

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

November 8, 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 submit Securities Report : November 8, 2024  
 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 Six Months Ended September 30, 2024 (April 1, 2024 - September 30, 2024)

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

|                                     | Net sales       |     | Operating profit |   | Ordinary profit |   | Profit (loss) attributable to owners of parent |   |
|-------------------------------------|-----------------|-----|------------------|---|-----------------|---|--|---|
|                                     | Millions of yen | %   | Millions of yen  | % | Millions of yen | % | Millions of yen                                | % |
| Six months ended September 30, 2024 | 7,431           | 7.6 | 33               | - | 17              | - | 3  | - |
| Six months ended September 30, 2023 | 6,903           | 1.5 | (204)            | - | (172)           | - | (198)  | - |

Note: Comprehensive income (Millions of yen) : September 30, 2024 : (8) (-%) September 30, 2023 : (176) (-%)

|                                     | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
|                                     | Yen                      | Yen                        |
| Six months ended September 30, 2024 | 0.16                     | -                          |
| Six months ended September 30, 2023 | (8.53)                   | -                          |

(2) Consolidated financial position

|                          | Total assets    | Net assets      | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
|                          | Millions of yen | Millions of yen | %            |
| As of September 30, 2024 | 9,467           | 1,467           | 15.5         |
| Year ended Mar. 31, 2024 | 9,119           | 716             | 7.9          |

Reference: Shareholders' equity (Millions of yen) : September 30, 2024: 1,467 Mar. 31, 2024: 716

### 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, 2024             | -                  | 0.00   | -      | 0.00     | 0.00   |
| Year ending Mar. 31, 2025            | -                  | 0.00   |        |          |        |
| Year ending Mar. 31, 2025 (forecast) |                    |        | -      | 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 six months ended September 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

|                    |                     |               |                     |
|--------------------|---------------------|---------------|---------------------|
| September 30, 2024 | : 29,842,000 shares | Mar. 31, 2024 | : 24,172,000 shares |
|--------------------|---------------------|---------------|---------------------|

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

|                    |                  |               |                  |
|--------------------|------------------|---------------|------------------|
| September 30, 2024 | : 864,915 shares | Mar. 31, 2024 | : 864,826 shares |
|--------------------|------------------|---------------|------------------|

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

|                                     |                     |                                     |                     |
|-------------------------------------|---------------------|-------------------------------------|---------------------|
| Six months ended September 30, 2024 | : 23,957,792 shares | Six months ended September 30, 2023 | : 23,307,265 shares |
|-------------------------------------|---------------------|-------------------------------------|---------------------|

Consolidated Financial Statements

(1) Consolidated Balance Sheet

|  | FY03/2024<br>(As of Mar.31,2024) | (Millions of yen)<br>FY03/2025<br>(As of Sep.30,2024) |
|--|----------------------------------|---|
| <b>Assets</b>  |                                  |   |
| Current assets   |                                  |   |
| Cash and deposits  | 1,024                            | 1,344   |
| Notes and accounts receivable - trade, and contract assets | 2,298                            | 2,430   |
| Merchandise and finished goods                             | 1,396                            | 1,367   |
| Work in process  | 612                              | 523   |
| Costs on uncompleted construction contracts                | 388                              | 442   |
| Raw materials and supplies                                 | 497                              | 505   |
| Other  | 70                               | 82  |
| Allowance for doubtful accounts                            | (6)                              | (5)   |
| <b>Total current assets</b>                                | <b>6,280</b>                     | <b>6,690</b>  |
| Noncurrent assets  |                                  |   |
| Property, plant and equipment                              |                                  |   |
| Buildings and structures                                   | 6,941                            | 6,983   |
| Accumulated depreciation                                   | (5,748)                          | (5,812)   |
| <b>Buildings and structures, net</b>                       | <b>1,193</b>                     | <b>1,171</b>  |
| Machinery, equipment and vehicles                          | 4,553                            | 4,566   |
| Accumulated depreciation                                   | (4,128)                          | (4,192)   |
| <b>Machinery, equipment and vehicles, net</b>              | <b>425</b>                       | <b>374</b>  |
| Tools, furniture and fixtures                              | 1,233                            | 1,250   |
| Accumulated depreciation                                   | (1,170)                          | △1,184  |
| <b>Tools, furniture and fixtures, net</b>                  | <b>63</b>                        | <b>65</b>   |
| Land   | 702                              | 702   |
| Lease assets   | 158                              | 158   |
| Accumulated depreciation                                   | (70)                             | △92   |
| <b>Lease assets, net</b>                                   | <b>88</b>                        | <b>65</b>   |
| Construction in progress                                   | 16                               | 47  |
| <b>Total property, plant and equipment</b>                 | <b>2,488</b>                     | <b>2,427</b>  |
| Intangible assets  | 110                              | 107   |
| Investments and other assets                               |                                  |   |
| Investment securities                                      | 113                              | 116   |
| Other  | 129                              | 128   |
| Allowance for doubtful accounts                            | (3)                              | (3)   |
| <b>Total investments and other assets</b>                  | <b>240</b>                       | <b>241</b>  |
| <b>Total noncurrent assets</b>                             | <b>2,839</b>                     | <b>2,776</b>  |
| <b>Total assets</b>  | <b>9,119</b>                     | <b>9,467</b>  |
| <b>Liabilities</b>   |                                  |   |
| Current liabilities  |                                  |   |
| Notes and accounts payable-trade                           | 2,796                            | 2,757   |
| Short-term loans payable                                   | 2,000                            | 1,600   |
| Current portion of bonds payable                           | 40                               | 40  |
| Current portion of long-term loans payable                 | 124                              | 109   |
| Lease obligations  | 64                               | 54  |
| Income taxes payable                                       | 51                               | 41  |
| Contract liabilities                                       | 762                              | 959   |
| Provision for bonuses                                      | 88                               | 180   |
| Provision for product warranties                           | 52                               | 52  |
| Other  | 664                              | 540   |
| <b>Total current liabilities</b>                           | <b>6,644</b>                     | <b>6,335</b>  |
| Noncurrent liabilities                                     |                                  |   |
| Bonds payable  | 20                               | —   |
| Long-term loans payable                                    | 170                              | 115   |
| Lease obligations  | 97                               | 78  |
| Deferred tax liabilities                                   | 3                                | 2   |
| Provision for directors' retirement benefits               | 84                               | 90  |
| Net defined benefit liability                              | 1,268                            | 1,263   |
| Other  | 114                              | 113   |
| <b>Total noncurrent liabilities</b>                        | <b>1,759</b>                     | <b>1,664</b>  |
| <b>Total liabilities</b>                                   | <b>8,403</b>                     | <b>7,999</b>  |
| <b>Net assets</b>  |                                  |   |
| Shareholders' equity                                       |                                  |   |
| Capital stock  | 3,470                            | 3,850   |
| Capital surplus  | 1,584                            | 1,964   |
| Retained earnings  | (3,942)                          | (3,938)   |
| Treasury stock   | (338)                            | (338)   |
| <b>Total shareholders' equity</b>                          | <b>773</b>                       | <b>1,537</b>  |
| Accumulated other comprehensive income                     |                                  |   |
| Valuation difference on available-for-sale securities      | 1                                | 1   |
| Foreign currency translation adjustment                    | (57)                             | (68)  |
| Remeasurements of defined benefit plans                    | (1)                              | (2)   |
| <b>Total accumulated other comprehensive income</b>        | <b>(57)</b>                      | <b>(69)</b>   |
| <b>Total net assets</b>                                    | <b>716</b>                       | <b>1,467</b>  |
| <b>Total liabilities and net assets</b>                    | <b>9,119</b>                     | <b>9,467</b>  |

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

Consolidated statements of income

(Millions of yen)

|   | FY03/2024<br>(Apr. 1, 2023-Sep 30, 2023) | FY03/2025<br>(Apr. 1, 2024-Sep 30, 2024) |
|---|--|--|
| Net sales   | 6,903                                    | 7,431                                    |
| Cost of sales   | 5,002                                    | 5,246                                    |
| Gross profit  | 1,900                                    | 2,184                                    |
| Selling, general and administrative expenses                  | 2,105                                    | 2,151                                    |
| Operating profit (loss)                                       | (204)                                    | 33                                       |
| Non-operating income  |  |  |
| Interest income   | 0  | 0  |
| Share of profit of entities accounted for using equity method | 2  | —  |
| Rent income   | 5  | 5  |
| Foreign exchange gains  | 28                                       | —  |
| Other   | 14                                       | 7  |
| Total non-operating income                                    | 51                                       | 13                                       |
| Non-operating expenses  |  |  |
| Interest expenses   | 10                                       | 10                                       |
| Share of loss of entities accounted for using equity method   | —  | 0  |
| Stock issuance cost   | —  | 6  |
| Other   | 9  | 11                                       |
| Total non-operating expenses                                  | 20                                       | 29                                       |
| Ordinary profit (loss)  | (172)                                    | 17                                       |
| Extraordinary Income  |  |  |
| Gain on sales of noncurrent assets                            | 1  | —  |
| Total extraordinary Income                                    | 1  | —  |
| Extraordinary loss  |  |  |
| Loss on retirement of noncurrent assets                       | 4  | 0  |
| Loss on valuation of investment securities                    | 12                                       | —  |
| Total extraordinary losses                                    | 16                                       | 0  |
| Profit (loss) before income taxes                             | (188)                                    | 17                                       |
| Income taxes-current  | 10                                       | 13                                       |
| Income taxes-deferred   | (0)                                      | (0)                                      |
| Total income taxes  | 10                                       | 13                                       |
| Profit (loss)   | (198)                                    | 3  |
| Profit (loss) attributable to owners of parent                | (198)                                    | 3  |

Consolidated statements of comprehensive income

(Millions of yen)

|   | FY03/2024<br>(Apr. 1, 2023-Sep 30, 2023) | FY03/2025<br>(Apr. 1, 2024-Sep 30, 2024) |
|---|--|--|
| Profit (loss)   | (198)                                    | 3  |
| Other comprehensive income  |  |  |
| Valuation difference on available-for-sale securities                             | 0  | (0)                                      |
| Foreign currency translation adjustment   | 18                                       | (14)                                     |
| Remeasurements of defined benefit plans, net of tax                               | (3)                                      | (1)                                      |
| Share of other comprehensive income of entities accounted for using equity method | 6  | 3  |
| Other comprehensive income  | 22                                       | (12)                                     |
| Comprehensive income  | (176)                                    | (8)                                      |
| Comprehensive income attributable to  |  |  |
| Comprehensive income attributable to owners of the parent                         | (176)                                    | (8)                                      |
| Comprehensive income attributable to non-controlling interests                    | —  | —  |

(3) Consolidated Statements of Cash Flows

(Millions of yen)

FY03/2024  
(Apr.1, 2023-Sep.30,2023)

FY03/2025  
(Apr.1, 2024-Sep.30,2024)

|   |       |       |
|---|-------|-------|
| Net cash provided by (used in) operating activities           |       |       |
| Profit (loss) before income taxes and minority interests      | (188) | 17    |
| Depreciation and amortization                                 | 184   | 178   |
| Increase (decrease) in allowance for doubtful accounts        | 0     | (0)   |
| Increase (decrease) in provision for bonuses                  | (125) | 92    |
| Increase (decrease) in net defined benefit liability          | (14)  | (6)   |
| Interest and dividends income                                 | (0)   | (0)   |
| Interest expenses   | 10    | 10    |
| Foreign exchange losses (gains)                               | (2)   | —     |
| Share of profit of entities accounted for using equity method | (2)   | 0     |
| Loss (gain) on valuation of investment securities             | 12    | —     |
| Loss (gain) on sales of property, plant and equipment         | (1)   | —     |
| Loss on retirement of non-current assets                      | 4     | 0     |
| Decrease (increase) in notes and accounts receivable-trade    | 97    | (135) |
| Decrease (increase) in inventories                            | (111) | 54    |
| Increase (decrease) in notes and accounts payable-trade       | (163) | (39)  |
| Other, net  | 210   | 13    |
| Subtotal  | (89)  | 184   |
| Interest and dividends income received                        | 0     | 0     |
| Interest expenses paid  | (10)  | (10)  |
| Income taxes paid   | (9)   | (22)  |
| Net cash provided by (used in) operating activities           | (108) | 151   |
| Net cash provided by (used in) investment activities          |       |       |
| Payments into time deposits                                   | (0)   | (0)   |
| Proceeds from withdrawal of time deposits                     | 1     | —     |
| Purchase of property, plant and equipment                     | (221) | (57)  |
| Proceeds from sales of property, plant and equipment          | 0     | —     |
| Other, net  | (2)   | (7)   |
| Net cash provided by (used in) investment activities          | (222) | (65)  |
| Net cash provided by (used in) financing activities           |       |       |
| Net increase (decrease) in short-term borrowings              | —     | (400) |
| Repayment of long-term loans payable                          | (40)  | (69)  |
| Redemption of bonds   | (20)  | (20)  |
| Proceeds from sales and leasebacks                            | 24    | —     |
| Repayments of lease obligations                               | (28)  | (28)  |
| Proceeds from issuance of shares                              | —     | 756   |
| Purchase of treasury stock                                    | (0)   | (0)   |
| Net cash provided by (used in) financing activities           | (64)  | 238   |
| Effect of exchange rate change on cash and cash equivalents   | 5     | (4)   |
| Net increase (decrease) in cash and cash equivalents          | (390) | 319   |
| Cash and cash equivalents at beginning of period              | 1,044 | 983   |
| Cash and cash equivalents at end of period                    | 653   | 1,303 |

**[Consolidated Segment Information]**

Six Months ended September 30, 2023 (April 1, 2023 – September 30, 2023)

(Millions of yen, rounded down)

|  | Housing & Environmental Equipment | Functional Ceramics Product | Tabletop | Other (Note 1) | Segment total | Adjustment (Note 2) | Amounts on the consolidated statements of income (Note 3) |
|--|-----------------------------------|-----------------------------|----------|----------------|---------------|---------------------|---|
| Net sales  |                                   |                             |          |                |               |                     |   |
| Goods and services transferred at a point in time  | 1,020                             | 1,208                       | 893      | 1              | 3,124         | -                   | 3,124   |
| Goods and services transferred over time (Note 4)  | 3,779                             | -                           | -        | -              | 3,779         | -                   | 3,779   |
| Revenue from contracts with customers              | 4,800                             | 1,208                       | 893      | 1              | 6,903         | -                   | 6,903   |
| Other revenue(Note 5)                              | -                                 | -                           | 0        | -              | 0             | -                   | 0   |
| Sales to Outside Customers                         | 4,800                             | 1,208                       | 893      | 1              | 6,903         | -                   | 6,903   |
| Intersegment sales or Transfers                    | -                                 | -                           | -        | -              | -             | -                   | -   |
| Total  | 4,800                             | 1,208                       | 893      | 1              | 6,903         | -                   | 6,903   |
| Segment profit (loss)<br>(Operating profit (loss)) | 162                               | 64                          | (22)     | (2)            | 201           | (405)               | (204)   |

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

Note: 2. Segment profit adjustment of (405) million yen consists of expenses related to departments that do not belong to the reportable segments.

Note: 3. Segment profit and losses are adjusted with Operating loss on the consolidated 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.

Six Months ended September 30, 2024 (April 1, 2024 – September 30, 2024)

(Millions of yen, rounded down)

|  | Housing & Environmental Equipment | Functional Ceramics Product | Tabletop | Other (Note 1) | Segment total | Adjustment (Note 2) | Amounts on the consolidated statements of income (Note 3) |
|--|-----------------------------------|-----------------------------|----------|----------------|---------------|---------------------|---|
| Net sales  |                                   |                             |          |                |               |                     |   |
| Goods and services transferred at a point in time  | 1,017                             | 1,399                       | 783      | 1              | 3,203         | -                   | 3,203   |
| Goods and services transferred over time (Note 4)  | 4,228                             | -                           | -        | -              | 4,228         | -                   | 4,228   |
| Revenue from contracts with customers              | 5,245                             | 1,399                       | 783      | 1              | 7,431         | -                   | 7,431   |
| Other revenue(Note 5)                              | -                                 | -                           | 0        | -              | 0             | -                   | 0   |
| Sales to Outside Customers                         | 5,245                             | 1,399                       | 783      | 1              | 7,431         | -                   | 7,431   |
| Intersegment sales or Transfers                    | -                                 | -                           | -        | -              | -             | -                   | -   |
| Total  | 5,245                             | 1,399                       | 783      | 1              | 7,431         | -                   | 7,431   |
| Segment profit (loss)<br>(Operating profit (loss)) | 369                               | 81                          | 13       | (3)            | 460           | (427)               | 33  |

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

Note: 2. Segment profit adjustment of (427) million yen consists of expenses related to departments that do not belong to the reportable segments.

Note: 3. Segment profit and losses are adjusted with Operating income on the consolidated 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.