

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

November 10, 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 : November 11, 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 Six Months Ended September 30, 2011 (April 1, 2011 - September 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	%
Six months ended Sept. 30, 2011	9,056	-	42	-	31	-	241	-
Six months ended Sept. 30, 2010	-	-	-	-	-	-	-	-

Note: Comprehensive income (Millions of yen): Sept. 30, 2011: 240 (-%) Sept. 30, 2010: - (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sept. 30, 2011	12.86	-
Six months ended Sept. 30, 2010	-	-

Note: Nikko Company has changed its fiscal year-end from October 31 to March 31 resulting in an irregular 5-month period for Fiscal 2011 (from November 1, 2010 to March 31, 2011), as a result, a quarterly consolidated financial report for the First Half of Fiscal 2011 has not been prepared. Therefore consolidated operating results for the First Half of Fiscal 2011 and 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 Sept. 30, 2011	13,444	3,622	26.9	193.34
As of Mar. 31, 2011	13,288	3,381	25.4	180.49

Reference: Shareholders' equity (Millions of yen): Sept 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	-	0.00			
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
Full year	19,500	-	100	-	100	-	200	-	10.67

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

The fiscal period ended March 31, 2011 was an irregular 5-month period (from November 1 to October 31) 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

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

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

Sept. 30, 2011: 837,126 shares Mar. 31, 2011: 835,419 shares

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

Six months ended Sept. 30, 2011: 18,735,474 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.

1. Other Information

- (1) Overview of Changes in Consolidated Subsidiaries
No reportable information
- (2) Overview of Adoption of Special Accounting Methods
 - 1) Simplified Accounting Method
(Valuation of inventory assets)
The value of a certain inventories at the end of the period under review is calculated using a rational method, based on physical inventories at the end of the previous fiscal year, rather than physical inventories at the end of the period under review.

(Calculation of depreciation expense for fixed assets)
For assets subject to the declining balance method, depreciation was calculated pro rate based on the amount for the fiscal year.
 - 2) Special accounting treatment for preparing quarterly consolidated financial statements
No reportable information
- (3) Changes in accounting principles, accounting estimates and retrospective restatement for consolidated
No reportable information

2. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheet

	FY03/2011 (As of Mar.31,2011)	(Millions of yen) First half of FY03/2012 (As of Sept. 30,2011)
Assets		
Current assets		
Cash and deposits	1,468	1,310
Notes and accounts receivable-trade	3,060	2,973
Merchandise and finished goods	1,959	2,234
Work in process	857	775
Costs on uncompleted construction contracts	218	436
Raw materials and supplies	352	395
Deferred tax assets	2	1
Other	132	127
Allowance for doubtful accounts	(158)	(169)
Total current assets	7,893	8,086
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,750	6,781
Accumulated depreciation	(4,426)	(4,514)
Buildings and structures, net	2,324	2,267
Land	1,261	1,261
Other	6,900	7,058
Accumulated depreciation	(6,089)	(6,198)
Other, net	810	859
Total property, plant and equipment	4,395	4,388
Intangible assets	319	283
Investments and other assets		
Investment securities	542	552
Other	525	521
Allowance for doubtful accounts	(388)	(388)
Total investments and other assets	679	686
Total noncurrent assets	5,395	5,358
Total assets	13,288	13,444
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,364	3,603
Short-term loans payable	793	871
Current portion of long-term loans payable	162	233
Income taxes payable	30	41
Provision for bonuses	373	211
Provision for product warranties	103	104
Other	1,385	1,437
Total current liabilities	6,212	6,502
Noncurrent liabilities		
Long-term loans payable	1,720	1,612
Provision for retirement benefits	1,414	1,186
Provision for directors' retirement benefits	99	97
Other	459	424
Total noncurrent liabilities	3,694	3,320
Total liabilities	9,907	9,822
Net assets		
Shareholders' equity		
Capital stock	3,200	3,200
Capital surplus	2,066	1,321
Retained earnings	(1,231)	(244)
Treasury stock	(334)	(334)
Total shareholders' equity	3,701	3,941
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(191)	(181)
Foreign currency translation adjustment	(128)	(138)
Accumulated other comprehensive income	(319)	(319)
Total net assets	3,381	3,622
Total liabilities and net assets	13,288	13,444

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

Consolidated quarterly statements of income

(Millions of yen)
First half of FY03/2012
(Apr.1,2011-Sept.30,2011)

Net sales	9,056
Cost of sales	6,337
<u>Gross profit</u>	<u>2,718</u>
Selling, general and administrative expenses	2,676
<u>Operating income</u>	<u>42</u>
Non-operating income	
Interest income	0
Rent income	12
Other	41
<u>Total non-operating income</u>	<u>54</u>
Non-operating expenses	
Interest expenses	25
Foreign exchange loss	23
Other	16
<u>Total non-operating expenses</u>	<u>65</u>
<u>Ordinary income</u>	<u>31</u>
Extraordinary Income	
Gain on sales of noncurrent assets	0
Gain on abolishment of retirement benefit plan	283
<u>Total extraordinary Income</u>	<u>283</u>
Extraordinary loss	
Loss on retirement of noncurrent assets	7
Impairment loss	41
Other	1
<u>Total extraordinary losses</u>	<u>51</u>
<u>Income before income taxes</u>	<u>263</u>
Income taxes-current	21
Income taxes-deferred	0
<u>Total income taxes</u>	<u>22</u>
<u>Income before minority interest</u>	<u>241</u>
<u>Net Income</u>	<u>241</u>

Consolidated quarterly statements of comprehensive income

(Millions of yen)
 First half of FY03/2012
 (Apr. 1, 2011 - Sept. 30, 2011)

Income(loss) before minority interests	241
Other comprehensive income	
Valuation difference on available-for-sale securities	9
Foreign currency translation adjustment	(9)
Other comprehensive income	(0)
<u>Comprehensive income</u>	<u>240</u>
Comprehensive income attributable to owners of the parent	240
Comprehensive income attributable to minority interests	—

(3) Consolidated Statements of Cash Flows

(Millions of yen)
First half of FY03/2012
(Apr.1,2011-Sept.30,2011)

Net cash provided by (used in) operating activities	
Income (loss) before income taxes and minority interests	263
Depreciation and amortization	264
Impairment loss	41
Increase (decrease) in allowance for doubtful accounts	11
Increase (decrease) in provision for bonuses	(161)
Increase (decrease) in provision for retirement benefits	(228)
Interest and dividends income	(6)
Interest expenses	25
Loss (gain) on sales of property, plant and equipment	(0)
Loss on retirement of noncurrent assets	7
Decrease (increase) in notes and accounts receivable-trade	81
Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	0
Decrease (increase) in inventories	(464)
Increase (decrease) in notes and accounts payable-trade	247
Other, net	(74)
Subtotal	<u>9</u>
Interest and dividends income received	6
Interest expenses paid	(25)
Income taxes paid	(12)
Net cash provided by (used in) operating activities	<u>(22)</u>
Net cash provided by (used in) investment activities	
Payments into time deposits	(81)
Proceeds from withdrawal of time deposits	52
Purchase of property, plant and equipment	(106)
Other, net	(4)
Net cash provided by (used in) investment activities	<u>(139)</u>
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	77
Proceeds from long-term loans payable	50
Repayment of long-term loans payable	(86)
Repayments of lease obligations	(63)
Purchase of treasury stock	(0)
Net cash provided by (used in) financing activities	<u>(22)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(3)</u>
Net increase (decrease) in cash and cash equivalents	<u>(187)</u>
Cash and cash equivalents at beginning of period	<u>1,287</u>
Cash and cash equivalents at end of period	<u>1,100</u>

(4) Going Concern Assumption
No reportable information.

(5) Segment Information

[Segment Information]

I First Half of FY03/2012 (Apr. 1, 2011 – Sept. 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 (Note 1)	Segment total	Adjustment (Note2)	Amounts shown on quarterly consolidated statements of income
Net sales							
(1)Sales to Outside Customers	5,413	2,525	1,084	33	9,056	-	9,056
(2)Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	5,413	2,525	1,084	33	9,056	-	9,056
Segment profit (loss)							
(Operating income (loss))	384	86	(131)	(10)	329	(287)	42

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

2. Segment income adjustment of 287 million yen consists of expenses, such as general administrative expenses, and research and development costs that do not belong to the reportable segments.

3. The company has changed its fiscal year-end resulting in an irregular 5-month period for Fiscal 2011 and as a result a quarterly consolidated financial report for the First Half of Fiscal 2011 has not been prepared.

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

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

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

3. Supplementary Information

(1) Sales by Segment

(Millions of yen, rounded down)

Industry Segment	Same period last year (Apr. 1, 2010 – Sept. 30, 2010)		First Half of FY03/2012 (Apr. 1, 2011 – Sept. 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	4,846	53.7%	5,413	59.8%	4,390	56.6%
Tabletop	2,757	30.6	2,525	27.9	2,247	29.0
Electro- Ceramics	1,394	15.4	1,084	12.0	1,085	14.0
Other	26	0.3	33	0.3	31	0.4
Total	9,024	100.0	9,056	100.0	7,754	100.0

Notes:

1. Amounts are converted to sales prices.
2. Amounts do not include consumption taxes.
3. Due to the change of fiscal year-end, a quarterly consolidated financial report for the First Half of Fiscal 2011 has not been prepared. However, for reference purposes, comparisons have been made with the same period of the previous year.
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	Same period last year (Apr. 1, 2010 - Sept. 30, 2010)		First Half of FY03/2012 (Apr. 1, 2011- Sept. 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	750	27.2%	722	28.6%	685	30.5%
Electro- Ceramics	361	25.9	346	32.0	306	28.3
Total	1,111	12.3	1,069	11.8	992	12.8