

**Financial Results for the First Quarter of Fiscal Year Ending March 31, 2014**  
**(Three Months Ended June 30, 2013) <under Japanese GAAP> (Consolidated)**

August 6, 2013

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 : Kazuo Miyanabe, Chief Financial Officer  
 Scheduled date to submit Securities Report : August 9, 2013  
 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, 2013 (April 1, 2013 - June 30, 2013)**

(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, 2013	4,126	6.6	(38)	-	(7)	-	(21)	-
Three months ended June 30, 2012	3,869	(12.5)	(241)	-	(243)	-	(289)	-

Note: Comprehensive income (Millions of yen): June 30, 2013: (30) (-%) June 30, 2012: (319) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June. 30, 2013	(1.16)	-
Three months ended June. 30, 2012	(15.48)	-

(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, 2013	11,180	1,425	12.7	76.10
As of Mar. 31, 2013	11,468	1,455	12.7	77.74

Reference: Shareholders' equity (Millions of yen): June 30, 2013: 1,425 Mar. 31, 2013: 1,455

**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, 2013	-	0.00	-	0.00	0.00
Year ending Mar. 31, 2014	-				
Year ending Mar. 31, 2014 (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, 2014 (April 1, 2013 - March 31, 2014)

(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	6.9	20	-	20	-	0	-	0.00

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

Consolidated forecast for the six months ending September 30, 2013 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: 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

June 30, 2013: 19,572,000 shares Mar. 31, 2013: 19,572,000 shares

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

June 30, 2013: 843,392 shares Mar. 31, 2013: 842,706 shares

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

Three months ended June 30, 2013: 18,728,638 shares Three months ended June 30, 2012: 18,732,875 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 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  
No reportable information.

## 2. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheet

	FY03/2013 (As of Mar.31,2013)	(Millions of yen) First quarter of FY03/2014 (As of June 30,2013)
<b>Assets</b>		
Current assets		
Cash and deposits	1,327	1,320
Notes and accounts receivable-trade	2,654	2,445
Merchandise and finished goods	1,557	1,447
Work in process	541	496
Costs on uncompleted construction contracts	320	310
Raw materials and supplies	318	285
Deferred tax assets	1	1
Other	116	103
Allowance for doubtful accounts	(42)	(41)
<b>Total current assets</b>	<b>6,795</b>	<b>6,369</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,699	6,700
Accumulated depreciation	(4,679)	(4,725)
Buildings and structures, net	2,020	1,975
Land	1,207	1,207
Other	6,680	6,890
Accumulated depreciation	(6,178)	(6,189)
Other, net	501	700
<b>Total property, plant and equipment</b>	<b>3,729</b>	<b>3,883</b>
Intangible assets	171	158
Investments and other assets		
Investment securities	638	626
Other	651	659
Allowance for doubtful accounts	(518)	(517)
<b>Total investments and other assets</b>	<b>771</b>	<b>768</b>
<b>Total noncurrent assets</b>	<b>4,672</b>	<b>4,810</b>
<b>Total assets</b>	<b>11,468</b>	<b>11,180</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	3,100	3,141
Short-term loans payable	1,700	1,600
Current portion of long-term loans payable	361	361
Income taxes payable	50	16
Provision for bonuses	101	129
Provision for product warranties	444	365
Other	1,486	1,458
<b>Total current liabilities</b>	<b>7,244</b>	<b>7,072</b>
Noncurrent liabilities		
Long-term loans payable	1,080	1,025
Provision for retirement benefits	1,329	1,299
Provision for directors' retirement benefits	35	35
Other	322	322
<b>Total noncurrent liabilities</b>	<b>2,767</b>	<b>2,682</b>
<b>Total liabilities</b>	<b>10,012</b>	<b>9,754</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,200	3,200
Capital surplus	1,321	1,321
Retained earnings	(2,528)	(2,549)
Treasury stock	(335)	(335)
<b>Total shareholders' equity</b>	<b>1,657</b>	<b>1,635</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(80)	(92)
Foreign currency translation adjustment	(121)	(118)
<b>Accumulated other comprehensive income</b>	<b>(201)</b>	<b>(210)</b>
<b>Total net assets</b>	<b>1,455</b>	<b>1,425</b>
<b>Total liabilities and net assets</b>	<b>11,468</b>	<b>1,180</b>

(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 FY03/2013 (Apr.1,2012-June30,2012)	First quarter of FY03/2014 (Apr.1,2013-June30,2013)
Net sales	3,869	4,126
Cost of sales	2,783	2,944
Gross profit	1,086	1,181
Selling, general and administrative expenses	1,327	1,220
Operating income (loss)	(241)	(38)
Non-operating income		
Interest income	0	0
Foreign exchange gains	—	13
Dividends income	7	6
Rent income	5	11
Other	11	17
Total non-operating income	25	48
Non-operating expenses		
Interest expenses	12	11
Foreign exchange loss	8	—
Other	6	5
Total non-operating expenses	27	16
Ordinary income (loss)	(243)	(7)
Extraordinary loss		
Loss on retirement of noncurrent assets	0	0
Reversal of allowance for investment loss	31	—
Total extraordinary losses	31	0
Income (loss) before income taxes	(275)	(7)
Income taxes-current	14	14
Income taxes-deferred	0	0
Total income taxes	14	14
Income (loss) before minority interest	(289)	(21)
Net income (loss)	(289)	(21)

Consolidated quarterly statements of comprehensive income

	(Millions of yen)	
	First quarter of FY03/2013 (Apr.1,2012-June30,2012)	First quarter of FY03/2014 (Apr.1,2013-June30,2013)
Income(loss) before minority interests	(289)	(21)
Other comprehensive income		
Valuation difference on available-for-sale securities	(26)	(12)
Foreign currency translation adjustment	(3)	3
Other comprehensive income	<u>(29)</u>	<u>(8)</u>
<u>Comprehensive income</u>	<u>(319)</u>	<u>(30)</u>
Comprehensive income attributable to owners of the parent	(319)	(30)
Comprehensive income attributable to minority interests	—	—

### (3) Segment Information

#### [Segment Information]

#### I First Quarter of FY03/2012 (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.

#### II First Quarter of FY03/2014 (Apr. 1, 2013 - June 30, 2013)

##### 1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen, rounded down)

	Housing & Environmental Equipment	Tabletop	Functional Ceramics Product	Other	Segment total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statements of income
Net sales							
(1)Sales to Outside Customers	2,429	1,087	609	0	4,126	-	4,126
(2)Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	2,429	1,087	609	0	4,126	-	4,126
Segment profit (loss) (Operating income (loss))	95	(20)	57	0	132	(171)	(38)

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

2. Segment income adjustment of 171 million yen consists of expenses related to Strategic Planning Headquarters, Technical Headquarters and Administrative Headquarters that do not belong to the reportable segments.

3. Effective from the third quarter of fiscal 2013, the name of reporting segment that is Electro-Ceramics has been changed to Functional Ceramics Product. There is no impact of this change to reportable segment.

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

No reportable information.

##### (4) 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 FY03/2013 (Apr. 1, 2012 - June 30, 2012)		First Quarter of FY03/2014 (Apr. 1, 2013 - June 30, 2013)		FY03/2013 (Apr. 1, 2012 - Mar. 31, 2013)	
	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales
Housing & Environmental Equipment	2,299	59.4%	2,429	58.9%	9,847	60.1%
Tabletop	1,207	31.2	1,087	26.3	4,699	28.7
Functional Ceramics Product	357	9.2	609	14.8	1,800	11.0
Other	5	0.2	0	0.0	26	0.2
Total	3,869	100.0	4,126	100.0	16,374	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 FY03/2013 (Apr. 1, 2012- June 30, 2012)		First Quarter of FY03/2014 (Apr. 1, 2013 - June 30, 2013)		FY03/2013 (Apr. 1, 2012 - Mar. 31, 2013)	
	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio	Overseas Sales	Overseas Sales Ratio
Housing & Environmental Equipment	0	0.0%	-	-%	0	0.0%
Tabletop	294	24.4	242	22.3	1,138	24.2
Functional Ceramics Product	92	25.9	251	41.2	556	30.9
Other	-	-	0	88.3	1	5.4
Total	387	10.0	494	12.0	1,697	10.4