

May 15, 2009

Consolidated Financial Report for Fiscal 2008 the Fiscal Year Ended March 31, 2009

Company name: Nippon Coke & Engineering Co., Ltd.
 Listed stock exchange: Tokyo Stock Exchange
 Securities code: 3315 URL: <http://www.n-coke.com/>
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Scheduled date of the Company's Annual Meeting of Shareholders: June 26, 2009

Scheduled date of dividend payment commencement: June 29, 2009

Scheduled filing date of the Company's annual securities report: June 26, 2009

1. Consolidated Performance for Fiscal 2008, the Fiscal Year Ended March 31, 2009 (April 1 to March 31, 2009)

(1) Consolidated Business Results

(In millions of yen unless otherwise stated; percentage figures show the year-on-year change.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Fiscal 2008	191,322	2.1	12,157	8.1	8,715	-5.6	2,014	-75.6
Fiscal 2007	187,401	-3.5	11,242	107.5	9,235	135.3	8,254	25.8

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Net Income to Equity Ratio (%)	Ordinary Income to Total Assets Ratio (%)	Operating Income to Net Sales Ratio (%)
Fiscal 2008	6.67	5.07	5.6	6.2	6.4
Fiscal 2007	33.36	19.49	23.4	6.2	6.0

(Reference) Equity method investment gains (losses): Fiscal 2008 - million yen
 Fiscal 2007 - million yen

(2) Consolidated Financial Position

(In millions of yen unless otherwise stated)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
March 31, 2009	138,435	31,998	23.1	72.09
March 31, 2008	140,538	39,460	28.0	51.34

Reference: Shareholders' equity: March 31, 2009 31,998 million yen
 March 31, 2008 39,393 million yen

Note: Net assets per share data pertains only to common stock issued and is therefore calculated by subtracting the amount of shares with a preferred right of claim over the distribution of residual assets (10,000 million yen and 27,000 million yen as of March 31, 2009 and March 31, 2008, respectively) from the amount of net assets. Please refer to "Per share information" on page 34 for details.

(3) Consolidated Cash Flows

(In millions of yen unless otherwise stated)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents as of the end of the Fiscal Period
Fiscal 2008	12,194	-837	-9,037	7,921
Fiscal 2007	15,665	1,604	-17,245	5,724

2. Dividend Information

(In millions of yen unless otherwise stated; percentage figures show the year-on-year change.)

(Record Date)	Dividends per Share (Yen)					Total Dividend (Annual) (Millions of Yen)	Dividend Payout Ratio (%)	Dividend to Net Assets Ratio (%)
	End of the First Quarter	End of the Interim Period	End of the Third Quarter	Fiscal Year-End	Annual			
Fiscal 2008	–	–	–	2.00	2.00	460	6.0	5.7
Fiscal 2007	–	–	–	2.00	2.00	603	30.0	3.2
Fiscal 2009 (forecast)	–	–	–	–	–		–	

Note: The dividend forecast for fiscal 2009, the fiscal year ending March 31, 2010, is yet to be determined. The “Dividend Information” above pertains to common stock. For information on dividends pertaining to classified shares with rights that differ from those that are applicable to common stock, please refer to “Dividend Information for Classified Stock” on page 4.

3. Consolidated Performance Forecasts for Fiscal 2009, the Fiscal Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(In millions of yen unless otherwise stated; percentage figures show the year-on-year change.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
Interim Period	47,000	-55.1%	2,000	-84.6%	1,000	-91.4%	500	-96.3%	1.66
Full Fiscal Year	97,000	-49.3%	3,500	-71.2	1,500	-82.8%	2,000	-0.7%	6.63

Note: Revision to consolidated performance forecasts during the period under review: None

4. Others

- (1) Changes in important subsidiaries during the period (Changes in special subsidiaries due to changes in the scope of consolidation and application of the equity method): None
Newly included: - Excluded: -
- (2) Changes in accounting principles, procedures, disclosure methods and related standards in connection with the preparation of consolidated financial statements (Recorded under changes in important items considered fundamental to the preparation of consolidated financial statements)
 - (a) Changes in accordance with revisions to accounting and other standards: Yes
 - (b) Changes in items other than (a) above: None
- (3) Shares outstanding (common stock)
 - (a) Number of shares outstanding as of the end of the period (including treasury stock)
 - March 31, 2009: 302,349,449 shares
 - March 31, 2008: 230,716,213 shares
 - (b) Number of shares of treasury stock as of the end of the period
 - September 30, 2008: 513,619 shares
 - March 31, 2008: 496,891 shares

Note: For details regarding the number of shares used to calculate net income per share on a consolidated basis, please refer to “Per share information” on page 34.

(Reference) Overview of Non-Consolidated Business Results

1. Non-Consolidated Performance for Fiscal 2008, the Fiscal Year Ended March 31, 2009 (April 1 to March 31, 2009)

(1) Non-consolidated Business Results

(In millions of yen unless otherwise stated; percentage figures show the year-on-year change.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Fiscal 2008	170,393	26.2	11,598	23.7	9,181	20.3	2,832	-64.4
Fiscal 2007	135,013	-4.5	9,372	252.0	7,630	486.5	7,954	22.9

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Fiscal 2008	9.75	7.12
Fiscal 2007	32.06	18.78

(2) Non-consolidated Financial Position

(In millions of yen unless otherwise stated)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
March 31, 2009	125,860	30,473	24.2	67.04
March 31, 2008	123,235	37,611	30.5	43.60

Reference: Shareholders' equity: March 31, 2009 30,473 million yen
March 31, 2008 37,611 million yen

Note: Net assets per share data pertains only to common stock issued and is therefore calculated by subtracting the amount of shares with a preferred right of claim over the distribution of residual assets (10,000 million yen and 27,000 million yen as of March 31, 2009 and March 31, 2008, respectively) from the amount of net assets.

2. Non-consolidated Performance Forecasts for Fiscal 2009, the Fiscal Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(In millions of yen unless otherwise stated)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
Interim Period	42,000	-56.2	1,500	-88.6	500	-95.8	500	-96.5	1.66
Full Fiscal Year	85,000	-50.1	3,000	-74.1	1,000	-89.1	2,000	-29.4	6.63

Note: Revision to consolidated performance forecasts during the period under review: None

Cautionary Statement and Other Explanatory Notes

- In light of the uncertainty that surrounds future trends in the demand for coke, Nippon Coke & Engineering will continue to assess movements in future revenues and earnings as well as its operating and capital requirements. As a result, the dividend forecast for the fiscal year ending March 31, 2010 is yet to be announced. The Company undertakes to disclose its fiscal 2009 dividend forecast in a timely fashion as and when determined.
- Forward-looking statements including performance forecasts in this document are based on certain reasonable presumptions and beliefs in light of information currently available to management. As a result, readers are advised that actual results may differ materially from forecasts due to a variety of factors. Please refer to "B. Outlook" on page 6 for information relating to performance forecasts.

Dividend Information for Classified Stock

Dividend per share amounts for classified stock, which are issued with rights that differ from those of common stock, are as follows.

(In yen)

(Record Date)	Dividends per Share					Total Dividend (Annual)
	End of the First Quarter	End of the Interim Period	End of the Third Quarter	Fiscal Year-End	Annual	
Class B preferred shares						
Fiscal year ended March 31, 2008	-	-	-	4.52	4.52	180
Fiscal year ending March 31, 2009	-	-	-	-	-	-
Class C preferred shares						
Fiscal year ended March 31, 2008	-	-	-	5.77	5.77	392
Fiscal year ending March 31, 2009	-	-	-	5.99	5.99	239
Fiscal year ending March 31, 2010 (forecast)	-	-	-	Yet to be determined	Yet to be determined	-

Notes:

1. In connection with the Class B preferred shares issued by the Company, Nippon Steel Corporation and Sumitomo Corporation exercised their appraisal rights in exchange for common stock with respect to their entire holdings on October 1, 2008. As a result, the Company cancelled all of the relevant Class B preferred shares on the same date.
2. The Company has agreed to execute a buyback of all Class C preferred shares held by Mitsui Sumitomo Banking Corporation. As of the date of this report, the timing for any buyback has yet to be determined.

1. Business Performance

(1) Business Performance Analysis

A. Overview of Fiscal 2008

In fiscal 2008, the fiscal year ended March 31, 2009, conditions throughout the Japanese economy continued to deteriorate. Buffeted by a slump in export activity and a downturn in consumer spending, the domestic economy in the first half of the fiscal year under review stalled. Since entering the second half, the pace of general economic decline increased rapidly. As the financial crisis in the United States, which spilled over into the real economy, became increasingly serious, signs of a simultaneous slowdown of the world economy became evident reflecting the abrupt drop in raw material prices, which had peaked at a high level, as well as the rapid downturn in stock market conditions, and volatile fluctuations in foreign currency exchange rates.

Under these circumstances, the Nippon Coke & Engineering Group took steps to bolster its business and operating platforms. To this end, the Group worked diligently to strengthen collaborative ties with Nippon Steel Corporation (hereafter referred to as “Nippon Steel”) and Sumitomo Corporation (hereafter referred to as “Sumitomo”). At the same time, Nippon Coke & Engineering undertook efforts to formulate and implement a handling policy with regard to the Company’s preferred shares.

In this context, both Nippon Steel and Sumitomo, having previously acquired all of Nippon Coke & Engineering’s B-type preferred shares, exercised their respective conversion rights (hereafter referred to as “Conversion Rights”) attached to the said B-type preferred shares into common stock (appraisal rights of B-type preferred shares in exchange for common stock) in October 2008. As a result, Nippon Coke & Engineering became an equity-method affiliate of Nippon Steel and Sumitomo. Furthermore, in light of the significant change in the Company’s traditional business activities reflecting Nippon Coke & Engineering’s move toward selective business concentration and as a part of the Company’s overall revitalization process, the Company changed its corporate name from Mitsui Mining Co., Ltd. to Nippon Coke & Engineering Co., Ltd. on April 1, 2009.

Turning to business results for the fiscal year under review, performance was a mix of two distinct halves. First-half results were robust fueled by the price of natural resources, which peaked at a high level. In the second half, however, the Group’s performance deteriorated rapidly owing largely to the worldwide recession, which resulted in a substantial drop in production by steel manufacturers, primary users of coke.

Taking the aforementioned into consideration, the Nippon Coke & Engineering Group posted net sales of 191,322 million yen for the fiscal year ended March 31, 2009, an increase of 3,921 million yen year on year. While the Group withdrew from petroleum-related businesses at the end of the previous fiscal year, this upswing was attributable to the large upswing in coke and coal sales prices. From a profit perspective, earnings results were also mixed. Despite the downturn in sales volumes of coke and coal entering the second half, as well as the loss on devaluation of coke and coal inventories as of the end of the fiscal year under review, due mainly to the sudden drop in natural resource prices, operating income climbed 914 million yen compared with the previous fiscal year to 12,157 million yen largely reflecting the absence of goodwill amortization and other factors recorded in the fiscal year ended March 31, 2008. Accounting for the foreign exchange loss attributable to the yen-denominated borrowings of overseas consolidated subsidiaries, on the other hand, ordinary income declined 520 million yen year on year to 8,715 million yen.

In the fiscal year ended March 31, 2009, the Nippon Coke & Engineering Group recorded a gain on sales of investment in securities and other extraordinary income totaling 2,475 million yen. At the same time, the Group incurred extraordinary losses amounting to 8,268 million yen, which included an inappropriate transaction loss of 5,912 million yen following the discovery of breaches by specified management personnel of the Company’s internal rules and regulations with regard to unconfirmed coal orders and other transactions. Based on the aforementioned, the Nippon Coke & Engineering Group reported net income for the fiscal year ended March 31, 2009 of 2,014 million yen, a significant downturn of 6,239 million yen compared with the previous fiscal year.

Turning to the Company’s research and development activities, Nippon Coke & Engineering has been engaged in the development of nanostructured alumina (NSA) for application both as environmental purification catalyst and nanocomposite materials. Taking into consideration the significant probability that mainstay application industries would postpone their business plans due primarily to the worldwide recession, as well as recent business and operating conditions, the Company decided to suspend its R&D efforts in this area effective March 31, 2009.

Business Results by Business Category

(i) The Coal and Coke-Related Business

In the Coal and Coal-Related Business, revenues increased year on year. Despite the impact of the worldwide recession, which resulted in a substantial drop in production by the steel manufacturing industry, primary users of coke, the slump in

sales from the end of 2008 and the contraction in the Nippon Coke & Engineering Group's sales volumes to 1,919,000 tons, a decrease of 358,000 tons compared with the previous fiscal year, this was mainly attributable to the large upswing in year-on-year sales prices, particularly during the first half of the fiscal year under review when natural resource prices peaked at high levels.

Throughout the second half of the fiscal year ended March 31, 2009, sales of coal were also sluggish. As a result, Group sales volumes fell 824,000 tons compared with the previous fiscal year to 3,547,000 tons. Buoyed by the sharp rise in sales prices during the first half, however, overall sales in the coal business improved year on year.

Accounting for the aforementioned, consolidated coal and coke-related business sales climbed 55,889 million yen compared with the previous fiscal year to 165,483 million yen. On the earnings front, the increase in operating income was held to 327 million yen year on year. As a result, consolidated operating income in this segment edged up to 13,757 million yen. This was after taking into consideration the loss on devaluation of inventories relating to coke and coal as of the fiscal year-end, triggered by the abrupt drop in natural resource prices from the second half of the fiscal year under review, in line with the adoption of the Accounting Standard for Measurement of Inventories effective the fiscal year ended March 31, 2009.

(ii) The Comprehensive Engineering Business

Sales in the chemical engineering machinery category declined year on year. This was mainly attributable to the drop in orders reflecting significant cutbacks in capital spending by such principal users as the electronic components and paper industries.

In the resource recycling category, the volume of coal ash and sewage sludge handled increased. As a result, sales in this category grew compared with the previous fiscal year.

In other categories within the Comprehensive Engineering Business, Nippon Coke & Engineering undertook the sale and transfer of subsidiary companies as a part of the Company's focus on selective business concentration. As a result, overall other category sales saw a considerable decline.

Taking all of the aforementioned into consideration, sales in the Comprehensive Engineering Business contracted 4,052 million yen compared with the previous fiscal year to 13,527 million yen. Operating income also declined 704 million yen year on year to 780 million yen.

(iii) Other Businesses

Revenues from the Group's transportation operations declined year on year. Impacted by the simultaneous downturn across global economies, the volume of cargo handled contracted. This was largely attributable to the decrease in business activity by mainstay users.

Looking at the performances of other Group companies, overall results saw a drop in revenues and earnings.

Accounting for the aforementioned factors, sales in Other Businesses decreased 3,816 million yen compared with the previous fiscal year to 12,311 million yen. Operating income was 110 million yen, plummeting 588 million yen year on year.

B. Outlook

Despite expectations that the downturn in the economy will eventually bottom out, supported by public-sector countermeasures across most major advanced countries, concerns remain that economic conditions may deteriorate a little further. Buffeted by growing confusion with regard the flagging economy, the Nippon Coke & Engineering Group recognizes that conditions remain in the balance.

Against this backdrop, the Group continues to confront a harsh operating environment. Reflecting the substantial drop in coke demand on the back of significantly lower production by the steel manufacturing industry, the Nippon Coke & Engineering Group suspended a portion of its coke production operations in April 2009. In specific terms, activities at the Group's 1B furnace partially stopped from April 15, 2009. The Group also adopted the hot banking¹ technique at its 2A furnace from May 15, 2009.

Under these circumstances, the Nippon Coke & Engineering Group is projecting consolidated net sales of 97,000 million yen for the fiscal year ending March 31, 2010. Consolidated operating income, ordinary income and net income are forecast to reach 3,500 million yen 1,500 million yen and 2,000 million yen, respectively.

¹Hot banking is a technique for shutting down a coke oven while insulating it (sealing it shut) and maintaining the oven temperature in such conditions as to make it possible to restart production at a later date.

(2) Financial Position Analysis

(i) Assets, Liabilities and Net Assets

Taking into consideration depreciation and amortization of tangible and intangible fixed assets, the sale of investments in securities in line with selective business concentration and other factors, fixed assets contracted year on year. As a result, total assets stood at 138,435 million yen as of March 31, 2009, down 2,102 million compared with the end of the previous fiscal year.

Total liabilities, on the other hand, climbed 5,359 million yen to 106,437 million yen as of the end of the fiscal year under review. This was mainly attributable to the provision of an allowance for loss on inappropriate transactions.

Net assets as of March 31, 2009 stood at 31,998 million yen, a decrease of 7,461 million yen compared with the end of the previous fiscal year. In the fiscal year under review, major movements included the acquisition of treasury stock and other factors. Based on the aforementioned, the equity ratio declined 4.9 percentage points compared with the previous fiscal year to 23.1%.

(ii) Cash Flows

The balance of cash and cash equivalents (hereafter referred to as “funds”) stood at 7,921 million yen as of March 31, 2009, 2,197 million yen higher than the end of the previous fiscal year.

The status and movements in various cash flows for the fiscal year ended March 31, 2009 were as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to 12,194 million yen, a decrease of 3,471 million yen compared with the previous fiscal year.

Principal cash inflows were the decrease in accounts receivable of 7,077 million yen, depreciation and amortization expenses of 4,516 million yen, increase in allowance for loss on inappropriate transactions of 4,417 million yen and income before income taxes and others of 2,921 million yen. Major cash outflows were the increase in inventory of 7,929 million yen and interest paid of 1,894 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled 837 million yen, a turnaround from net cash provided by investing activities of 1,604 million for the fiscal year ended March 31, 2008.

In the fiscal year under review, the Nippon Coke & Engineering Group reported proceeds from the sale of subsidiaries amounting to 1,531 million yen reflecting changes in the Group’s scope of consolidation as well as proceeds from the sale of fixed assets of 1,497 million yen. This was more than offset by major cash outflows from investing activities including payments for the acquisition of fixed assets totaling 3,811 million yen.

(Cash Flows from Financing Activities)

Net cash used in financing activities was 9,037 million yen, a decrease of 8,208 million yen compared with the previous fiscal year. The principal component for the fiscal year under review was payments for the acquisition of treasury stock amounting to 8,966 million yen.

(Reference) Trends in Cash Flow Indices

	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008
Equity ratio ¹ (%)	17.9	16.3	20.2	28.0	23.1
Equity ratio based on market capitalization ² (%)	40.1	44.0	31.9	46.7	21.4
Years for redemption of debt ³ (Years)	6.5	9.5	6.5	4.0	5.1
Interest coverage ratio ⁴ (Times)	8.4	8.0	6.6	7.3	6.4

¹Equity ratio: (Net assets – Minority interests – New share subscription rights) / Total assets

²Equity ratio based on market capitalization: Market capitalization / Total assets

³Years for redemption of debt: Interest-bearing liabilities / cash flows from operating activities

⁴Interest coverage ratio: Cash flows from operating activities / interest payments

Notes:

1. All indices have been calculated using figures on a consolidated basis.
2. Market capitalization is calculated by multiplying the period-end closing share price with the number of shares issued and outstanding as of the fiscal period-end (after deducting treasury stock).
3. Cash flows from operating activities are the cash flows from operating activities listed in the statement of consolidated cash flows. Interest-bearing liabilities include all liabilities listed on the consolidated balance sheet on which interest is paid. Moreover, with respect to the payment of interest, the amount listed under interest paid in the statement of consolidated cash flows has been used.

4. With respect to data recorded prior to the fiscal 2005, figures previously recorded under “Shareholders’ equity ratio” have been recorded under “Equity ratio.” Similarly, figures previously recorded under “Shareholders’ equity ratio based on market capitalization” have been recorded under “Equity ratio based on market capitalization.”

(3) Policy on the Appropriation of Profits, Dividends for the Fiscal 2008 and the Fiscal 2009

Nippon Coke & Engineering recognizes that the current business environment offers little room for complacency. After a prolonged period during which the Company failed to provide a return to its shareholders, Nippon Coke & Engineering did pay a period-end dividend for the previous fiscal year ended March 31, 2008. Based on this recent payment as well as the net income generated during the fiscal year under review, Nippon Coke & Engineering intends to pay an ordinary cash dividend of 2 yen per share for fiscal 2008, the fiscal year ended March 31, 2009. Furthermore, the Company plans to pay a cash dividend of 5.99 yen for Class C preferred shares. This figure has been calculated in accordance with the predetermined formula prescribed in the guidelines relating to preferred shares.

Turning to the payment of dividends for fiscal 2009, the fiscal year ending March 31, 2010, Nippon Coke & Engineering is conscious of the uncertainty that surrounds future demand for coke and other factors attributable the worldwide recession. As a result, the Company is yet to determine its stance toward the payment of a cash dividend for fiscal 2009.

Looking ahead, Nippon Coke & Engineering intends to formulate a basic policy on the appropriation of profits taking into consideration its business environment and performance trends in light of drastic fluctuations in its mainstay coke-related business.

2. Overview of the Corporate Group

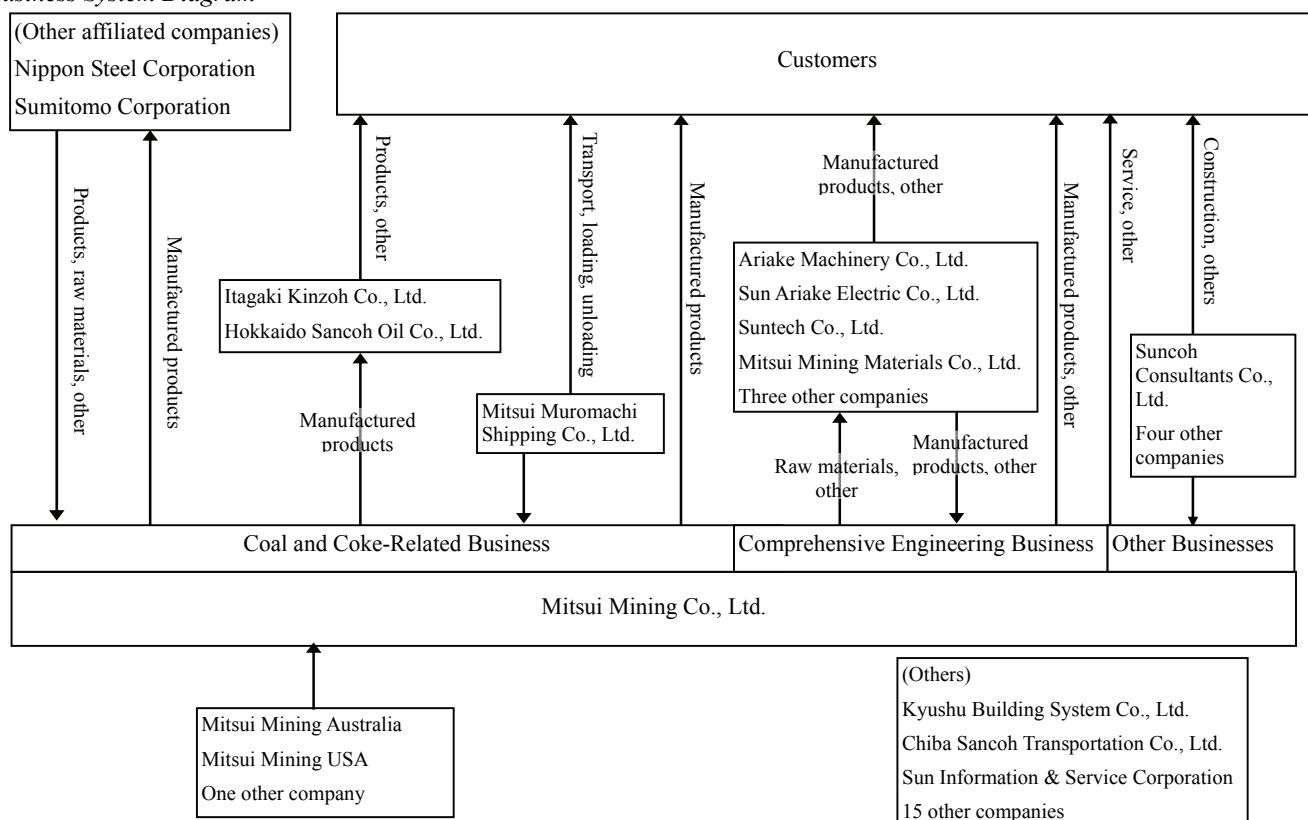
The Nippon Coke & Engineering Group is comprised of Nippon Coke & Engineering Co., Ltd., 23 subsidiaries, 13 related companies and the other affiliated companies of Nippon Steel Corporation and Sumitomo Corporation. The Group is engaged in a variety of activities including the sale of coal as well as the production, manufacturing and sale of coke, powder and granule related equipment and machinery.

The classification, position and relationship among individual business segments within the Nippon Coke & Engineering Group are outlined in the table that follows.

Business Segment	Major Business	Principal Companies
The Coal and Coke-Related Business	Purchase and sale of coal; manufacture and sale of coke; transport, loading and unloading of coal and coke	Nippon Coke & Engineering Co., Ltd., Mitsui Muromachi Shipping Co., Ltd. (a total of seven companies)
The Comprehensive Engineering Business	Manufacture and sale of chemical equipment and machinery, general industrial machinery and plants; treatment and recycling of industrial waste	Nippon Coke & Engineering Co., Ltd., Ariake Machinery Co., Ltd., Sun Ariake Electric Co., Ltd., Suntech Co., Ltd., Mitsui Mining Materials Co., Ltd. (a total of eight companies)
Other Businesses	Transport, loading and unloading; incidental businesses such as construction work; sale and leasing of real estate; cleaning, provision of security and maintenance of buildings; other businesses	Nippon Coke & Engineering Co., Ltd., Kyushu Building System Co., Ltd. (a total of 24 companies)

Note: The total number of companies is stated for each area of business with Nippon Coke & Engineering counted on a repeated and cumulative basis.

Business System Diagram



Note: Each of the following companies changed its corporate name on April 1, 2009: Hokkaido Sancoh Oil Co., Ltd. to Sanbi Mining Co., Ltd.; Mitsui Muromachi Shipping Co., Ltd. to Muromachi Shipping Co., Ltd.; Mitsui Mining Materials Co., Ltd. to Ariake Materials Co., Ltd.; Mitsui Mining Australia Pty. Ltd. to NCE Australia Pty. Ltd.; and Mitsui Mining USA Inc. to Nippon Coke & Engineering USA, Inc.

3. Management Policy

Since 2003, when the Industrial Revitalization Corporation of Japan announced its decision to provide assistance to the Company, Nippon Coke & Engineering has worked tirelessly to complete all necessary steps toward reorganization and business revitalization. As a part of these endeavors, the Company formulated a handling policy with respect to its preferred shares in May 2008.

With the aim of swiftly strengthening its capital and business alliance with Nippon Steel and Sumitomo, Nippon Coke & Engineering brought forward the date from which each company could convert its holding of the Company's Class B preferred shares from April 2009 to October 2008. With the exercise of the aforementioned conversion rights, all of Nippon Coke & Engineering's Class B preferred shares were cancelled. After converting their shares, Nippon Steel and Sumitomo raised their respective equity stake in the Company to 21.7 percent. As a result, Nippon Coke & Engineering became an equity-method affiliate of each company.

Turning to the Company's Class C preferred shares held by Sumitomo Mitsui Banking Corporation (hereafter referred to as "Sumitomo Mitsui Bank"), Nippon Coke & Engineering sought the approval of its shareholders, at the Company's Annual General Meeting held in 2008, to acquire up to a maximum of 68 million of its own issued and outstanding Class C preferred shares. In September 2008, Nippon Coke & Engineering acquired and cancelled 28 million of the aforementioned shares.

With respect to the acquisition and cancellation of the residual 40 million Class C preferred shares, Nippon Coke & Engineering had continued to adopt a cautious approach taking into consideration a variety of factors including the Group's revenues and earnings and funding trends. Following the worldwide recession, which was triggered by the financial crisis in the United States, and the rapid deterioration in the Company's performance, the ability of Nippon Coke & Engineering to acquire and cancel the remaining preferred shares by June 2009, the time frame authorized at the Company's Annual General Meeting of Shareholders, became extremely difficult.

Based on the aforementioned, Nippon Coke & Engineering is currently in discussion with Sumitomo Mitsui Bank to extend the time period allowed for the acquisition and cancellation of Class C preferred shares for another 12 months.

Focusing on trends in the Nippon Coke & Engineering Group's performance amidst a prolonged downturn in the global economy, the Company recognizes that conditions remain very much in the balance. Looking ahead, however, each business division and segment will strive to address all pending issues in an effort to maintain revenues and earnings, reinforce its business and operating platform and to acquire and cancel all issued and outstanding Class C preferred shares. Through these means, the Nippon Coke & Engineering Group is committed to ensuring its total and comprehensive revitalization.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In millions of yen)

	As of March 31, 2008	As of March 31, 2009
Assets		
Current assets		
Cash and deposits	6,132	8,050
Notes receivable	854	482
Accounts receivable	16,791	9,359
Inventory	18,909	–
Products and manufactured goods	–	17,750
Work in progress	–	1,551
Raw materials and stored goods	–	7,279
Deferred tax assets	3,783	500
Short-term loans receivable	67	51
Other deposits	790	1,876
Other	1,984	1,588
Allowance for doubtful accounts	(266)	(217)
Total current assets	49,047	48,272
Fixed assets		
Tangible fixed assets		
Buildings and structures	22,299	20,829
Accumulated depreciation	(13,493)	(12,819)
Buildings and structures (net)	8,806	8,010
Machinery, equipment and transportation	60,272	58,921
Accumulated depreciation	(32,140)	(32,989)
Machinery, equipment and transportation (net)	28,132	25,931
Land	45,017	43,448
Leased assets	–	49
Accumulated depreciation	–	(1)
Leased assets (net)	–	48
Construction work in progress	151	732
Other	1,901	1,812
Accumulated depreciation	(1,529)	(1,475)
Other (net)	371	336
Total tangible fixed assets	82,478	78,508
Intangible fixed assets		
Leased assets	–	43
Other	469	686
Total intangible fixed assets	469	729
Investments and other assets		
Investments in securities	1,282	1,244
Long-term loans receivable	479	486
Deferred tax assets	3,873	6,290
Other	3,136	2,983
Allowance for doubtful accounts	(229)	(78)
Total investments and other assets	8,542	10,925
Total fixed assets	91,490	90,163
Total assets	140,538	138,435

(In millions of yen)

	As of March 31, 2008	As of March 31, 2009
Liabilities		
Current liabilities		
Notes payable	3,096	7,827
Accounts payable	16,522	12,403
Short-term loans payable	12,103	21,163
Corporate bonds redeemable within one year	8	8
Leased liabilities	–	16
Income and other taxes payable	417	192
Allowance for bonuses	1,110	884
Allowance for loss on liquidation of affiliated companies	1,536	1,406
Allowance for loss on inappropriate transactions	–	4,417
Allowance for loss on orders	–	850
Other	7,759	7,787
Total current liabilities	42,554	56,956
Long-term liabilities		
Corporate bonds payable	416	208
Long-term loans payable	49,205	40,503
Leased liabilities	–	74
Deferred tax liabilities	0	–
Allowance for employee retirement benefits	5,490	5,250
Allowance for director and corporate auditor retirement benefits	212	210
Allowance for long-term environmental development	2,703	2,703
Other	495	530
Total long-term liabilities	58,523	49,480
Total liabilities	101,077	106,437
Net assets		
Shareholders' equity		
Capital	7,000	7,000
Capital surplus	6,846	1,750
Retained earnings	26,038	23,156
Treasury stock	(87)	(92)
Total shareholders' equity	39,797	31,813
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	17	14
Profit (loss) on hedge transactions	(106)	(81)
Foreign currency translation adjustments	(314)	252
Total valuation and translation adjustments	(403)	184
Minority interests	66	–
Total net assets	39,460	31,998
Total liabilities and net assets	140,538	138,435

(2) Consolidated Statements of Income

(In millions of yen)

	Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
Net sales	187,401	191,322
Cost of sales	163,805	170,542
Gross profit	23,595	20,779
Selling, general and administrative expenses		
Loading site expenses	2,143	1,156
Salaries and wages	1,993	1,744
Depreciation of goodwill	2,000	—
Other	6,215	5,721
Total selling, general and administrative expenses	12,352	8,622
Operating income	11,242	12,157
Non-operating income		
Interest received	290	228
Dividends received	57	94
Fixed asset rental income	104	101
Foreign currency exchange gain	103	—
Other	192	223
Total non-operating income	748	647
Non-operating expenses		
Interest paid	2,147	1,884
Foreign currency exchange loss	—	1,210
Other	608	994
Total non-operating expenses	2,755	4,089
Ordinary income	9,235	8,715
Extraordinary income		
Gain on sale of fixed assets	665	674
Gain on sale of investments in securities	—	1,320
Reversal of allowance for affiliated company doubtful accounts	225	—
Reversal of allowance for environmental development	162	—
Reversal of allowance for doubtful accounts	173	52
Settlement money received	700	—
Relocation compensation	—	338
Other	331	90
Total extraordinary income	2,259	2,475
Extraordinary loss		
Provision for allowance for affiliated company doubtful accounts	542	480
Loss on sale of fixed assets	94	170
Loss on disposal of fixed assets	126	250
Impairment loss	1,026	461
Loss on inappropriate transactions	—	5,912
Other	660	993
Total extraordinary loss	2,450	8,268
Income before income taxes and others	9,044	2,921
Income taxes — current	631	168
Income taxes — deferred	143	748
Total income taxes	775	917
Minority interests in income (loss)	14	(10)
Net income	8,254	2,014

(3) Calculation Statements Relating to Changes in Consolidated Shareholders' Equity

(In millions of yen)

	Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
Shareholders' equity		
Capital		
Balance as of the previous fiscal year-end	7,000	7,000
Changes during the fiscal year		
Total changes during the fiscal year	–	–
Balance as of the end of the fiscal year under review	7,000	7,000
Capital surplus		
Balance as of the previous fiscal year-end	6,846	6,846
Changes during the fiscal year		
Disposal of treasury stock	0	0
Retirement of treasury stock	–	(5,096)
Total changes during the fiscal year	0	(5,096)
Balance as of the end of the fiscal year under review	6,846	1,750
Retained earnings		
Balance as of the previous fiscal year-end	17,783	26,038
Changes during the fiscal year		
Dividends from surplus	–	(1,033)
Net income	8,254	2,014
Retirement of treasury stock	–	(3,863)
Total changes during the fiscal year	8,254	(2,882)
Balance as of the end of the fiscal year under review	26,038	23,156
Treasury stock		
Balance as of the previous fiscal year-end	(82)	(87)
Changes during the fiscal year		
Disposal of treasury stock	0	1
Acquisition of treasury stock	(5)	(8,966)
Retirement of treasury stock	–	8,960
Total changes during the fiscal year	(4)	(4)
Balance as of the end of the fiscal year under review	(87)	(92)
Total shareholders' equity		
Balance as of the previous fiscal year-end	31,546	39,797
Changes during the fiscal year		
Dividends from surplus	–	(1,033)
Net income	8,254	2,014
Disposal of treasury stock	1	1
Acquisition of treasury stock	(5)	(8,966)
Retirement of treasury stock	–	–
Total changes during the fiscal year	8,250	(7,983)
Balance as of the end of the fiscal year under review	39,797	31,813

(In millions of yen)

	Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance as of the previous fiscal year-end	57	17
Changes during the fiscal year		
Net changes in items other than shareholders' equity	(39)	(3)
Total changes during the fiscal year	(39)	(3)
Balance as of the end of the fiscal year under review	17	14
Profit (loss) on hedge transactions		
Balance as of the previous fiscal year-end	(87)	(106)
Changes during the fiscal year		
Net changes in items other than shareholders' equity	(19)	24
Total changes during the fiscal year	(19)	24
Balance as of the end of the fiscal year under review	(106)	(81)
Foreign currency translation adjustments		
Balance as of the previous fiscal year-end	(252)	(314)
Changes during the fiscal year		
Net changes in items other than shareholders' equity	(61)	566
Total changes during the fiscal year	(61)	566
Balance as of the end of the fiscal year under review	(314)	252
Total valuation and translation adjustments		
Balance as of the previous fiscal year-end	(283)	(403)
Changes during the fiscal year		
Net changes in items other than shareholders' equity	(119)	587
Total changes during the fiscal year	(119)	587
Balance as of the end of the fiscal year under review	(403)	184
Minority interests		
Balance as of the previous fiscal year-end	120	66
Changes during the fiscal year		
Net changes in items other than shareholders' equity	(53)	(66)
Total changes during the fiscal year	(53)	(66)
Balance as of the end of the fiscal year under review	66	—
Total net assets		
Balance as of the previous fiscal year-end	31,383	39,460
Changes during the fiscal year		
Dividends from surplus	—	(1,033)
Net income	8,254	2,014
Disposal of treasury stock	1	1
Acquisition of treasury stock	(5)	(8,966)
Retirement of treasury stock	—	—
Net changes in items other than shareholders' equity	(173)	521
Total changes during the fiscal year	8,076	(7,461)
Balance as of the end of the fiscal year under review	39,460	31,998

(4) Consolidated Statements of Cash Flow

(In millions of yen)

	Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
Cash flows from operating activities		
Income before income taxes and others	9,044	2,921
Depreciation and amortization	4,200	4,516
Amortization of goodwill	2,000	–
Impairment loss	1,026	461
Increase (decrease) in allowance for doubtful accounts	(197)	(40)
Increase (decrease) in allowance for bonuses	93	(180)
Increase (decrease) in allowance for loss on liquidation of affiliated companies	(382)	387
Increase (decrease) in the allowance for employee retirement benefits	98	(93)
Increase (decrease) in the allowance for directors and corporate auditors retirement benefits	212	37
Increase (decrease) in allowance for environmental development	(828)	–
Increase (decrease) in allowance for loss on business withdrawal	(338)	–
Increase (decrease) in allowance for loss on inappropriate transactions	–	4,417
Increase (decrease) in allowance for loss on orders	–	850
Interest and dividends received	(348)	(322)
Interest paid	2,147	1,884
Loss on disposal of fixed assets	126	250
(Gain) loss on sale of fixed assets	(571)	(503)
(Gain) loss on sale of investments in securities	109	(1,318)
(Gain) loss on valuation of investments in securities	5	10
Foreign currency exchange (gain) loss	–	933
(Increase) decrease in notes and accounts receivable	(593)	7,077
(Increase) decrease in inventory	972	(7,929)
(Increase) decrease in other business assets	1,858	(191)
Increase (decrease) in notes and accounts payable	(1,139)	1,136
Increase (decrease) in consumption and other taxes payable	1,032	(1,519)
Increase (decrease) in other business liabilities	259	1,333
Other	26	44
Subtotal	18,813	14,164
Interest and dividends received	348	329
Interest paid	(2,157)	(1,894)
Income and other taxes paid	(1,339)	(405)
Net cash provided by (used in) operating activities	15,665	12,194

(In millions of yen)

	Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
Cash flows from investing activities		
Increase in fixed deposits	(554)	(169)
Decrease in fixed deposits	1,284	233
Payments for the acquisition of fixed assets	(3,420)	(3,811)
Proceeds from the sale of fixed assets	3,140	1,497
Payments for the acquisition of investments in securities	(53)	(19)
Proceeds from the sale of investments in securities	1,291	31
Payments for the sale of investments in subsidiaries in line with changes in the scope of consolidation	(140)	–
Proceeds from the sale of investments in subsidiaries in line with changes in the scope of consolidation	–	1,531
Increase in loans receivable	(52)	(204)
Proceeds from the collection of loans receivable	186	223
Proceeds from the recovery of other investments	43	69
Other	(122)	(219)
Net cash provided by (used in) investing activities	1,604	(837)
Cash flows from financing activities		
Increase in short-term loans payable	91,955	118,393
Decrease in short-term loans payable	(98,423)	(108,834)
Increase in long-term loans payable	1,773	1,790
Decrease in long-term loans payable	(12,436)	(10,379)
Payments for redemption of corporate bonds	(108)	(8)
Payments for the acquisition of treasury stock	–	(8,966)
Cash dividends paid	–	(1,033)
Other	(5)	1
Net cash provided by (used in) financing activities	(17,245)	(9,037)
Effect of exchange rate changes on cash and cash equivalents	(93)	(122)
Net increase (decrease) in cash and cash equivalents	(68)	2,197
Balance of cash and cash equivalents at the beginning of the fiscal year	5,792	5,724
Balance of cash and cash equivalents at the end of the fiscal year	5,724	7,921

Important Items Considered Fundamental to the Preparation of the Company's Consolidated Financial Statements

Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
<p>1. Scope of Consolidation</p> <p>(1) Consolidated subsidiaries Number of consolidated subsidiaries: 17 companies Names of principal consolidated subsidiaries: Mitsui Muramachi Shipping Co., Ltd., Kyushu Building System Co., Ltd., Sun Ariake Electric Co., Ltd., Mitsui Mining Materials, Co., Ltd., Suntech Co., Ltd., Chiba Sancoh Transportation Co., Ltd., Ariake Machinery Co., Ltd.</p> <p>The Barrel Oil Pte Ltd., a consolidated subsidiary, was excluded from the Company's scope of consolidation from fiscal 2007 following the sale of all shares held.</p> <p>In addition, Mitsui Mining Cement Co., Ltd., Sanko Building Office Co., Ltd. and Miike Thermal Power Generation Co., Ltd., all consolidated subsidiaries, were excluded from the Company's scope of consolidation from fiscal 2007 following each company's liquidation.</p> <p>(2) Names of principal non-consolidated subsidiaries Mitsui Mining USA Inc., MM Resources Pty Ltd. and Shin-Tagawa Real Estate Co., Ltd.</p> <p>(3) Rationale for exclusion from the Company's scope of consolidation Both on an individual company as well as an aggregate collective basis, the total assets, net sales, net income (loss) (the amount equivalent to equity shareholdings), retained earnings (the amount equivalent to equity shareholdings) and other items of Mitsui Mining USA Inc. and other non-consolidated subsidiaries are considered insignificant and deemed to have immaterial impact on the Company's consolidated financial statements. Furthermore, any impact on the consolidated group of companies by the aforementioned companies is not expected to increase in the future. As a result, these non-consolidated subsidiaries have been excluded from the Company's scope of consolidation.</p>	<p>1. Scope of Consolidation</p> <p>(1) Consolidated subsidiaries Number of consolidated subsidiaries: 14 companies Names of principal consolidated subsidiaries: System Co., Ltd., Sun Ariake Electric Co., Ltd., Mitsui Mining Materials, Co., Ltd., Suntech Co., Ltd., Chiba Sancoh Transportation Co., Ltd., Ariake Machinery Co., Ltd. Sanko Construction Co., Ltd. and Hokkaido Kyodo Sekkai Co., Ltd., both consolidated subsidiaries, were excluded from the Company's scope of consolidation from fiscal 2008 following the sale of all shares held.</p> <p>In addition, Sanko Motors Co., Ltd., a consolidated subsidiary, was excluded from the Company's scope of consolidation from fiscal 2008 following each company's liquidation.</p> <p>(2) Names of principal non-consolidated subsidiaries As left.</p> <p>(3) Rationale for exclusion from the Company's scope of consolidation As left.</p>

Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
<p>2. Matters Relating to Generally Accepted Accounting Principles and Standards</p> <p>(1) Valuation standard and valuation method for important assets Inventory Primarily valued using the cost accounting method based on the total average method</p> <p style="text-align: center;">—</p> <p>(2) Depreciation method for important depreciable assets a) Tangible fixed assets The straight-line method is generally used by the Company and its domestic consolidated subsidiaries. The straight-line method based on the generally accepted accounting principles stipulated in the country of the local company is used by overseas consolidated subsidiaries. With respect to depreciable assets with procurement costs of 100,000 yen or more and less than 200,000 yen, depreciation is undertaken on a uniform basis over three years.</p> <p>(Change in accounting principle and standard) In line with the amendment of the Corporation Tax Law, the Company and its domestic consolidated subsidiaries changed the method used for the depreciation of tangible fixed assets acquired after April 1, 2007 effective from fiscal 2007. Accordingly, depreciation expenses for the aforementioned tangible fixed assets are computed using the method outlined in the amended Corporation Tax Law. The impact of this change on operating income, ordinary income and income before income taxes and others was immaterial.</p>	<p>2. Matters Relating to Generally Accepted Accounting Principles and Standards</p> <p>(1) Valuation standard and valuation method for important assets Inventory Primarily valued using the cost accounting method based on the total average method (marking down the book value in line with profitability decrease).</p> <p>(Change in accounting principle and standard) Effective from fiscal 2008, the Company and its consolidated subsidiaries have applied the “Accounting Standard for measurement of Inventories” (Accounting Standards Board of Japan Standard No. 9 issued on July 5, 2006). Application of this accounting standard resulted in a reduction of 5,857 million yen in each of operating income, ordinary income and income before income taxes and others compared with the previously applied accounting standard.</p> <p>(2) Depreciation method for important depreciable assets a) Tangible fixed assets (excluding leased assets) As left.</p> <p style="text-align: center;">—</p>

Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
<p>(Additional information)</p> <p>In line with the amendment of the Corporation Tax Law, the Company and its domestic consolidated subsidiaries have recorded assets acquired before March 31, 2007 based on the previous depreciation method. When an asset acquired before March 31, 2007 reaches five percent of its acquisition cost, the balance of the value equivalent to five percent of the acquisition cost and the memorandum price are amortized equally over five years and included in depreciation from the following consolidated fiscal year.</p> <p>The impact of this change on operating income, ordinary income and income before income taxes and others was immaterial.</p>	<p style="text-align: center;">—</p>
<p><i>b) Intangible fixed assets</i></p> <p>Mining rights and interests are amortized using the production method. All other intangible fixed assets are amortized using the straight-line method.</p> <p>With respect to goodwill acquired before the fiscal year ended March 31, 2006, however, amortization is undertaken on a uniform basis over five years.</p> <p>Moreover, in the case of software used for internal use, the straight-line method over the useful life of the assets estimated by the Company (within five years) is applied.</p>	<p>(Additional information)</p> <p>Effective from fiscal 2008, the Company and its domestic consolidated subsidiaries revised the useful lives of machinery and equipment (measured in years) from the previous 10 to 13 years to seven to 13 years and changed the method for calculating depreciation expenses for the aforementioned assets in accordance with revisions to the Corporation Tax Law.</p> <p>The impact of this change on operating income, ordinary income and income before income taxes and others was immaterial.</p> <p><i>b) Intangible fixed assets (excluding leased assets)</i> As left.</p>

Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
<p>(3) Accounting principles and standards for important provisions, allowances and reserves</p> <p style="text-align: center;">—</p> <p style="text-align: center;">—</p>	<p><i>c) Leased assets</i> In depreciating leased assets, the Company uses the lease period as the useful life of the asset with a residual value set at zero. Furthermore, finance lease transaction where there is no transfer of ownership that commenced prior to March 31, 2008 and / or where the leased asset is deemed insignificant uses an accounting method that is based on the method used for ordinary lease transactions.</p> <p>(Change in accounting principle and standard) Finance lease transactions that do not transfer ownership have historically been accounted for as operating leases. Effective from fiscal 2008, the Company and its consolidated subsidiaries have applied the “Accounting Standard for Lease Transactions” (Business Accounting Council, the 1st Committee Standard No. 13, first implemented on June 17, 1993 and last amended by the Accounting Standards Board of Japan on March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions,” (the Japanese Institute of Certified Public Accountants, Accounting Practice Committee Guidance No. 16, first implemented on January 18, 1994 and last amended by the ASBJ on March 30, 2007) in accordance with accounting principles and standards applicable to operating leases. Moreover, with regard to finance lease transactions that do not transfer ownership that occurred prior to the beginning of the fiscal year to which they are applied, the accounting treatment applicable to operating lease transactions is applied. The impact of this change on operating income, ordinary income and income before income taxes and others was immaterial.</p> <p>(3) Accounting principles and standards for important provisions, allowances and reserves</p> <p><i>a) Allowance for loss on inappropriate transactions</i> The Company provides for estimated losses in connection with confirmed inappropriate transactions by specified management personnel.</p> <p><i>b) Allowance for loss on orders</i> In order to prepare for losses on orders, the Company provides an amount as of the end of the fiscal year under review for projected losses that it can readily confirm as well as a reasonable estimate of losses that it is likely to incur.</p>

Information other than that disclosed earlier in this report has been omitted because there is no material change from the information provided in the Company’s latest Securities Report (submitted and filed on June 27, 2008).

Changes in Important Items Considered Fundamental to the Preparation of Consolidated Financial Statements

Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
—	<p>(Application of the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”)</p> <p>Effective from fiscal 2008, the Company has applied the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, May 17, 2006).</p> <p>There was no impact on operating income, ordinary income and income before income taxes and others as a result of this change.</p>

Cautionary Notes

(With respect to consolidated balance sheets)

As of March 31, 2009			As of March 31, 2009		
1. Matters relating to non-consolidated subsidiaries and related companies are presented as follows. Investment and other assets Investments in securities (shares) 739 million yen			1. Matters relating to non-consolidated subsidiaries and related companies are presented as follows. Investment and other assets Investments in securities (shares) 759 million yen		
2. Assets pledged as collateral			2. Assets pledged as collateral		
	(In millions of yen)			(In millions of yen)	
Cash and deposits	170	(–)	Products and manufactured goods	999	(777)
Inventory	1,046	(781)	Other deposits	1,876	(–)
Other deposits	790	(–)	Buildings and structures	5,454	(4,114)
Buildings and structures	6,150	(4,561)	Machinery, equipment and transportation	17,545	(8,614)
Machinery, equipment and transportation	19,079	(8,601)	Land	33,478	(27,623)
Land	34,430	(28,371)	Other tangible fixed assets	132	(81)
Other tangible fixed assets	147	(92)	Investments in securities	67	(–)
Investments in securities		(–)	Total	59,554	(41,211)
Total	61,896	(42,407)			
The figures in parentheses represent amounts that compose an incorporated foundation. Each amount is included in the relevant principal item.			The figures in parentheses represent amounts that compose an incorporated foundation. Each amount is included in the relevant principal item.		
Debt corresponding to the above			Debt corresponding to the above		
	(In millions of yen)			(In millions of yen)	
Accounts payable	7		Short-term loans payable	945	
Short-term loans payable	1,050		Long-term debt (including long-term debt repayable within one year)	47,982	
Long-term debt (including long-term debt repayable within one year)	56,981				
3. Contingent liabilities			3. Contingent liabilities		
The Company guarantees certain loans and other debt financing provided by financial and other institutions to other than consolidated companies.			The Company guarantees certain loans and other debt financing provided by financial and other institutions to other than consolidated companies.		
	(In millions of yen)			(In millions of yen)	
Mitsui Miike Machinery Co., Ltd.	2,317		Mitsui Miike Machinery Co., Ltd.	2,032	
Mitsui Aluminium Co., Ltd.	945		Mitsui Aluminium Co., Ltd.	507	
Four other companies	1,066		Three other companies	999	
Total	4,329		Total	3,538	

(With respect to consolidated statements of income)

Fiscal 2007 (April 1, 2007 to March 31, 2008)				Fiscal 2008 (April 1, 2008 to March 31, 2009)			
Impairment loss For fiscal 2007, the Company reported impairment losses in connection with the following assets groups.				Impairment loss For fiscal 2008, the Company reported impairment losses in connection with the following assets groups.			
Application	Location	Type	Amount of Impairment Loss (In millions of yen)	Application	Location	Type	Amount of Impairment Loss (In millions of yen)
Assets used in the port transportation and logistics business	Omuta City (Fukuoka Pref.)	Land	46	Assets used in the real estate leasing business	Omuta City (Fukuoka Pref.)	Land	9
Assets used in the real estate leasing business	Arao City (Kumamoto Pref.) and others	Land	78	Non-business related assets	Omuta City (Fukuoka Pref.)	Buildings and structures	24
Non-business related assets	Arao City (Kumamoto Pref.) and others	Land	604	Non-business related assets	Kitakyushu City (Fukuoka Pref.)	Machinery, equipment and transportation	180
Non-business related assets	Kama City (Fukuoka Pref) and others	Land	143	Assets used in other service businesses	Omuta City (Fukuoka Pref.)	Buildings and structures; machinery, equipment and transportation; land; other tangible fixed assets; other intangible fixed assets	246
Lease and other assets	Chuo Ward, Sapporo City (Hokkaido) and others	Buildings and structures; machinery, equipment and transportation; land; other tangible fixed assets; other intangible fixed assets	110				
Assets used in other service businesses	Arao City (Kumamoto Pref.) and others	Buildings and structures, machinery, equipment and transportation, land, other tangible fixed assets, other intangible fixed assets	42	Total			
Total			1,026	461			
Note: Breakdown of impairment loss by type of fixed asset (In millions of yen)				Note: Breakdown of impairment loss by type of fixed asset (In millions of yen)			
Buildings and structures			48	Buildings and structures			237
Machinery, equipment and transportation			7	Machinery, equipment and transportation			207
Land			962	Land			14
Other tangible fixed assets			1	Other tangible fixed assets			2
Other intangible fixed assets			5	Other intangible fixed assets			0

Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
<p>The Company and its consolidated subsidiaries classify assets into certain category groups based primarily on administrative accounting that continuously takes into consideration revenues and expenditures on an individual business segment basis. Moreover, assets that are not used for business purposes are categorized on an individual asset unit basis.</p> <p>With respect to assets used in the port transportation and logistics business, real estate leasing business and for non-business purposes, the book values of certain assets scheduled for sale or transfer have been written down to their estimated recoverable amounts. The estimated recoverable amount is determined in negotiation with the transferee and measured utilizing the net sales price based on the expected value of disposal. In addition, the estimated recoverable amount of certain other assets is measured utilizing real estate appraisal values.</p> <p>With respect to lease and other assets that are earmarked for disposal on expiration of the relevant lease agreement, book values are written down to their estimated recoverable amounts. In addition to assess values of fixed assets, official land prices and negotiations with transferees, estimated recoverable amounts are measured utilizing the net sales price based on the expected value of disposal.</p> <p>With respect to assets used in other services businesses, and in line with the Company's efforts to effect business withdrawal, book values are written down to their estimated recoverable amounts. The estimated recoverable amount is determined utilizing the net sales price based on the expected value of disposal following agreement with the transferee.</p>	<p>The Company and its consolidated subsidiaries classify assets into certain category groups based primarily on administrative accounting that continuously takes into consideration revenues and expenditures on an individual business segment basis. Moreover, assets that are not used for business purposes are categorized on an individual asset unit basis.</p> <p>With respect to assets used in the real estate leasing business and for non-business purposes, the book values of certain assets scheduled for sale or transfer have been written down to their estimated recoverable amounts. The estimated recoverable amount is determined in negotiation with the transferee and measured utilizing the net sales price based on the expected value of disposal. In addition, the estimated recoverable amount of certain other assets is measured utilizing real estate appraisal values.</p> <p>With respect to assets used in other services businesses, and in line with the Company's efforts to effect business withdrawal, book values are written down to their estimated recoverable amounts. The estimated recoverable amount is determined in negotiation with the transferee and measured utilizing the net sales price based on the expected value of disposal.</p>

(With respect to calculation statements relating to changes in consolidated shareholders' equity)

Fiscal 2007 (April 1, 2007 to March 31, 2008)

1. Matters relating to the type and number of shares issued and outstanding as well as the type and number of treasury stock
(In thousands of shares)

	Number of Shares As of March 31, 2007	Increase During Fiscal 2007	Decrease During Fiscal 2007	Number of Shares As of March 31, 2008
Shares issued and outstanding				
Common stock	230,716	–	–	230,716
Class B preferred shares	40,000	–	–	40,000
Class C preferred shares	68,000	–	–	68,000
Total	338,716	–	–	338,716
Treasury stock				
Common stock ¹	481	20	5	496
Total	481	20	5	496

Note:

1. The increase of 20,000 shares represents the buy back of shares that constitute less than one unit (tangen). The decrease of 5,000 shares represents the sale of shares by the Company in response to requests to purchase shares that constitute less than one unit (tangen).

2. Matters Relating to Dividends

(1) Cash dividend payment amount
Not applicable.

(2) Dividends for which the effective date falls after fiscal 2008 included in dividends for fiscal 2007

(Resolution)	Type of Share	Total Cash Dividends Paid (Million yen)	Source of Cash Dividend Payment	Cash Dividend per Common Share (Yen)	Record Date	Effective Date
Annual General Meeting of Shareholders held on June 27, 2008	Common stock	460	Surplus income	2.00	March 31, 2008	June 30, 2008
	Class B preferred shares	180	Surplus income	4.52	March 31, 2008	June 30, 2008
	Class C preferred shares	392	Surplus income	5.77	March 31, 2008	June 30, 2008

Fiscal 2008 (April 1, 2008 to March 31, 2009)

1. Matters relating to the type and number of shares issued and outstanding as well as the type and number of treasury stock
(In thousands of shares)

	Number of Shares As of March 31, 2008	Increase During Fiscal 2008	Decrease During Fiscal 2008	Number of Shares As of March 31, 2009
Shares issued and outstanding				
Common stock	230,716	71,633	–	302,349
Class B preferred shares	40,000	–	40,000	–
Class C preferred shares	68,000	–	28,000	40,000
Total	338,716	71,633	68,000	342,349
Treasury stock				
Common stock ¹	496	26	9	513
Class B preferred shares ²	–	40,000	40,000	–
Class C preferred shares ³	–	28,000	28,000	–
Total	496	68,026	68,009	513

Notes:

- The increase of 26,000 shares of common stock represents the buy back of shares that constitute less than one unit (tangen). The decrease of 9,000 shares of common stock represents the sale of shares by the Company in response to requests to purchase shares that constitute less than one unit (tangen).
- The increase of 40,000,000 shares of Class B preferred shares represents the exercise of appraisal rights in exchange for common stock. The decrease of 40,000,000 shares of Class B preferred shares represents retirement by the Company of treasury stock in accordance with Article 178 of the Companies Act.
- The increase of 28,000,000 shares of Class C preferred shares represents acquisition by the Company of treasury stock in accordance with Article 156 through Article 160 of the Companies Act. The decrease of 28,000,000 shares of Class C preferred shares represents retirement by the Company of treasury stock in accordance with Article 178 of the Companies Act.

2. Matters Relating to Dividends

(1) Cash dividend payment amount

(Resolution)	Type of Share	Total Cash Dividends Paid (Million yen)	Source of Cash Dividend Payment	Cash Dividend per Common Share (Yen)	Record Date	Effective Date
Annual General Meeting of Shareholders held on June 27, 2008	Common stock	460	Surplus income	2.00	March 31, 2008	June 30, 2008
	Class B preferred shares	180	Surplus income	4.52	March 31, 2008	June 30, 2008
	Class C preferred shares	392	Surplus income	5.77	March 31, 2008	June 30, 2008

(2) Dividends for which the effective date falls after fiscal 2009 included in dividends for fiscal 2008

(Resolution)	Type of Share	Total Cash Dividends Paid (Million yen)	Source of Cash Dividend Payment	Cash Dividend per Common Share (Yen)	Record Date	Effective Date
Annual General Meeting of Shareholders held on June 27, 2009	Common stock	603	Surplus income	2.00	March 31, 2009	June 30, 2009
	Class C preferred shares	239	Surplus income	5.99	March 31, 2009	June 30, 2009

(With respect to consolidated statements of cash flow)

Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
1. The relationship between the balance of cash and cash equivalents as of the fiscal year-end and relevant accounting line items listed in the consolidated balance sheet. (As of March 31, 2008)	1. The relationship between the balance of cash and cash equivalents as of the fiscal year-end and relevant accounting line items listed in the consolidated balance sheet. (As of March 31, 2009)
(In millions of yen)	(In millions of yen)
Cash and deposits 6,132	Cash and deposits 8,050
Time deposits with deposit terms exceeding three months (408)	Time deposits with deposit terms exceeding three months (128)
Cash and cash equivalent <u>5,724</u>	Cash and cash equivalent <u>7,921</u>

(Matters relating to the payment of retirement benefits)

1. Overview of the Retirement Benefit System Applied

The Company and its consolidated subsidiaries apply defined-benefit, lump-sum termination and approved retirement annuity plans. In addition, certain consolidated subsidiaries participate in the smaller enterprise retirement allowance mutual aid system.

2. Matters Relating to Retirement Benefit Liability

(In millions of yen)

	As of March 31, 2009	As of March 31, 2009
(1) Retirement benefit liability	(7,755)	(7,204)
(2) Pension assets	641	503
(3) Unfunded retirement benefit liability (1) + (2)	(7,113)	(6,700)
(4) Unappropriated amount relating to differences due to changes in generally accepted accounting principles and standards	1,822	1,550
(5) Unrecognized actuarial differences	124	171
(6) Unrecognized past service liability (amount of liability reduction)	(324)	(270)
(7) Net amount recorded in the consolidated balance sheet (3) + (4) + (5) + (6)	(5,490)	5,250
(8) Prepaid pension costs	–	–
(9) Allowance for employee retirement benefits (7) – (8)	(5,490)	(5,250)

3. Matters Relating to Retirement Benefit Expenses

(In millions of yen)

	Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
(1) Service cost	438	501
(2) Interest cost	111	115
(3) Expected revenue from asset management (reduction)	(17)	(3)
(4) Costs relating to actuarial differences	273	272
(5) Costs relating to differences due to changes in generally accepted accounting principles and standards	25	29
(6) Costs of past service liability	(53)	(53)
(7) Retirement benefit expenses (1+2+3+4+5+6)	778	862
(8) Gain or loss on transfer to a defined contribution pension system	–	–
(9) Other	11	10
Total	767	851

4. Matters Fundamental to the Calculation of Retirement Benefit Liabilities

	Fiscal 2007 (March 31, 2008)	Fiscal 2008 (March 31, 2009)
(1) Method of attributing the projected benefits to periods of service	Straight-line basis	As left.
(2) Discount rate (%)	2.4	2.4
(3) Expected ratio of earnings from asset management (%)	0.02	0.02
(4) Disposition period (number of years) relating to past service liability	In principle 14 years	As left.
(5) Amortization period (number of years) relating to actuarial differences	In principle 13 years (Any difference caused in actuarial calculations relating to retirement benefit liabilities is amortized using the straight-line method over employees' average remaining service years from the fiscal year that follows the fiscal year in which the difference occurs.)	As left.
(6) Disposition period (number of years) relating to differences due to changes in generally accepted accounting principles and standards	15 years	As left.

(With respect to tax effect accounting)

As of March 31, 2008		As of March 31, 2009	
Major causes for the incidence of deferred tax assets and deferred tax liabilities		Major causes for the incidence of deferred tax assets and deferred tax liabilities	
	(In millions of yen)		(In millions of yen)
(Deferred tax assets)		(Deferred tax assets)	
Allowance for employee retirement benefits	2,233	Allowance for employee retirement benefits	2,131
Allowance for doubtful accounts	192	Allowance for doubtful accounts	104
Elimination of profits between consolidated companies	1,750	Elimination of profits between consolidated companies	1,735
Loss carried forward	15,685	Loss carried forward	10,318
Other	7,725	Other	11,885
Subtotal of deferred tax assets	27,588	Subtotal of deferred tax assets	26,175
Valuation allowance	(19,783)	Valuation allowance	(19,289)
Total deferred tax assets	7,804	Total deferred tax assets	6,886
(Deferred tax liabilities)		(Deferred tax liabilities)	
Reserve for condensed booking of fixed assets for tax purposes	(40)	Reserve for condensed booking of fixed assets for tax purposes	(30)
Other	(106)	Other	(64)
Total deferred tax liabilities	(147)	Total deferred tax liabilities	(95)
Net deferred tax assets	7,657	Net deferred tax assets	6,790

(Segment information)

a. Segment information by business type

(In millions of yen)

	Fiscal 2007 (April 1, 2007 to March 31, 2008)						
	Coal and Coke-Related Business	Petroleum- Related Business	Comprehensive Engineering Business	Other Businesses	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income (loss)							
Net sales							
(1) Sales to external customers	109,593	44,099	17,579	16,128	187,401	–	187,401
(2) Intersegment sales and transfers	95	1,226	1,041	376	2,739	(2,739)	–
Total	109,688	45,325	18,621	16,504	190,140	(2,739)	187,401
Operating expenses	96,258	45,238	17,135	15,805	174,438	1,719	176,158
Operating income (loss)	13,430	86	1,485	699	15,701	(4,458)	11,242
II. Assets, depreciation expenses, impairment loss and capital expenditure							
Assets	73,917	1,636	13,096	26,107	114,758	25,780	140,538
Depreciation expenses	3,141	5	524	436	4,107	2,092	6,200
Impairment loss	–	1	–	167	168	857	1,026
Capital expenditure	1,867	–	376	235	2,479	215	2,694

Notes:

- Business segments are classified according to their product type and characteristics based on individual business management systems.
- Principal products and activities of each business segment are as follows:
 - Coal and coke-related business Coal, coke, coal and coke transportation and cargo handling
 - Petroleum-related business Petroleum
 - Comprehensive engineering business Chemical equipment and machinery, machinery for general industry, plants, ceramics, recycling of resources
 - Other businesses Cargo handling, incidental business such as construction work, sale and lease of real estate, building cleaning, security and facility management, other
- Unallocable operating expenses included in “Eliminations and Corporate” totaled 4,409 million yen and principally related to the Company’s general expenses.
- Assets included in “Eliminations and Corporate” totaled 31,226 million yen and principally related to the Company’s surplus funds (cash and marketable securities), short- and long-term loans receivable, long-term investment funds (investments in securities) and assets related to administrative and management departments and divisions.
- Amortization of goodwill and amortization expenses relating to long-term prepaid expenses are included in depreciation expenses.
- Long-term prepaid expenses are included in capital expenditure.
- In fiscal 2007, the Company withdrew from the petroleum-related business.

(In millions of yen)

	Fiscal 2008 (April 1, 2008 to March 31, 2009)					
	Coal and Coke-Related Business	Comprehensive Engineering Business	Other Businesses	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income (loss)						
Net sales						
(1) Sales to external customers	165,483	13,527	12,311	191,322	–	191,322
(2) Intersegment sales and transfers	46	956	339	1,341	(1,341)	–
Total	165,529	14,483	12,651	192,664	(1,341)	191,322
Operating expenses	151,771	13,703	12,541	178,016	1,149	179,165
Operating income (loss)	13,757	780	110	14,648	(2,491)	12,157
II. Assets, depreciation expenses, impairment loss and capital expenditure						
Assets	76,721	9,450	23,552	109,724	28,711	138,435
Depreciation expenses	3,648	355	402	4,405	110	4,516
Impairment loss	–	180	255	436	24	461
Capital expenditure	2,752	368	295	3,416	462	3,879

Notes:

- Business segments are classified according to their product type and characteristics based on individual business management systems.
- Principal products and activities of each business segment are as follows:
 - Coal and coke-related business Coal, coke; coal and coke transportation and cargo handling
 - Comprehensive engineering business ... Chemical equipment and machinery, machinery for general industry, plants, ceramics, recycling of resources
 - Other businesses Cargo handling, incidental business such as construction work, sale and lease of real estate, building cleaning, security and facility management, other
- Unallocable operating expenses included in “Eliminations and Corporate” totaled 2,530 million yen and principally related to the Company’s general expenses.
- Assets included in “Eliminations and Corporate” totaled 33,720 million yen and principally related to the Company’s surplus funds (cash and marketable securities), short- and long-term loans receivable, long-term investment funds (investments in securities) and assets related to administrative and management departments and divisions.
- Amortization expenses relating to long-term prepaid expenses are included in depreciation expenses.
- Long-term prepaid expenses are included in capital expenditure.

b. Segment information by geographic location

Fiscal 2007 (April 1, 2007 to March 31, 2008)

(In millions of yen)

	Japan	Asia	Oceania	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income (loss)						
Net sales						
(1) Sales to external customers	158,250	28,373	777	187,401	–	187,401
(2) Intersegment sales and transfers	2,886	3,943	–	6,830	(6,830)	–
Total	161,136	32,317	777	194,231	(6,830)	187,401
Operating expenses	145,524	32,270	783	178,578	(2,420)	176,158
Operating income (loss)	15,611	46	(6)	15,652	(4,409)	11,242
II. Assets	127,317	–	914	128,231	12,306	140,538

Notes:

- Country and regional segments are classified on the basis of their geographical proximity.
- The principal countries and territories that comprise each region other than Japan are as follows:
Asia.....Singapore
Oceania.....Australia
- Consolidated subsidiaries in Asia are excluded from the Company's scope of consolidation due to the sale of their shares during fiscal 2007.

Fiscal 2008 (April 1, 2008 to March 31, 2009)

As the total of net sales based in Japan of all business segments represented more than 90% of the Company's total net sales, business segment information by geographic location has been omitted.

c. Overseas sales

Fiscal 2007 (April 1, 2007 to March 31, 2008)

(In millions of yen unless otherwise stated)

	North America	Asia	Europe	Other	Total
I. Overseas sales	4,380	35,390	3,165	740	43,676
II. Consolidated sales					187,401
III. Ratio of overseas sales to consolidated sales (%)	2.3	18.9	1.7	0.4	23.3

Notes:

- Country and regional segments are classified on the basis of their geographical proximity.
- The principal countries and territories that comprise each region other than Japan are as follows:
North America.....The United States
Asia.....Singapore, Korea, India, Taiwan, Thailand, China, Malaysia, Indonesia
Europe.....Italy, Germany, the United Kingdom, France, Denmark, Greece, Monaco, the Netherlands, Switzerland
Other.....Brazil, Australia
- Overseas sales represent the sales of the Company and its consolidated subsidiaries in countries and regions outside of Japan.

Fiscal 2008 (April 1, 2008 to March 31, 2009)

As overseas sales represented less than 10% of the Company's total net sales, overseas sales information has been omitted.

(Per share information)

Fiscal 2007 (April 1, 2007 to March 31, 2008)		Fiscal 2008 (April 1, 2008 to March 31, 2009)	
	(Yen)		(Yen)
Net assets per share	51.34	Net assets per share	72.09
Net income per share	33.36	Net income per share	6.67
Diluted net income per share	19.49	Diluted net income per share	5.07

Notes:

1. The basis for calculating net assets per share is presented as follows.

(In millions of yen unless otherwise stated)

	As of March 31, 2008	As of March 31, 2009
Total net assets	39,460	31,998
Amounts deducted from total net assets	27,639	10,239
(Payments for Class B preferred shares included in the above with put options for ordinary shares as compensation)	(10,000)	(-)
(Payments for Class C preferred shares included in the above with put options for ordinary shares as compensation)	(17,000)	(10,000)
(Dividend amount applicable to Class B preferred shares included in the above)	(180)	(-)
(Dividend amount applicable to Class C preferred shares included in the above)	(392)	(239)
(Minority interests included in the above)	(66)	(-)
Net assets as of the fiscal year-end relating to ordinary shares	11,820	21,758
The number of ordinary shares as of the fiscal year-end used in the calculation of net assets per share (shares)	230,219,322	301,835,830

2. The bases for calculating net income per share and diluted net income per share are presented as follows.

(In millions of yen unless otherwise stated)

	Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
Net income per share		
Net income	8,254	2,014
Amount not pertaining to ordinary shares	573	239
(Dividend amount applicable to Class B preferred shares included in the above)	(180)	(-)
(Dividend amount applicable to Class C preferred shares included in the above)	(392)	(239)
Net income pertaining to ordinary shares	7,681	1,775
Average number of shares for the fiscal year (shares)	230,226,099	265,929,702
Diluted net income per share		
Net income adjustment amount	573	239
(Dividend amount applicable to Class B preferred shares included in the above)	(180)	(-)
(Dividend amount applicable to Class C preferred shares included in the above)	(392)	(239)
Increase in the number of ordinary shares (shares)	193,409,740	131,864,034
(Payments for Class B preferred shares included in the above with put options for ordinary shares as compensation)	(71,633,236)	(35,914,746)
(Payments for Class C preferred shares included in the above with put options for ordinary shares as compensation)	(121,776,504)	(95,949,288)
Overview of diluted shares that were not included in the calculation of diluted net income per share due to their not having a diluting effect	-	-

(Disclosure omission)

Cautionary notes relating to lease transactions, related-party transactions, marketing securities and derivative transactions are considered of little importance to this report. Accordingly, such cautionary notes have been omitted.

5. Non-Consolidated Financial Statements

(1) Balance Sheets

(In millions of yen)

	As of March 31, 2008	As of March 31, 2009
Assets		
Current assets		
Cash and deposits	2,282	4,769
Notes receivable	143	60
Accounts receivable	11,528	5,756
Inventory	15,988	24,511
Advances	1	–
Prepaid expenses	133	115
Other receivables	476	884
Guarantee monies paid	563	0
Deferred tax assets	3,635	384
Other deposits	790	1,876
Other	568	306
Allowance for doubtful accounts	(8)	(378)
Total current assets	36,104	38,287
Fixed assets		
Tangible fixed assets		
Buildings	1,959	1,866
Structures	5,270	5,128
Machinery and equipment	26,336	24,652
Vessels	43	39
Motor vehicles and transportation equipment	56	39
Tools, furniture and fixtures	194	182
Land	42,848	41,998
Construction work in progress	106	725
Total tangible fixed assets	76,816	74,631
Intangible fixed assets		
Software	172	531
Leased assets	–	2
Other	99	14
Total intangible fixed assets	271	549
Investments and other assets		
Investments in securities	361	350
Affiliated company shares	3,228	2,865
Investments	4	4
Long-term loans to employees	3	3
Long-term loans to affiliated companies	3,789	3,790
Bankruptcy, rehabilitation and other related claims	0	0
Long-term prepaid expenses	1,182	1,174
Deferred tax assets	1,771	4,245
Other	1,229	996
Allowance for doubtful accounts	(1,527)	(1,038)
Total investments and other assets	10,042	12,392
Total fixed assets	87,130	87,573
Total assets	123,235	125,860

(In millions of yen)

	As of March 31, 2008	As of March 31, 2009
Liabilities		
Current liabilities		
Notes payable	2,530	7,530
Accounts payable	13,128	10,203
Short-term loans payable	615	10,143
1 Corporate bonds redeemable within one year	6,549	6,549
Leased liabilities	–	0
Other accounts payable	2,808	5,039
Accrued expenses payable	2,616	1,711
Income and other taxes payable	102	127
Advances received	154	288
Deposits payable	1,386	979
Allowance for bonuses	625	579
Allowance for loss on liquidation of affiliated companies	1,019	1,476
Allowance for loss on inappropriate transactions	–	4,417
Allowance for loss on orders	–	850
Other	578	175
Total current liabilities	32,113	50,075
Long-term liabilities		
Long-term loans payable	46,134	38,208
Leased liabilities	–	1
Allowance for employee retirement benefits	4,294	4,191
Allowance for director and corporate auditor retirement benefits	90	108
Allowance for loss on guarantees	133	–
Allowance for long-term environmental development	2,703	2,703
Other	155	98
Total long-term liabilities	53,510	45,311
Total liabilities	85,623	95,386
Net assets		
Shareholders' equity		
Capital	7,000	7,000
Capital surplus		
Legal capital surplus	6,845	1,750
Other capital surplus	0	–
Total capital surplus	6,846	1,750
Retained earnings		
Legal retained earnings reserve	3	3
Other retained earnings		
Retained earnings brought forward	23,924	21,860
Total retained earnings	23,927	21,863
Treasury stock	(87)	(92)
Total shareholders' equity	37,686	30,520
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	31	34
Profit (loss) on hedge transactions	(106)	(81)
Total valuation and translation adjustments	(74)	(47)
Total net assets	37,611	30,473
Total liabilities and net assets	123,235	125,860

(2) Non-Consolidated Statements of Income

(In millions of yen)

	Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
Net sales	135,013	170,393
Cost of sales	116,115	152,335
Gross profit	18,897	18,058
Selling, general and administrative expenses	9,524	6,459
Operating income	9,372	11,598
Non-operating income		
Interest received	269	222
Dividends received	289	191
Fixed asset rental income	39	37
Foreign currency exchange gain	15	—
Other	123	92
Total non-operating income	737	545
Non-operating expenses		
Interest paid	1,935	1,724
Foreign currency exchange loss	—	308
Other	544	929
Total non-operating expenses	2,479	2,962
Ordinary income	7,630	9,181
Extraordinary income		
Gain on sale of fixed assets	637	645
Gain on sales of affiliated company shares	—	1,495
Reversal of allowance for affiliated company doubtful accounts	573	23
Settlement money received	700	—
Relocation compensation	—	338
Other	540	84
Total extraordinary income	2,452	2,586
Extraordinary loss		
Loss on inappropriate transactions	—	5,912
Loss on sale of fixed assets	93	124
Loss on disposal of fixed assets	118	239
Loss on devaluation of affiliated company shares	380	—
Provision for allowance for affiliated company doubtful accounts	56	830
Impairment loss	983	214
Other	277	831
Total extraordinary loss	1,909	8,152
Income before income taxes and others	8,173	3,615
Income taxes — current	28	24
Income taxes — deferred	191	758
Total income taxes	219	782
Net income	7,954	2,832

(3) Calculation Statements Relating to Changes in Non-Consolidated Shareholders' Equity

(In millions of yen)

	Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
Shareholders' equity		
Capital		
Balance as of the previous fiscal year-end	7,000	7,000
Changes during the fiscal year		
Total changes during the fiscal year	–	–
Balance as of the end of the fiscal year under review	7,000	7,000
Capital surplus		
Legal capital surplus		
Balance as of the previous fiscal year-end	6,845	6,845
Changes during the fiscal year		
Transfer from legal to other surplus	–	(5,095)
Total changes during the fiscal year	–	(5,095)
Balance as of the end of the fiscal year under review	6,845	1,750
Other capital surplus		
Balance as of the previous fiscal year-end	0	0
Changes during the fiscal year		
Transfer from legal to other surplus	–	5,095
Disposal of treasury stock	0	0
Retirement of treasury stock	–	(5,096)
Total changes during the fiscal year	0	(0)
Balance as of the end of the fiscal year under review	0	–
Total capital surplus		
Balance as of the previous fiscal year-end	6,846	6,846
Changes during the fiscal year		
Transfer from capital to other surplus	–	–
Disposal of treasury stock	0	0
Retirement of treasury stock	–	(5,096)
Total changes during the fiscal year	0	(5,096)
Balance as of the end of the fiscal year under review	6,846	1,750
Retained earnings		
Legal retained earnings reserve		
Balance as of the previous fiscal year-end	3	3
Changes during the fiscal year		
Total changes during the fiscal year	–	–
Balance as of the end of the fiscal year under review	3	3
Other retained earnings		
Retained earnings brought forward		
Balance as of the previous fiscal year-end	15,970	23,924
Changes during the fiscal year		
Dividends from surplus	–	(1,033)
Net income	7,954	2,832
Retirement of treasury stock	–	(3,863)
Total changes during the fiscal year	7,954	(2,064)
Balance as of the end of the fiscal year under review	23,924	21,860

	Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
Total retained earnings		
Balance as of the previous fiscal year-end	15,973	23,927
Changes during the fiscal year		
Dividends from surplus	–	(1,033)
Net income	7,954	2,832
Retirement of treasury stock	–	(3,863)
Total changes during the fiscal year	7,954	(2,064)
Balance as of the end of the fiscal year under review	23,927	21,863
Treasury stock		
Balance as of the previous fiscal year-end	(82)	(87)
Changes during the fiscal year		
Disposal of treasury stock	0	1
Acquisition of treasury stock	(5)	(8,966)
Retirement of treasury stock	–	8,960
Total changes during the fiscal year	(4)	(4)
Balance as of the end of the fiscal year under review	(87)	(92)
Total shareholders' equity		
Balance as of the previous fiscal year-end	29,736	37,686
Changes during the fiscal year		
Transfer from legal to other surplus	–	–
Dividends from surplus	–	(1,033)
Net income	7,954	2,832
Disposal of treasury stock	1	1
Acquisition of treasury stock	(5)	(8,966)
Retirement of treasury stock	–	–
Total changes during the fiscal year	7,949	(7,165)
Balance as of the end of the fiscal year under review	37,686	30,520
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance as of the previous fiscal year-end	46	31
Changes during the fiscal year		
Net changes in items other than shareholders' equity	(14)	3
Total changes during the fiscal year	(14)	3
Balance as of the end of the fiscal year under review	31	34
Profit (loss) on hedge transactions		
Balance as of the previous fiscal year-end	(87)	(106)
Changes during the fiscal year		
Net changes in items other than shareholders' equity	(19)	24
Total changes during the fiscal year	(19)	24
Balance as of the end of the fiscal year under review	(106)	(81)
Total valuation and translation adjustments		
Balance as of the previous fiscal year-end	(41)	(74)
Changes during the fiscal year		
Net changes in items other than shareholders' equity	(33)	27
Total changes during the fiscal year	(33)	27
Balance as of the end of the fiscal year under review	(74)	(47)

	Fiscal 2007 (April 1, 2007 to March 31, 2008)	Fiscal 2008 (April 1, 2008 to March 31, 2009)
Total net assets		
Balance as of the previous fiscal year-end	29,695	37,611
Changes during the fiscal year		
Transfer from legal to other surplus	–	–
Dividends from surplus	–	(1,033)
Net income	7,954	2,832
Disposal of treasury stock	1	1
Acquisition of treasury stock	(5)	(8,966)
Retirement of treasury stock	–	–
Net changes in items other than shareholders' equity	(33)	27
Total changes during the fiscal year	7,916	(7,137)
Balance as of the end of the fiscal year under review	37,611	30,473

6. Other

Changes and Movements in Directors

None.