

Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2012
(Nine Months Ended December 31, 2011) <under Japanese GAAP> (Consolidated)

February 8, 2012

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 : February 10, 2012
 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, 2011 (April 1, 2011 - December 31, 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	%
Nine months ended Dec. 31, 2011	13,341	-	(79)	-	(86)	-	102	-
Nine months ended Dec. 31, 2010	-	-	-	-	-	-	-	-

Note: Comprehensive income (Millions of yen): Dec. 31, 2011: 82 (-%) Dec. 31, 2010: - (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2011	5.45	-
Nine months ended Dec. 31, 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 Third Quarter of Fiscal 2011 has not been prepared. Therefore consolidated operating results for Third Quarter 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 Dec. 31, 2011	13,307	3,463	26.0	184.88
As of Mar. 31, 2011	13,288	3,381	25.4	180.49

Reference: Shareholders' equity (Millions of yen): Dec. 31, 2011: 3,463 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	-	10.68

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

Dec. 31, 2011: 19,572,000 shares Mar. 31, 2011: 19,572,000 shares

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

Dec. 31, 2011: 837,887 shares Mar. 31, 2011: 835,419 shares

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

Nine months ended Dec. 31, 2011: 18,735,187 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 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 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 and the first half of the current fiscal year, rather than physical inventories at the end of the period under review.
(Calculation of depreciation expense for fixed assets)
Amount of acquisition, disposal and depreciation of the fixed assets which to be applied to the quarter is calculated by distributing the amount quoted or budgeted according to the length of the period.
 - 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) Third quarter of FY03/2012 (As of Dec. 31,2011)
Assets		
Current assets		
Cash and deposits	1,468	1,200
Notes and accounts receivable-trade	3,060	2,862
Merchandise and finished goods	1,959	2,283
Work in process	857	731
Costs on uncompleted construction contracts	218	603
Raw materials and supplies	352	367
Deferred tax assets	2	1
Other	132	139
Allowance for doubtful accounts	(158)	(167)
Total current assets	7,893	8,023
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,750	6,796
Accumulated depreciation	(4,426)	(4,562)
Buildings and structures, net	2,324	2,234
Land	1,261	1,261
Other	6,900	7,036
Accumulated depreciation	(6,089)	(6,211)
Other, net	810	824
Total property, plant and equipment	4,395	4,319
Intangible assets	319	266
Investments and other assets		
Investment securities	542	566
Other	525	521
Allowance for doubtful accounts	(388)	(388)
Total investments and other assets	679	698
Total noncurrent assets	5,395	5,284
Total assets	13,288	13,307
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,364	3,362
Short-term loans payable	793	1,259
Current portion of long-term loans payable	162	270
Income taxes payable	30	41
Provision for bonuses	373	47
Provision for product warranties	103	103
Other	1,385	1,501
Total current liabilities	6,212	6,586
Noncurrent liabilities		
Long-term loans payable	1,720	1,557
Provision for retirement benefits	1,414	1,216
Provision for directors' retirement benefits	99	100
Other	459	383
Total noncurrent liabilities	3,694	3,258
Total liabilities	9,907	9,844
Net assets		
Shareholders' equity		
Capital stock	3,200	3,200
Capital surplus	2,066	1,321
Retained earnings	(1,231)	(383)
Treasury stock	(334)	(334)
Total shareholders' equity	3,701	3,802
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(191)	(202)
Foreign currency translation adjustment	(128)	(136)
Accumulated other comprehensive income	(319)	(339)
Total net assets	3,381	3,463
Total liabilities and net assets	13,288	13,307

(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
(Apr.1,2011-Dec.31,2011)

Net sales	13,341
Cost of sales	9,415
Gross profit	3,926
Selling, general and administrative expenses	4,006
Operating income (loss)	(79)
Non-operating income	
Interest income	0
Rent income	18
Other	54
Total non-operating income	73
Non-operating expenses	
Interest expenses	39
Other	40
Total non-operating expenses	79
Ordinary income (loss)	(86)
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
Impairment loss	41
Business structure improvement expenses	11
Other	1
Total extraordinary losses	62
Income (loss) before income taxes	135
Income taxes-current	32
Income taxes-deferred	1
Total income taxes	33
Income (loss) before minority interests	102
Net Income (loss)	102

Consolidated quarterly statements of comprehensive income

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

Income(loss) before minority interests	102
Other comprehensive income	
Valuation difference on available-for-sale securities	(11)
Foreign currency translation adjustment	(8)
Other comprehensive income	(19)
<u>Comprehensive income</u>	<u>82</u>
Comprehensive income attributable to owners of the parent	82
Comprehensive income attributable to minority interests	—

(3) Going Concern Assumption
No reportable information.

(4) Segment Information

[Segment Information]

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							
Sales to Outside Customers	7,899	3,832	1,562	47	13,341	-	13,341
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.

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 Third Quarter of Fiscal 2011 has not been prepared.

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.

(5) 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 – Dec. 31, 2010)		Third quarter of FY03/2012 (Apr. 1, 2011 – Dec. 31, 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	7,446	53.3%	7,899	59.2%	4,390	56.6%
Tabletop	4,373	31.3	3,832	28.7	2,247	29.0
Electro- Ceramics	2,106	15.1	1,562	11.7	1,085	14.0
Other	35	0.3	47	0.4	31	0.4
Total	13,962	100.0	13,341	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 Third Quarter of Fiscal 2011 has not been prepared. However, for reference purposes, comparisons have been made with the same period of the previous year. Further, the fiscal 2011 was a five-month reporting period.
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 – Dec. 31, 2010)		Third quarter of FY03/2012 (Apr. 1, 2011 – Dec. 31, 2011)		FY03/2011 (Nov. 1, 2010 - Mar. 31, 2011)	
	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio
Housing & Environmental Equipment	2	0.0%	-	-%	-	-%
Tabletop	1,297	29.7	1,010	26.4	685	30.5
Electro- Ceramics	572	27.2	438	28.0	306	28.3
Total	1,872	13.4	1,448	10.9	992	12.8