

February 5, 2010

Consolidated Financial Report for the First Three Quarters of Fiscal 2009, the Fiscal Year Ending March 31, 2010

Company name: Nippon Coke & Engineering Co., Ltd.
 Listed stock exchange: Tokyo Stock Exchange
 Securities code: 3315 URL: <http://www.n-coke.com/>
 Representative: Kiyooki Ogura, Representative Director and Chief Executive Officer
 Inquiries: Akira Masuda, General Manager, Secretarial and Public Relations Department,
 General Affairs Division TEL: +81-3-5560-1311
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 Scheduled date of dividend payment commencement: —

(Figures are rounded down to the nearest million yen)

1. Consolidated Performance for the First Three Quarters of Fiscal 2009 (April 1 to December 31, 2009)

(1) Consolidated Business Results (year-to-date)

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
First Three Quarters of Fiscal 2009	67,883	55.4%	2,917	83.1%	1,531	(89.6)%	1,340	(90.5)%
First Three Quarters of Fiscal 2008	152,113	—	17,234	—	14,771	—	14,043	—

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
First Three Quarters of Fiscal 2009	4.44	3.59
First Three Quarters of Fiscal 2008	55.25	34.61

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
December 31, 2009	122,827	32,255	26.3%	73.73
March 31, 2009	138,435	31,998	23.1%	72.09

Reference: Shareholders' equity: December 31, 2009 32,255 million yen
 March 31, 2009 31,998 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 as of the period-end) from the amount of net assets.

2. Dividend Information

	Dividends per Share (Yen)				
	End of the First Quarter	End of the Interim Period	End of the Third Quarter	Fiscal Year-End	Annual
Fiscal 2008	—	—	0.00	2.00	2.00
Fiscal 2009	—	—	0.00		
Fiscal 2009 (forecast)				2.00	2.00

Notes

- Revisions to dividend forecasts during the period under review: Yes
- For details relating to dividend forecasts, please refer to the press release titled "Notice Concerning Revisions to Performance and Dividend Forecasts" issued today (February 5, 2010). In addition, the "Dividend Information" above pertains to common stock dividends. For information on dividends pertaining to classified shares with rights that differ from those applicable to common stock, please refer to "Dividend Information for Classified Stock" on page 3.

3. Consolidated Performance Forecasts for Fiscal 2009 (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)
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Yen
Full Fiscal Year	94,500	(50.6)%	5,300	(56.4)%	3,500	(59.8)%	3,900	93.6%	12.2

Note: Revisions to consolidated performance forecasts during the period under review: No

4. Other Matters

- (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): No
Newly included: – Excluded: –
- (2) Application of the simplified accounting method and special accounting practices in the preparation of quarterly consolidated financial statements: Yes
(Note) For details, please refer to “4. Other Matters” in “Qualitative Information Regarding Financial Statements, Etc.” on page 5.
- (3) 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 quarterly consolidated financial statements)
 - (a) Changes in accordance with revisions to accounting and other standards: Yes
 - (b) Changes in items other than (a) above: No
 (Note) For details, please refer to “4. Other Matters” in “Qualitative Information Regarding Financial Statements, Etc.” on page 5.
- (4) Shares outstanding (common stock)
 - (a) Number of shares outstanding as of the end of the period (including treasury stock)

December 31, 2009	302,349,449 shares
March 31, 2009	302,349,449 shares
 - (b) Number of shares of treasury stock as of the end of the period

December 31, 2009	519,585 shares
March 31, 2009	513,619 shares
 - (c) Average number of shares for the period (fiscal year-to-date)

First three quarters of fiscal 2009	301,832,884 shares
First three quarters of fiscal 2008	254,178,035 shares

Cautionary Statement and Other Explanatory Notes

1. The Company has revised its performance forecasts that were previously announced on October 23, 2009. Please refer to the press release titled “Notice Concerning Revisions to Performance and Dividend Forecasts” issued today (February 5, 2010) for details.
2. 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.

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.

Record Date	Dividends per Share (Yen)				
	End of the First Quarter	End of the Interim Period	End of the Third Quarter	Fiscal Year-End	Annual
Class C preferred shares					
Fiscal 2008	–	–	–	5.99	5.99
Fiscal 2009	–	–	–	–	5.47
Fiscal 2009 (forecast)	–	–	–	5.47	

Notes:

1. Revisions to dividend forecasts during the period under review: Yes
2. The Company has agreed to execute a buyback of all Class C preferred shares held by Mitsui Sumitomo Banking Corporation by June 26, 2010. As of the date of this report, the timing for any buyback has yet to be determined. As a result, data provided is based on the assumption that the Company has yet to complete the buyback of all Class C preferred shares as of March 31, 2010, the record date for the payment of preferred dividends.

Qualitative Information Regarding Financial Statements, Etc.

1. Qualitative Information Regarding Consolidated Business Results

During the first three quarters of fiscal 2009 (which ends March 31, 2010), the period from April 1, 2009 to December 31, 2009, the Japanese economy continued to experience difficult conditions. These difficult conditions reflected an overall weakness in economic autonomy, an unemployment rate that continues to hover at a high level and other factors, despite an upswing in export activity focusing mainly on Asia, the positive effects of emergency economic stimulus packages and initial signs of a recovery in production.

Under these circumstances, the Nippon Coke & Engineering Group confronted an extremely harsh operating environment in its mainstay coke business. In addition to the drop in coke product prices, the Company partially suspended operations at its Kitakyushu Coking Works in response to the decrease in coke demand, reflecting large-scale production cutbacks by the steel manufacturing industry.

Accounting for the aforementioned factors, the Group posted net sales of 67,883 million yen for the first three quarters of fiscal 2009, a decrease of 84,230 million yen compared with the corresponding period of the previous fiscal year. On the earnings front, operating income contracted 14,317 million yen year on year to 2,917 million yen, ordinary income decreased 13,240 million yen to 1,531 million yen, and net income fell 12,702 million yen to 1,340 million yen.

(Business Results by Business Category)

For the reasons identified above, sales in the Coal and Coke-Related Business declined 77,280 million yen compared with the corresponding period of the previous fiscal year to 57,396 million yen. From a profit perspective, operating income fell 14,911 million yen year on year to 4,319 million yen.

Sales in the Comprehensive Engineering Business contracted 3,671 million yen compared with the corresponding period of the previous fiscal year to 7,153 million yen while operating income declined 444 million yen to 192 million yen. This downturn was attributable to the drop in orders and other factors on the back of cutbacks in capital expenditures by users.

Turning to Other Businesses, Nippon Coke & Engineering sold all of its shares in consolidated subsidiary Suncoch Consultants Co., Ltd. The company was subsequently excluded from Nippon Coke & Engineering's scope of consolidation. As a result, sales in this segment decreased 3,278 million yen year on year to 3,332 million yen. Operating income amounted to 108 million yen, a significant improvement on the operating loss of 698 million yen incurred in the corresponding period of the previous fiscal year.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets as of December 31, 2009 stood at 122,827 million yen, a decline of 15,608 million yen compared with the previous fiscal year-end. The principal changes included products and manufactured goods, cash and deposits, and notes and accounts receivable, which declined 7,694 million yen, 3,610 million yen and 2,379 million yen, respectively.

Total liabilities as of the end of the period under review stood at 90,572 million yen, 15,865 million yen lower than the balance as of March 31, 2009. During the first three quarters of fiscal 2009, short-term loans payable, notes and accounts payable, allowance for loss on inappropriate transactions, and other current liabilities decreased 10,082 million yen, 9,423 million yen, 2,627 million yen, and 2,586 million yen, respectively. Long-term loans payable, on the other hand, increased 11,066 million yen.

Net assets as of December 31, 2009 stood at 32,255 million yen, up 256 million yen compared with the end of the previous fiscal year. This was mainly attributable to the net income for the period.

Accounting for the aforementioned factors, the equity ratio as the end of the period under review was 26.3%, an improvement of 3.2 percentage points compared with March 31, 2009.

3. Qualitative Information Regarding Consolidated Performance Forecasts

Details of consolidated performance forecasts are as outlined in the press release titled "Notice Concerning Revisions to Performance and Dividend Forecasts" issued today (February 5, 2010).

4. Other Matters

- (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)

Not applicable

During the first quarter of fiscal 2009, Nippon Coke & Engineering sold all of its shares in consolidated subsidiary Suncoh Consultants. While not classified as an important subsidiary, Suncoh Consultants was accordingly excluded from the Company's scope of consolidation.

- (2) Application of the simplified accounting method and special accounting practices in the preparation of quarterly consolidated financial statements

- (a) Application of the simplified accounting method

Calculation of the estimated amount of bad loans within general debt

The estimated amount of bad loans within general debt was calculated based on the loan loss ratio at the end of the previous fiscal year since the ratio at the end of the first three quarters did not differ significantly.

Valuation of inventories

An actual inventory was not taken at the end of the first three quarters of the fiscal year under review. Values for inventories were derived from a reasonable calculation based on the actual balance of inventories as of the end of the interim period of fiscal 2009.

- (b) Special accounting practices in the preparation of quarterly consolidated financial statements

Not applicable

- (3) Changes in accounting principles, procedures, and disclosure methods and related standards in connection with preparation of quarterly consolidated financial statements

Changes to accounting standards

The Nippon Coke & Engineering Group previously adopted the percentage-of-completion method for contracted construction for which the contract amount is 500 million yen or more and the construction period is more than one year, and the completed-contract method for other construction. However, from the first quarter of the fiscal year ending March 31, 2010, the Company adopted the Accounting Standard for Construction Contracts (Accounting Standards Board of Japan (ASBJ) Statement No. 15 of December 27, 2007) and the Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18 of December 27, 2007). As a result, of all construction projects that commenced in the first quarter of the fiscal year under review, those projects for which the outcome of the portion completed by the end of the first three quarters can be reliably estimated are accounted for by the percentage-of-completion method (the rate of completion of each construction project is estimated using the cost-comparison method), while other construction is accounted for by the completed-contract method.

There was no material impact on the Company's consolidated net sales, operating income, ordinary income and income before income taxes and other as a result of this change.

5. Consolidated Quarterly Financial Statements**(1) Consolidated Quarterly Balance Sheets**

(In millions of yen)

	End of the First Three Quarters (December 31, 2009)	End of Fiscal 2008 (March 31, 2009)
Assets		
Current assets		
Cash and deposits	4,439	8,050
Notes and accounts receivable	7,462	9,842
Products and manufactured goods	10,055	17,750
Work in progress	1,666	1,551
Raw materials and stored goods	7,761	7,279
Other	4,237	4,016
Allowance for doubtful accounts	(22)	(217)
Total current assets	<u>35,602</u>	<u>48,272</u>
Fixed assets		
Tangible fixed assets		
Machinery, equipment and transportation	59,580	58,921
Accumulated depreciation	(35,143)	(32,989)
Machinery, equipment and transportation (net)	<u>24,436</u>	<u>25,931</u>
Land	42,692	43,448
Other	22,697	23,424
Accumulated depreciation	(13,475)	(14,296)
Other (net)	<u>9,222</u>	<u>9,127</u>
Total tangible fixed assets	<u>76,351</u>	<u>78,508</u>
Intangible fixed assets		
Other	629	729
Total intangible fixed assets	<u>629</u>	<u>729</u>
Investments and other assets		
Other	10,285	11,004
Allowance for doubtful accounts	(41)	(78)
Total investments and other assets	<u>10,243</u>	<u>10,925</u>
Total fixed assets	<u>87,225</u>	<u>90,163</u>
Total assets	<u>122,827</u>	<u>138,435</u>

	End of the First Three Quarters (December 31, 2009)	End of Fiscal 2008 (March 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable	10,807	20,231
Short-term loans payable	11,080	21,163
Income and other taxes payable	78	192
Allowance for bonuses	387	884
Allowance for loss on liquidation of affiliated companies	912	1,406
Allowance for loss on inappropriate transactions	1,790	4,417
Allowance for loss on orders	-	850
Other	5,224	7,811
Total current liabilities	<u>30,281</u>	<u>56,956</u>
Long-term liabilities		
Corporate bonds payable	200	208
Long-term loans payable	51,570	40,503
Allowance for employee retirement benefits	4,916	5,250
Allowance for director and corporate auditor retirement benefits	211	210
Allowance for environmental development	2,703	2,703
Other	690	604
Total long-term liabilities	<u>60,291</u>	<u>49,480</u>
Total liabilities	<u>90,572</u>	<u>106,437</u>
Net assets		
Shareholders' equity		
Capital	7,000	7,000
Capital surplus	1,750	1,750
Retained earnings	23,653	23,156
Treasury stock	(93)	(92)
Total shareholders' equity	<u>32,310</u>	<u>31,813</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	19	14
Profit (loss) on hedge transactions	(75)	(81)
Foreign currency translation adjustments	0	252
Total valuation and translation adjustments	<u>(55)</u>	<u>184</u>
Total net assets	<u>32,255</u>	<u>31,998</u>
Total liabilities and net assets	<u>122,827</u>	<u>138,435</u>

(2) Consolidated Quarterly Income Statements

(In millions of yen)

	First Three Quarters of Fiscal 2008 (April 1 to December 31, 2008)	First Three Quarters of Fiscal 2009 (April 1 to December 31, 2009)
Net Sales	152,113	67,883
Cost of sales	128,098	60,484
Gross profit	24,015	7,398
Selling, general and administrative expenses	6,780	4,480
Operating income	17,234	2,917
Non-operating income		
Interest received	174	103
Foreign currency exchange gain	—	256
Fixed asset rental income	77	—
Subsidy income	—	130
Other	124	82
Total non-operating income	376	572
Non-operating expenses		
Interest paid	1,476	1,162
Foreign currency exchange loss	571	—
Other	792	796
Total non-operating expenses	2,839	1,958
Ordinary income	14,771	1,531
Extraordinary income		
Gain on sale of fixed assets	—	141
Gain on sale of investments in securities	1,302	—
Other	420	11
Total extraordinary income	1,722	153
Extraordinary loss		
Loss on litigation related expenses	571	—
Loss on cancellation/termination of rental contract	—	165
Other	268	348
Total extraordinary loss	840	514
Income before income taxes and others	15,654	1,170
Income taxes—current	161	94
Income taxes—deferred	1,449	(265)
Total income taxes	1,611	(170)
Minority interests	(0)	—
Net Income	14,043	1,340

- (3) Notes on Assumptions as a Going Concern
Not applicable

(4) Segment Information

a. *Segment information by business type*

First three quarters of fiscal 2008 (April 1 to December 31, 2008)

(In millions of yen)

	Coal and Coke-Related Business	Comprehensive Engineering Business	Other Businesses	Total	Eliminations and Corporate	Consolidated
Net Sales						
(1) Sales to external customers	134,677	10,824	6,611	152,113	–	152,113
(2) Intersegment sales or transfer between segments	37	607	254	898	(898)	–
Total	134,714	11,432	6,865	153,012	(898)	152,113
Operating income (loss)	19,230	636	(698)	19,169	(1,934)	17,234

First three quarters of fiscal 2009 (April 1 to December 31, 2009)

(In millions of yen)

	Coal and Coke-Related Business	Comprehensive Engineering Business	Other Businesses	Total	Eliminations and Corporate	Consolidated
Net Sales						
(1) Sales to external customers	57,396	7,153	3,332	67,883	–	67,883
(2) Intersegment sales or transfer between segments	30	807	138	976	(976)	–
Total	57,427	7,960	3,471	68,859	(976)	67,883
Operating income (loss)	4,319	192	108	4,620	1,702	2,917

b. *Segment information by geographic location*

First three quarters of fiscal 2008 (April 1 to December 31, 2008) and first three quarters of fiscal 2009 (April 1 to December 31, 2009)

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

c. *Overseas sales*

First three quarters of fiscal 2008 (April 1 to December 31, 2008) and first three quarters of fiscal 2009 (April 1 to December 31, 2009)

As overseas sales represented less than 10% of consolidated net sales, overseas sales information has been omitted.

- (5) Notes on Dramatic Fluctuations in Shareholders' Equity
Not applicable