

Consolidated Financial Results for the Three Months of Fiscal Year Ending March 31, 2019 <under Japanese GAAP>

August 8, 2018

Company name : NIKKO COMPANY
 ID number : 5343 Stock listing : Nagoya Stock Exchange Second Section
 URL : <http://www.nikko-company.co.jp/>
 Representative : Akiko Mitani, Chief Executive Officer
 Contact : Kazuya Nunokawa, Chief Financial Officer (Phone: +81-76-276-2121)
 Scheduled date to submit Securities Report : August 9, 2018
 Scheduled date to begin dividend payments : -
 Preparation of supplementary materials for financial results : None
 Holding of 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, 2018 (April 1, 2018 - June 30, 2018)

(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, 2018	3,321	11.7	(27)	-	(5)	-	(10)	-
Three months ended June 30, 2017	2,973	1.7	(23)	-	(23)	-	(31)	-

Note: Comprehensive income (Millions of yen) : June 30, 2018 : (6) (-%) June 30, 2017 : (22) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June. 30, 2018	(0.46)	-
Three months ended June. 30, 2017	(1.35)	-

(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, 2018	9,533	1,052	11.0	45.15
Year ended Mar. 31, 2018	9,466	1,059	11.2	45.44

Reference: Shareholders' equity (Millions of yen) : June 30, 2018: 1,052 Mar. 31, 2018: 1,059

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, 2018	-	0.00	-	0.00	0.00
Year ending Mar. 31, 2019	-				
Year ending Mar. 31, 2019 (forecast)		0.00	-	0.00	0.00

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 - March 31, 2019)

The NIKKO Group will no longer disclose its projected consolidated results for periods starting from that ending in March 2019. Details of the decision are described in "3. Projected Consolidated Results for FY2018" in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2018" disclosed on May 10, 2018.

※Notes

(1) Changes in major subsidiaries during the period : None

(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, 2018 :	24,172,000 shares	Mar. 31, 2018 :	24,172,000 shares
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2) Number of treasury stock at the end of the period

June 30, 2018 :	864,149 shares	Mar. 31, 2018 :	864,148 shares
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3) Average number of shares issued during the period (cumulative; consolidated)

Three months ended June 30, 2018 :	23,307,851 shares	Three months ended June 30, 2017 :	23,313,745 shares
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* Quarterly financial statements are not subject to a quarterly review by certified public accountants or an auditing company.

*Appropriate use of business forecasts, other special items

Please refer to the first quarter report of the 94th Fiscal Period to be submitted on August 9, 2018 for the outlook of business results and financial condition.

This report is based on EDINET (Electronic Disclosure System on Disclosure Documents of Securities Reports etc. under the Financial Instruments and Exchange Act) Please refer to (<http://disclosure.edinet-fsa.go.jp/>)

Consolidated quarterly Financial Statements

(1) Consolidated Balance Sheet

	FY03/2018 (As of Mar.31,2018)	(Millions of yen) FY03/2019 (As of June 30,2018)
Assets		
Current assets		
Cash and deposits	1,098	1,421
Notes and accounts receivable-trade	2,192	1,791
Merchandise and finished goods	1,273	1,276
Work in process	581	558
Costs on uncompleted construction contracts	432	535
Raw materials and supplies	264	294
Other	57	51
Allowance for doubtful accounts	(5)	(5)
Total current assets	5,893	5,923
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,811	6,820
Accumulated depreciation	(5,085)	(5,125)
Buildings and structures, net	1,726	1,695
Machinery, equipment and vehicles	4,509	4,639
Accumulated depreciation	(4,184)	(4,213)
Machinery, equipment and vehicles, net	325	426
Tools, furniture and fixtures	1,237	1,253
Accumulated depreciation	(1,145)	(1,157)
Tools, furniture and fixtures, net	91	95
Land	1,121	1,121
Lease assets	99	70
Accumulated depreciation	(85)	(61)
Lease assets, net	13	8
Construction in progress	65	36
Total property, plant and equipment	3,344	3,383
Intangible assets		
Lease assets	0	0
Other	70	69
Total intangible assets	71	69
Investments and other assets		
Investment securities	56	56
Other	103	101
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	157	156
Total noncurrent assets	3,573	3,609
Total assets	9,466	9,533
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,679	2,540
Short-term loans payable	2,400	2,400
Current portion of long-term loans payable	159	139
Lease obligations	12	7
Income taxes payable	88	20
Provision for bonuses	121	84
Provision for product warranties	170	170
Other	1,140	1,503
Total current liabilities	6,772	6,867
Noncurrent liabilities		
Long-term loans payable	191	156
Lease obligations	1	1
Deferred tax liabilities	5	5
Provision for directors' retirement benefits	34	36
Net defined benefit liability	1,282	1,294
Other	119	119
Total noncurrent liabilities	1,634	1,614
Total liabilities	8,407	8,481
Net assets		
Shareholders' equity		
Capital stock	3,470	3,470
Capital surplus	1,584	1,584
Retained earnings	(3,492)	(3,502)
Treasury stock	(338)	(338)
Total shareholders' equity	1,224	1,213
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	(111)	(112)
Remeasurements of defined benefit plans	(54)	(49)
Total accumulated other comprehensive income	(165)	(161)
Total net assets	1,059	1,052
Total liabilities and net assets	9,466	9,533

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income

Consolidated quarterly statements of income

	(Millions of yen)	
	FY03/2018	FY03/2019
	(Apr. 1, 2017-June 30, 2017)	(Apr. 1, 2018-June 30, 2018)
Net sales	2,973	3,321
Cost of sales	2,030	2,335
Gross profit	943	985
Selling, general and administrative expenses	966	1,012
Operating income (loss)	(23)	(27)
Non-operating income		
Interest income	—	0
Foreign exchange gains	0	16
Other	11	17
Total non-operating income	11	34
Non-operating expenses		
Interest expenses	7	6
Sales discounts	2	3
Other	2	2
Total non-operating expenses	12	12
Ordinary loss	(23)	(5)
Loss before income taxes	(23)	(5)
Income taxes-current	7	5
Income taxes-deferred	(0)	(0)
Total income taxes	7	5
Profit (loss)	(31)	(10)
Profit (loss) attributable to non-controlling interests	—	—
Profit (loss) attributable to owners of parent	(31)	(10)

Consolidated quarterly statements of comprehensive income

	(Millions of yen)	
	FY03/2018	FY03/2019
	(Apr. 1, 2017-June 30, 2017)	(Apr. 1, 2018-June 30, 2018)
Profit (loss)	(31)	(10)
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	0	(0)
Remeasurements of defined benefit plans, net of tax	8	4
Other comprehensive income	9	3
Comprehensive income	(22)	(6)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(22)	(6)
Comprehensive income attributable to non-controlling interests	—	—