31, 2020	: 864,510 shares
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3) Average number of shares issued during the period (cumulative; consolidated)

Nine months ended December 31, 2020	: 23,307,446 shares	Nine months ended December 31, 2019	: 23,307,648 shares
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\* Quarterly financial statements are not subject to a quarterly review by certified public accountants or an auditing company.

Consolidated quarterly Financial Statements

(1) Consolidated Balance Sheet

	FY03/2020 (As of Mar.31,2020)	(Millions of yen) FY03/2021 (As of Dec.31,2020)
<b>Assets</b>		
Current assets		
Cash and deposits	1,103	1,426
Notes and accounts receivable-trade	1,937	1,496
Merchandise and finished goods	1,323	1,302
Work in process	561	560
Costs on uncompleted construction contracts	440	580
Raw materials and supplies	311	280
Other	46	77
Allowance for doubtful accounts	(4)	(6)
<b>Total current assets</b>	<b>5,719</b>	<b>5,718</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,900	6,923
Accumulated depreciation	(5,393)	(5,515)
<b>Buildings and structures, net</b>	<b>1,507</b>	<b>1,408</b>
Machinery, equipment and vehicles	4,335	4,352
Accumulated depreciation	(3,994)	(4,044)
<b>Machinery, equipment and vehicles, net</b>	<b>341</b>	<b>308</b>
Tools, furniture and fixtures	1,145	1,152
Accumulated depreciation	(1,082)	(1,099)
<b>Tools, furniture and fixtures, net</b>	<b>62</b>	<b>52</b>
Land	1,121	1,121
Lease assets	146	380
Accumulated depreciation	(36)	(114)
<b>Lease assets, net</b>	<b>109</b>	<b>265</b>
Construction in progress	164	70
<b>Total property, plant and equipment</b>	<b>3,306</b>	<b>3,226</b>
Intangible assets	41	40
Investments and other assets		
Investment securities	92	90
Other	95	93
Allowance for doubtful accounts	(2)	(2)
<b>Total investments and other assets</b>	<b>186</b>	<b>181</b>
<b>Total noncurrent assets</b>	<b>3,534</b>	<b>3,448</b>
<b>Total assets</b>	<b>9,254</b>	<b>9,167</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	2,506	2,161
Short-term loans payable	2,300	2,705
Current portion of bonds	—	40
Current portion of long-term loans payable	36	21
Lease obligations	31	137
Income taxes payable	42	7
Provision for bonuses	167	106
Provision for product warranties	90	86
Other	1,108	1,206
<b>Total current liabilities</b>	<b>6,283</b>	<b>6,472</b>
Noncurrent liabilities		
Bonds payable	—	160
Long-term loans payable	40	25
Lease obligations	78	134
Deferred tax liabilities	4	4
Provision for directors' retirement benefits	46	54
Net defined benefit liability	1,262	1,288
Other	125	118
<b>Total noncurrent liabilities</b>	<b>1,556</b>	<b>1,785</b>
<b>Total liabilities</b>	<b>7,840</b>	<b>8,257</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,470	3,470
Capital surplus	1,584	1,584
Retained earnings	(3,190)	(3,710)
Treasury stock	(338)	(338)
<b>Total shareholders' equity</b>	<b>1,525</b>	<b>1,006</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(0)
Foreign currency translation adjustment	(104)	(106)
Remeasurements of defined benefit plans	(6)	10
<b>Total accumulated other comprehensive income</b>	<b>(111)</b>	<b>(97)</b>
<b>Total net assets</b>	<b>1,413</b>	<b>909</b>
<b>Total liabilities and net assets</b>	<b>9,254</b>	<b>9,167</b>

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

Consolidated quarterly statements of income

	FY03/2020 (Apr. 1, 2019-Dec.31,2019)	(Millions of yen) FY03/2021 (Apr. 1, 2020-Dec.31,2020)
Net sales	9,687	8,114
Cost of sales	6,842	6,004
<b>Gross profit</b>	<b>2,844</b>	<b>2,109</b>
Selling, general and administrative expenses	2,831	2,713
<b>Operating income (loss)</b>	<b>12</b>	<b>(603)</b>
Non-operating income		
Interest income	0	0
Share of profit of entities accounted for using equity method	—	0
Foreign exchange gains	1	—
Subsidy income	—	88
Other	78	53
<b>Total non-operating income</b>	<b>79</b>	<b>141</b>
Non-operating expenses		
Interest expenses	15	15
Share of loss of entities accounted for using equity method	0	—
Foreign exchange gains	—	10
Other	14	14
<b>Total non-operating expenses</b>	<b>31</b>	<b>41</b>
<b>Ordinary income (loss)</b>	<b>61</b>	<b>(502)</b>
Extraordinary Income		
Gain on sales of noncurrent assets	3	—
Gain on sales of investment securities	17	—
<b>Total extraordinary Income</b>	<b>21</b>	<b>—</b>
Extraordinary losses		
Loss on sales of noncurrent assets	—	0
Loss on retirement of noncurrent assets	—	0
<b>Total extraordinary losses</b>	<b>—</b>	<b>0</b>
<b>Loss before income taxes</b>	<b>83</b>	<b>(503)</b>
Income taxes-current	20	16
Income taxes-deferred	(0)	(0)
<b>Total income taxes</b>	<b>20</b>	<b>15</b>
<b>Profit (loss)</b>	<b>63</b>	<b>(519)</b>
<b>Profit (loss) attributable to owners of parent</b>	<b>63</b>	<b>(519)</b>

Consolidated quarterly statements of comprehensive income

	(Millions of yen) FY03/2020 (Apr. 1, 2019-Dec.31,2019)	(Millions of yen) FY03/2021 (Apr. 1, 2020-Dec.31,2020)
<b>Profit (loss)</b>	<b>63</b>	<b>(519)</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	0
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans, net of tax	13	16
Share of other comprehensive income of entities accounted for using equity method	(1)	(2)
<b>Other comprehensive income</b>	<b>12</b>	<b>14</b>
<b>Comprehensive income</b>	<b>75</b>	<b>(504)</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	75	(504)
Comprehensive income attributable to non-controlling interests	—	—

**[Consolidated Segment Information]**

Nine Months ended December 31, 2019 (April 1, 2019 – December 31, 2019)

(Millions of yen, rounded down)

	Housing & Environmental Equipment	Functional Ceramics Product	Tabletop	Other (Note 1)	Segment total	Adjustment (Note 2)	Amounts on the consolidated financial statements (Note 3)
Net sales							
Sales to Outside Customers	6,538	1,799	1,335	13	9,687	-	9,687
Intersegment sales or Transfers	-	-	-	4	4	(4)	-
Total	6,538	1,799	1,335	17	9,691	(4)	9,687
Segment profit (loss) (Operating income (loss))	378	159	(97)	(0)	441	(428)	12

Note: 1. The category "Other" is warehouse business which is a business segment not included in the reportable segments.

Note: 2. Segment income adjustment of 428 million yen consists of expenses related to departments that do not belong to the reportable segments.

Note: 3. Segment profits and losses are adjusted with Operating income on the consolidated quarterly statements of income.

Nine Months ended December 31, 2020 (April 1, 2020 – December 31, 2020)

(Millions of yen, rounded down)

	Housing & Environmental Equipment	Functional Ceramics Product	Tabletop	Segment total	Adjustment (Note 1)	Amounts on the consolidated financial statements (Note 2)
Net sales						
Sales to Outside Customers	6,015	1,347	751	8,114	-	8,114
Intersegment sales or Transfers	-	-	-	-	-	-
Total	6,015	1,347	751	8,114	-	8,114
Segment profit (loss) (Operating income (loss))	197	(54)	(308)	(165)	(438)	(603)

Note: 1. Segment income adjustment of 438 million yen consists of expenses related to departments that do not belong to the reportable segments.

Note: 2. Segment profits and losses are adjusted with Operating loss on the consolidated quarterly statements of income.