

Financial Results for the First Quarter of Fiscal Year Ending March 31, 2013
(Three Months Ended June 30, 2012) <under Japanese GAAP> (Consolidated)

August 3, 2012

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, Finance and Administration, General Manager (Phone: +81-76-276-2121)
 Scheduled date to submit Securities Report : August 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 Three Months Ended June 30, 2012 (April 1, 2012 - June 30, 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	%
Three months ended June 30, 2012	3,869	(12.5)	(241)	-	(243)	-	(289)	-
Three months ended June 30, 2011	4,422	-	22	-	26	-	247	-

Note: Comprehensive income (Millions of yen): June 30, 2012: (319) (-%) June 30, 2011: 241 (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June. 30, 2012	(15.48)	-
Three months ended June. 30, 2011	13.22	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2012	12,859	3,303	25.7	176.33
As of Mar. 31, 2012	13,173	3,623	27.5	193.41

Reference: Shareholders' equity (Millions of yen): June 30, 2012: 3,303 Mar. 31, 2012: 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	-				
Year ending Mar. 31, 2013 (forecast)		0.00	-	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	17,500	(4.1)	(330)	-	(350)	-	(450)	-	(24.02)

Notes: Revision of projected consolidated performance during the period: Yes

Consolidated forecast for the six months ending September 30, 2012 have not been disclosed because the Company and its subsidiaries track performance on an annual basis only.

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

June 30, 2012: 19,572,000 shares Mar. 31, 2012: 19,572,000 shares

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

June 30, 2012: 839,636 shares Mar. 31, 2012: 838,142 shares

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

Three months ended June 30, 2012: 18,732,875 shares Three months ended June 30, 2011: 18,735,970 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. 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
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) First quarter of FY03/2013 (As of June 30,2012)
Assets		
Current assets		
Cash and deposits	1,131	1,609
Notes and accounts receivable-trade	3,203	2,482
Merchandise and finished goods	2,197	2,317
Work in process	731	708
Costs on uncompleted construction contracts	317	315
Raw materials and supplies	357	364
Deferred tax assets	1	0
Other	148	118
Allowance for doubtful accounts	(117)	(116)
Total current assets	7,970	7,799
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,783	6,783
Accumulated depreciation	(4,584)	(4,627)
Buildings and structures, net	2,198	2,155
Land	1,261	1,261
Other	6,995	7,040
Accumulated depreciation	(6,237)	(6,300)
Other, net	758	740
Total property, plant and equipment	4,218	4,157
Intangible assets	244	223
Investments and other assets		
Investment securities	595	569
Other	539	534
Allowance for investment loss	—	(31)
Allowance for doubtful accounts	(394)	(393)
Total investments and other assets	740	679
Total noncurrent assets	5,202	5,060
Total assets	13,173	12,859
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,370	3,124
Short-term loans payable	1,199	1,490
Current portion of long-term loans payable	328	341
Income taxes payable	53	19
Provision for bonuses	85	60
Provision for product warranties	128	124
Other	1,249	1,386
Total current liabilities	6,414	6,547
Noncurrent liabilities		
Long-term loans payable	1,441	1,386
Provision for retirement benefits	1,229	1,263
Provision for directors' retirement benefits	104	34
Other	359	325
Total noncurrent liabilities	3,135	3,009
Total liabilities	9,549	9,556
Net assets		
Shareholders' equity		
Capital stock	3,200	3,200
Capital surplus	1,321	1,321
Retained earnings	(259)	(549)
Treasury stock	(334)	(335)
Total shareholders' equity	3,927	3,636
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(173)	(199)
Foreign currency translation adjustment	(130)	(133)
Accumulated other comprehensive income	(303)	(333)
Total net assets	3,623	3,303
Total liabilities and net assets	13,173	12,859

(2) Consolidated quarterly statements of income
and consolidated quarterly statements of comprehensive income
(For the Three-month Period)

Consolidated quarterly statements of income

(Millions of yen)

	First quarter of FY03/2012 (Apr.1,2011-June30,2011)	First quarter of FY03/2013 (Apr.1,2012-June30,2012)
Net sales	4,422	3,869
Cost of sales	3,058	2,783
Gross profit	1,364	1,086
Selling, general and administrative expenses	1,341	1,327
Operating income (loss)	22	(241)
Non-operating income		
Interest income	0	0
Dividends income	5	7
Rent income	7	5
Other	19	11
Total non-operating income	32	25
Non-operating expenses		
Interest expenses	12	12
Foreign exchange loss	7	8
Other	8	6
Total non-operating expenses	28	27
Ordinary income (loss)	26	(243)
Extraordinary Income		
Gain on sales of noncurrent assets	0	—
Gain on abolishment of retirement benefit plan	283	—
Total extraordinary Income	283	—
Extraordinary loss		
Loss on retirement of noncurrent assets	7	0
Reversal of allowance for investment loss	—	31
Impairment loss	41	—
Other	1	—
Total extraordinary losses	51	31
Income (loss) before income taxes	259	(275)
Income taxes-current	11	14
Income taxes-deferred	0	0
Total income taxes	11	14
Income (loss) before minority interest	247	(289)
Net income (loss)	247	(289)

Consolidated quarterly statements of comprehensive income

	(Millions of yen)	
	First quarter of FY03/2012 (Apr.1,2011-June30,2011)	First quarter of FY03/2013 (Apr.1,2012-June30,2012)
Income(loss) before minority interests	247	(289)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(26)
Foreign currency translation adjustment	(3)	(3)
Other comprehensive income	(6)	(29)
<u>Comprehensive income</u>	<u>241</u>	<u>(319)</u>
Comprehensive income attributable to owners of the parent	241	(319)
Comprehensive income attributable to minority interests	—	—

(3) Going Concern Assumption
No reportable information.

(4) Segment Information

[Segment Information]

I First Quarter of FY03/2012 (Apr. 1, 2011 - June 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	Segment total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statements of income
Net sales							
(1)Sales to Outside Customers	2,720	1,174	512	15	4,422	-	4,422
(2)Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	2,720	1,174	512	15	4,422	-	4,422
Segment profit (loss) (Operating income (loss))	203	22	(55)	(5)	164	(142)	22

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

2. Segment income adjustment of 142 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 three-month period, impairment loss amounted to 41 million yen in the Electro-Ceramics Division.

II First Quarter of FY03/2013 (Apr. 1, 2012 - June 30, 2012)

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	Segment total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statements of income
Net sales							
(1)Sales to Outside Customers	2,299	1,207	357	5	3,869	-	3,869
(2)Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	2,299	1,207	357	5	3,869	-	3,869
Segment profit (loss) (Operating income (loss))	8	32	(104)	(1)	(66)	(175)	(241)

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

2. Segment income adjustment of 175 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

No reportable information.

(5) Significant changes in Shareholder's Equity

No reportable information.

3. Supplementary Information

(1) Sales by Segment

(Millions of yen, rounded down)

Industry Segment	First Quarter of FY03/2012 (Apr. 1, 2011 - June 30, 2011)		First Quarter of FY03/2013 (Apr. 1, 2012 - June 30, 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	2,720	61.5%	2,299	59.4%	10,835	59.4%
Tabletop	1,174	26.5	1,207	31.2	5,245	28.8
Electro- Ceramics	512	11.6	357	9.2	2,096	11.5
Other	15	0.4	5	0.2	62	0.3
Total	4,422	100.0	3,869	100.0	18,239	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	First Quarter of FY03/2012 (Apr. 1, 2011 - June 30, 2011)		First Quarter of FY03/2013 (Apr. 1, 2012 - June 30, 2012)		FY03/2012 (Apr. 1, 2011 - Mar. 31, 2012)	
	Overseas Sales	Overseas Sales	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio
Housing & Environmental Equipment	-	-%	0	0.0%	-	-%
Tabletop	327	27.9	294	24.4	1,289	24.6
Electro- Ceramics	162	31.7	92	25.9	620	29.6
Total	490	11.1	387	10.0	1,910	10.5