

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

November 9, 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, Chief Financial Officer (Phone: +81-76-276-2121)
 Scheduled date to submit Securities Report : November 13, 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 Six Months Ended September 30, 2012 (April 1, 2012 - September 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	%
Six months ended Sept. 30, 2012	7,977	(11.9)	(650)	-	(658)	-	(1,339)	-
Six months ended Sept. 30, 2011	9,056	-	42	-	31	-	241	-

Note: Comprehensive income (Millions of yen): Sept. 30, 2012: (1,390) (-%) Sept. 30, 2011: 240 (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sept. 30, 2012	(71.49)	-
Six months ended Sept. 30, 2011	12.86	-

(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, 2012	11,925	2,232	18.7	119.19
As of Mar. 31, 2012	13,173	3,623	27.5	193.41

Reference: Shareholders' equity (Millions of yen): Sept 30, 2012: 2,232 Mar. 31, 2011: 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	-	0.00	-	-	-
Year ending Mar. 31, 2013 (forecast)	-	-	-	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	16,600	(9.0)	(800)	-	(800)	-	(1,500)	-	(80.08)

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

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

Sept. 30, 2012:	19,572,000 shares	Mar. 31, 2012:	19,572,000 shares
-----------------	-------------------	----------------	-------------------

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

Sept. 30, 2012:	840,772 shares	Mar. 31, 2012:	838,142 shares
-----------------	----------------	----------------	----------------

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

Six months ended Sept. 30, 2012:	18,732,443 shares	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 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 (a change in an accounting policy which is difficult to distinguish from a change in an accounting estimate)
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 Half of FY03/2013 (As of Sep. 30,2012)
Assets		
Current assets		
Cash and deposits	1,131	1,211
Notes and accounts receivable-trade	3,203	2,428
Merchandise and finished goods	2,197	2,213
Work in process	731	644
Costs on uncompleted construction contracts	317	358
Raw materials and supplies	357	360
Deferred tax assets	1	0
Other	148	132
Allowance for doubtful accounts	(117)	(25)
Total current assets	7,970	7,323
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,783	6,713
Accumulated depreciation	(4,584)	(4,643)
Buildings and structures, net	2,198	2,070
Land	1,261	1,261
Other	6,995	6,740
Accumulated depreciation	(6,237)	(6,289)
Other, net	758	450
Total property, plant and equipment	4,218	3,782
Intangible assets	244	129
Investments and other assets		
Investment securities	595	550
Other	539	707
Allowance for investment loss	—	(38)
Allowance for doubtful accounts	(394)	(529)
Total investments and other assets	740	690
Total noncurrent assets	5,202	4,601
Total assets	13,173	11,925
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,370	2,950
Short-term loans payable	1,199	1,534
Current portion of long-term loans payable	328	361
Income taxes payable	53	39
Provision for bonuses	85	—
Provision for product warranties	128	394
Other	1,249	1,397
Total current liabilities	6,414	6,676
Noncurrent liabilities		
Long-term loans payable	1,441	1,251
Provision for retirement benefits	1,229	1,301
Provision for directors' retirement benefits	104	30
Other	359	433
Total noncurrent liabilities	3,135	3,016
Total liabilities	9,549	9,693
Net assets		
Shareholders' equity		
Capital stock	3,200	3,200
Capital surplus	1,321	1,321
Retained earnings	(259)	(1,598)
Treasury stock	(334)	(335)
Total shareholders' equity	3,927	2,587
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(173)	(218)
Foreign currency translation adjustment	(130)	(136)
Accumulated other comprehensive income	(303)	(354)
Total net assets	3,623	2,232
Total liabilities and net assets	13,173	11,925

(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)	First half of FY03/2013 (Apr. 1, 2012-Sept. 30, 2012)
Net sales	9,056	7,977
Cost of sales	6,337	5,728
Gross profit	2,718	2,248
Selling, general and administrative expenses	2,676	2,898
Operating income (loss)	42	(650)
Non-operating income		
Interest income	0	0
Rent income	12	11
Other	41	29
Total non-operating income	54	42
Non-operating expenses		
Interest expenses	25	24
Foreign exchange loss	23	11
Other	16	14
Total non-operating expenses	65	50
Ordinary income (loss)	31	(658)
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	9
Impairment loss	41	603
Provision of allowance for investment loss	—	38
Other	1	—
Total extraordinary losses	51	650
Income (loss) before income taxes	263	(1,309)
Income taxes-current	21	29
Income taxes-deferred	0	0
Total income taxes	22	29
Income (loss) before minority interests	241	(1,339)
Net income (loss)	241	(1,339)

Consolidated quarterly statements of comprehensive income

	First half of FY03/2012 (Apr.1,2011-Sept.30,2011)	(Millions of yen) First half of FY03/2013 (Apr.1,2012-Sept.30,2012)
Income(loss) before minority interests	241	(1,339)
Other comprehensive income		
Valuation difference on available-for-sale securities	9	(45)
Foreign currency translation adjustment	(9)	(5)
Other comprehensive income	(0)	(51)
<u>Comprehensive income</u>	<u>240</u>	<u>(1,390)</u>
Comprehensive income attributable to owners of the parent	240	(1,390)
Comprehensive income attributable to minority interests	—	—

(3) Consolidated Statements of Cash Flows

(Millions of yen)
 First half of FY03/2012 First half of FY03/2013
 (Apr.1,2011-Sept.30,2011) (Apr.1,2012-Sept.30,2012)

Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	263	(1,309)
Depreciation and amortization	264	254
Impairment loss	41	603
Increase (decrease) in allowance for doubtful accounts	11	43
Increase (decrease) in provision for bonuses	(161)	(85)
Increase (decrease) in provision for product warranties	1	266
Increase (decrease) in provision for retirement benefits	(228)	71
Increase (decrease) in allowance for investment loss	—	38
Interest and dividends income	(6)	(8)
Interest expenses	25	24
Loss (gain) on sales of property, plant and equipment	(0)	—
Loss on retirement of noncurrent assets	7	9
Decrease (increase) in notes and accounts receivable-trade	81	643
Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	0	1
Decrease (increase) in inventories	(464)	20
Increase (decrease) in notes and accounts payable-trade	247	(414)
Other, net	(75)	(68)
Subtotal	<u>9</u>	<u>90</u>
Interest and dividends income received	6	8
Interest expenses paid	(25)	(24)
Income taxes paid	(12)	(48)
Net cash provided by (used in) operating activities	<u>(22)</u>	<u>25</u>
Net cash provided by (used in) investment activities		
Payments into time deposits	(81)	(74)
Proceeds from withdrawal of time deposits	52	175
Purchase of property, plant and equipment	(106)	(81)
Other, net	(4)	2
Net cash provided by (used in) investment activities	<u>(139)</u>	<u>21</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	77	334
Proceeds from long-term loans payable	50	—
Repayment of long-term loans payable	(86)	(157)
Repayments of lease obligations	(63)	(38)
Purchase of treasury stock	(0)	(0)
Net cash provided by (used in) financing activities	<u>(22)</u>	<u>137</u>
Effect of exchange rate change on cash and cash equivalents	(3)	(2)
Net increase (decrease) in cash and cash equivalents	<u>(187)</u>	<u>182</u>
Cash and cash equivalents at beginning of period	<u>1,287</u>	<u>924</u>
Cash and cash equivalents at end of period	<u>1,100</u>	<u>1,106</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.

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.

II First Half of FY03/2013 (Apr. 1, 2012 – Sept. 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 (Note 1)	Segment total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statements of income
Net sales							
(1)Sales to Outside Customers	4,709	2,461	795	11	7,977	-	7,977
(2)Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	4,709	2,461	795	11	7,977	-	7,977
Segment profit (loss) (Operating income (loss))	(182)	27	(188)	2	(342)	(308)	(650)

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

2. Segment income adjustment of 308 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 six-month period, impairment loss amounted to 603 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	First Half of FY03/2012 (Apr. 1, 2011 – Sept. 30, 2011)		First Half of FY03/2013 (Apr. 1, 2012 – Sept. 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	5,413	59.8%	4,709	59.0%	10,835	59.4%
Tabletop	2,525	27.9	2,461	30.9	5,245	28.8
Electro- Ceramics	1,084	12.0	795	10.0	2,096	11.5
Other	33	0.3	11	0.1	62	0.3
Total	9,056	100.0	7,977	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 Half of FY03/2012 (Apr. 1, 2011- Sept. 30, 2011)		First Half of FY03/2013 (Apr. 1, 2012- Sept. 30, 2012)		FY03/2012 (Apr. 1, 2011 - Mar. 31, 2012)	
	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio
Housing & Environmental Equipment	-	-%	0	0.0%	-	-%
Tabletop	722	28.6%	616	25.1%	1,289	24.6
Electro- Ceramics	346	32.0	228	28.7	620	29.6
Total	1,069	11.8	845	10.6	1,910	10.5