

**Financial Results for the First Quarter of Fiscal Year Ending March 31, 2016
(Three Months Ended June 30, 2015) <under Japanese GAAP> (Consolidated)**

August 7, 2015

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 (Phone: +81-76-276-2121)
 Scheduled date to submit Securities Report : August 10, 2015
 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, 2015 (April 1, 2015 - June 30, 2015)

(1) Consolidated operating results (Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2015	3,147	(16.9)	(217)	-	(202)	-	(214)	-
Three months ended June 30, 2014	3,787	(8.2)	(181)	-	(169)	-	(329)	-

Note: Comprehensive income (Millions of yen) : June 30, 2015: (202) (-%) June 30, 2014: (227) (-%)

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
Three months ended June. 30, 2015	(9.21)	-	-	-
Three months ended June. 30, 2014	(17.61)	-	-	-

(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, 2015	9,882	982	9.9	42.12
As of Mar. 31, 2015	10,395	1,184	11.4	50.80

Reference: Shareholders' equity (Millions of yen) : June 30, 2015: 982 Mar. 31, 2015: 1,184

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, 2015	-	0.00	-	0.00	0.00
Year ending Mar. 31, 2016	-				
Year ending Mar. 31, 2016 (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, 2016 (April 1, 2015 - March 31, 2016)

(Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent		Net income per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Full year	16,000	2.6	50	-	50	-	0	-	0.00	0.00

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

Consolidated forecast for the six months ending September 30, 2015 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 : 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, 2015	:	24,172,000 shares	Mar. 31, 2015	:	24,172,000 shares
2) Number of treasury stock at the end of the period					
June 30, 2015	:	850,499 shares	Mar. 31, 2015	:	850,499 shares
3) Average number of shares issued during the period (cumulative; consolidated)					
Three months ended June 30, 2015	:	23,321,501 shares	Three months ended June 30, 2014	:	18,725,391 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.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

	FY03/2015 (As of Mar.31,2015)	(Millions of yen) First quarter of FY03/2016 (As of June 30,2015)
Assets		
Current assets		
Cash and deposits	1,285	1,038
Notes and accounts receivable-trade	2,469	2,016
Merchandise and finished goods	1,407	1,551
Work in process	582	625
Costs on uncompleted construction contracts	224	297
Raw materials and supplies	259	277
Deferred tax assets	1	0
Other	119	119
Allowance for doubtful accounts	(11)	(7)
Total current assets	6,336	5,918
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,729	6,737
Accumulated depreciation	(4,660)	(4,701)
Buildings and structures, net	2,068	2,036
Machinery, equipment and vehicles	4,660	4,771
Accumulated depreciation	(4,433)	(4,452)
Machinery, equipment and vehicles, net	226	259
Tools, furniture and fixtures	1,190	1,196
Accumulated depreciation	(1,129)	(1,134)
Tools, furniture and fixtures, net	61	62
Land	1,145	1,145
Lease assets	462	244
Accumulated depreciation	(318)	(141)
Lease assets, net	144	102
Construction in progress	62	20
Total property, plant and equipment	3,708	3,626
Intangible assets		
Lease assets	4	4
Other	82	74
Total intangible assets	87	78
Investments and other assets		
Investment securities	139	137
Claims provable in bankruptcy, claims provable in rehabilitation and other	494	494
Deferred tax assets	—	0
Other	123	121
Allowance for doubtful accounts	(494)	(494)
Total investments and other assets	263	259
Total noncurrent assets	4,058	3,964
Total assets	10,395	9,882
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,729	2,627
Short-term loans payable	1,765	1,750
Current portion of long-term loans payable	369	369
Lease obligations	79	41
Income taxes payable	49	12
Provision for bonuses	51	76
Provision for product warranties	276	267
Other	1,184	1,128
Total current liabilities	6,504	6,274
Noncurrent liabilities		
Long-term loans payable	851	789
Lease obligations	77	70
Deferred tax liabilities	8	8
Provision for directors' retirement benefits	44	41
Net defined benefit liability	1,581	1,578
Other	142	138
Total noncurrent liabilities	2,706	2,626
Total liabilities	9,210	8,900
Net assets		
Shareholders' equity		
Capital stock	3,470	3,470
Capital surplus	1,584	1,584
Retained earnings	(3,224)	(3,438)
Treasury stock	(336)	(336)
Total shareholders' equity	1,494	1,279
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	1
Foreign currency translation adjustment	(115)	(116)
Remeasurements of defined benefit plans	(195)	(182)
Total accumulated other comprehensive income	(309)	(297)
Total net assets	1,184	982
Total liabilities and net assets	10,395	9,882

**(2) Consolidated Statements of Income
and Consolidated Statements of Comprehensive Income**

Consolidated Statements of Income	(Millions of yen)	
	First quarter of FY03/2015 (Apr.1,2014-June30,2014)	First quarter of FY03/2016 (Apr.1,2015-June30,2015)
Net sales	3,787	3,147
Cost of sales	2,764	2,249
Gross profit	1,022	898
Selling, general and administrative expenses	1,204	1,116
Operating income (loss)	(181)	(217)
Non-operating income		
Interest income	0	0
Rent income	8	12
Foreign exchange gains	—	9
Other	22	8
Total non-operating income	31	30
Non-operating expenses		
Interest expenses	10	9
Other	8	5
Total non-operating expenses	19	15
Ordinary income (loss)	(169)	(202)
Extraordinary Income		
Gain on sales of noncurrent assets	1	—
Total extraordinary Income	1	—
Extraordinary loss		
Loss on sales of noncurrent assets	11	—
Loss on retirement of noncurrent assets	—	2
Loss on sales of investment securities	123	—
Total extraordinary losses	134	2
Income (loss) before income taxes	(302)	(205)
Income taxes-current	18	8
Income taxes-deferred	8	0
Total income taxes	27	9
Income (loss) before minority interest	(329)	(214)
Profit (loss)	(329)	(214)
Profit (loss) attributable to non-controlling interests	—	—
Profit (loss) attributable to owners of parent	(329)	(214)

Consolidated Statements of Comprehensive Income	(Millions of yen)	
	First quarter of FY03/2015 (Apr.1,2014-June30,2014)	First quarter of FY03/2016 (Apr.1,2015-June30,2015)
Profit (loss)	(329)	(214)
Other comprehensive income		
Valuation difference on available-for-sale securities	86	0
Foreign currency translation adjustment	(0)	(0)
Remeasurements of defined benefit plans, net of tax	16	12
Total other comprehensive income	102	12
Comprehensive income	(227)	(202)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(227)	(202)
Comprehensive income attributable to non-controlling interests	—	—

[Segment Information]

I First Quarter of FY03/2015 (Apr. 1, 2014 - June 30, 2014)

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 (Note 1)	Segment total	Adjustment (Note 2)	Amounts on the consolidated financial statements
Net sales							
Sales to Outside Customers	2,465	774	547	-	3,787	-	3,787
Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	2,465	774	547	-	3,787	-	3,787
Segment profit (loss) (Operating income (loss))	28	(53)	9	-	(15)	(166)	(181)

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

2. Segment income adjustment of 166 million yen consists of expenses related to departments 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 FY03/2016 (Apr. 1, 2015- June 30, 2015)

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	Segment total	Adjustment (Note 2)	Amounts on the consolidated financial statements
Net sales						
Sales to Outside Customers	2,004	551	592	3,147	-	3,147
Intersegment sales or Transfers	-	-	-	-	-	-
Total	2,004	551	592	3,147	-	3,147
Segment profit (loss) (Operating income (loss))	(51)	(77)	78	(51)	(166)	(217)

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

2. Segment income adjustment of 166 million yen consists of expenses related to departments that do not belong to the reportable segments.

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

No reportable information.