

Consolidated Financial Results for the Three Months of Fiscal Year Ending March 31, 2025 <under Japanese GAAP>

August 9, 2024

Company name : NIKKO COMPANY
 ID number : 5343 Stock listing : Nagoya Stock Exchange Main Market
 URL : <https://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 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, 2024 (April 1, 2024 - June 30, 2024)

(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, 2024	3,579	8.5	(53)	-	(42)	-	(54)	-
Three months ended June 30, 2023	3,298	4.0	(269)	-	(243)	-	(259)	-

Note: Comprehensive income (Millions of yen) : June 30, 2024 : (34) (-%) June 30, 2023 : (246) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2024	(2.33)	-
Three months ended June 30, 2023	(11.12)	-

(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, 2024	9,248	681	7.4	29.24
Year ended Mar. 31, 2024	9,119	716	7.9	30.74

Reference: Shareholders' equity (Millions of yen) : June 30, 2024: 681 Mar. 31, 2024: 716

2. Dividends

(Record date)	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
Year ended Mar. 31, 2024	-	0.00	-	0.00	0.00
Year ending Mar. 31, 2025	-				
Year ending Mar. 31, 2025 (forecast)		0.00	-	0.00	0.00

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

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 FY2024" in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2024" disclosed on May 10, 2024.

※Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024 : 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 : 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, 2024 :	24,172,000 shares		Mar. 31, 2024 :	24,172,000 shares
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 - 2) Number of treasury stock at the end of the period

	June 30, 2024 :	864,826 shares		Mar. 31, 2024 :	864,826 shares
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 - 3) Average number of shares issued during the period (cumulative; consolidated)

	Three months ended June 30, 2024:	23,307,174 shares		Three months ended June 30, 2023:	23,307,294 shares
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Consolidated quarterly Financial Statements

(1) Consolidated Balance Sheet

	FY03/2024 (As of Mar.31,2024)	(Millions of yen) FY03/2025 (As of June.30,2024)
Assets		
Current assets		
Cash and deposits	1,024	1,445
Notes and accounts receivable - trade, and contract assets	2,298	2,060
Merchandise and finished goods	1,396	1,415
Work in process	612	513
Costs on uncompleted construction contracts	388	457
Raw materials and supplies	497	487
Other	70	59
Allowance for doubtful accounts	(6)	(4)
Total current assets	6,280	6,434
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,941	6,972
Accumulated depreciation	(5,748)	(5,782)
Buildings and structures, net	1,193	1,190
Machinery, equipment and vehicles	4,553	4,563
Accumulated depreciation	(4,128)	(4,160)
Machinery, equipment and vehicles, net	425	403
Tools, furniture and fixtures	1,233	1,237
Accumulated depreciation	(1,170)	(1,176)
Tools, furniture and fixtures, net	63	60
Land	702	702
Lease assets	158	158
Accumulated depreciation	(70)	(81)
Lease assets, net	88	76
Construction in progress	16	25
Total property, plant and equipment	2,488	2,459
Intangible assets	110	112
Investments and other assets		
Investment securities	113	116
Other	129	128
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	240	242
Total noncurrent assets	2,839	2,813
Total assets	9,119	9,248
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,796	2,599
Short-term loans payable	2,000	2,000
Current portion of bonds payable	40	40
Current portion of long-term loans payable	124	124
Lease obligations	64	62
Income taxes payable	51	25
Contract liabilities	762	930
Provision for bonuses	88	90
Provision for product warranties	52	52
Other	664	918
Total current liabilities	6,644	6,843
Noncurrent liabilities		
Bonds payable	20	20
Long-term loans payable	170	142
Lease obligations	97	87
Deferred tax liabilities	3	3
Provision for directors' retirement benefits	84	87
Net defined benefit liability	1,268	1,269
Other	114	114
Total noncurrent liabilities	1,759	1,723
Total liabilities	8,403	8,567
Net assets		
Shareholders' equity		
Capital stock	3,470	3,470
Capital surplus	1,584	1,584
Retained earnings	(3,942)	(3,997)
Treasury stock	(338)	(338)
Total shareholders' equity	773	719
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	1
Foreign currency translation adjustment	(57)	(37)
Remeasurements of defined benefit plans	(1)	(1)
Total accumulated other comprehensive income	(57)	(37)
Total net assets	716	681
Total liabilities and net assets	9,119	9,248

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

Consolidated quarterly statements of income

	FY03/2024 (Apr.1, 2023-June 30,2023)	(Millions of yen) FY03/2025 (Apr.1, 2024-June 30,2024)
Net sales	3,298	3,579
Cost of sales	2,447	2,555
Gross profit	850	1,024
Selling, general and administrative expenses	1,119	1,077
Operating loss	(269)	(53)
Non-operating income		
Interest income	0	0
Share of profit of entities accounted for using equity method	2	—
Foreign exchange gains	20	15
Other	13	6
Total non-operating income	36	22
Non-operating expenses		
Interest expenses	5	5
Share of loss of entities accounted for using equity method	—	1
Other	5	4
Total non-operating expenses	10	11
Ordinary loss	(243)	(42)
Extraordinary Income		
Gain on sales of noncurrent assets	1	—
Total extraordinary Income	1	—
Extraordinary loss		
Loss on retirement of noncurrent assets	0	—
Loss on valuation of investment securities	12	—
Total extraordinary losses	12	—
Loss before income taxes	(253)	(42)
Income taxes-current	5	12
Income taxes-deferred	(0)	(0)
Total income taxes	5	12
Profit (loss)	(259)	(54)
Profit (loss) attributable to owners of parent	(259)	(54)

Consolidated quarterly statements of comprehensive income

	FY03/2024 (Apr.1, 2023-June 30,2023)	(Millions of yen) FY03/2025 (Apr.1, 2024-June 30,2024)
Profit (loss)	(259)	(54)
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	12	16
Remeasurements of defined benefit plans, net of tax	(1)	(0)
Share of other comprehensive income of entities accounted for using equity method	1	3
Other comprehensive income	12	19
Comprehensive income	(246)	(34)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(246)	(34)
Comprehensive income attributable to non-controlling interests	—	—

[Consolidated Segment Information]

Three Months ended June 30, 2023(April 1, 2023 – June 30, 2023)

(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 (Note 3)
Net sales							
Goods and services transferred at a point in time	435	417	579	0	1,433	-	1,433
Goods and services transferred over time (Note 4)	1,865	-	-	-	1,865	-	1,865
Revenue from contracts with customers	2,301	417	579	0	3,298	-	3,298
Other revenue(Note 5)	-	0	-	-	0	-	0
Sales to Outside Customers	2,301	417	579	0	3,298	-	3,298
Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	2,301	417	579	0	3,298	-	3,298
Segment profit (loss) (Operating income (loss))	(30)	(18)	(11)	(1)	(61)	(207)	(269)

Note: 1. The category "Other" is new business which is a business segment not included in the reportable segments.

Note: 2. Segment loss adjustment of 207 million yen consists of expenses related to departments that do not belong to the reportable segments.

Note: 3. Segment profits and losses are adjusted with Operating loss on the consolidated quarterly statements of income.

Note: 4. Goods and services transferred over time in the Housing Environment Equipment Business include goods and services that were applied alternative treatments and were then recognized as revenue when performance obligations were fully satisfied.

Note: 5. Other revenue is income based on accounting standards for leasing transactions.

Three Months ended June 30, 2024 (April 1, 2024 – June 30, 2024)

(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 (Note 3)
Net sales							
Goods and services transferred at a point in time	507	364	647	0	1,520	-	1,520
Goods and services transferred over time (Note 4)	2,059	-	-	-	2,059	-	2,059
Revenue from contracts with customers	2,566	364	647	0	3,579	-	3,579
Other revenue(Note 5)	-	0	-	-	0	-	0
Sales to Outside Customers	2,566	364	647	0	3,579	-	3,579
Intersegment sales or Transfers	-	-	-	-	-	-	-
Total	2,566	364	647	0	3,579	-	3,579
Segment profit (loss) (Operating income (loss))	138	13	7	(1)	156	(210)	(53)

Note: 1. The category "Other" is new business which is a business segment not included in the reportable segments.

Note: 2. Segment income adjustment of 210 million yen consists of expenses related to departments that do not belong to the reportable segments.

Note: 3. Segment profits and losses are adjusted with Operating loss on the consolidated quarterly statements of income.

Note: 4. Goods and services transferred over time in the Housing Environment Equipment Business include goods and services that were applied alternative treatments and were then recognized as revenue when performance obligations were fully satisfied.

Note: 5. Other revenue is income based on accounting standards for leasing transactions.