

November 6, 2009

## Consolidated Financial Report for the Interim Period 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/en/index.html>  
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 Scheduled filing date of the interim report: November 13, 2009  
 Scheduled date of dividend payment commencement: —

(Figures are rounded down to the nearest million yen)

### 1. Consolidated Performance for the Interim Period of Fiscal 2009 (April 1 to September 30, 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	
Interim Period of Fiscal 2009	47,718	(54.5)%	2,122	(83.6)%	1,233	(89.4)%	999	(92.7)%
Interim Period of Fiscal 2008	104,767	—	12,956	—	11,597	—	13,629	—

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Interim Period of Fiscal 2009	3.31	2.68
Interim Period of Fiscal 2008	59.20	32.30

#### (2) Consolidated Financial Position

(In millions of yen unless otherwise stated)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
September 30, 2009	121,725	31,923	26.2	72.63
September 30, 2008	138,435	31,998	23.1	72.09

(Reference) Shareholders' equity: September 30, 2009 31,923 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

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
Fiscal 2008	—	0.00	—	2.00	2.00
Fiscal 2009	—	0.00	—	—	—
Fiscal 2009 (forecast)	—	—	—	—	—

Note: Revisions to dividend forecasts during the period under review: No

The dividend forecast for fiscal 2009, the fiscal year ending March 31, 2010, is yet to be determined. 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)
	Yen	% Change	Yen	% Change	Yen	% Change	Yen	% Change	Yen
Full Fiscal Year	89,500	(53.2)%	4,200	(65.5)%	2,300	(73.6)%	2,000	(0.7)%	5.90

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. Others” in “Qualitative Information Regarding Financial Statements, Etc.” on page 4.
- (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. Others” in “Qualitative Information Regarding Financial Statements, Etc.” on page 4.
- (4) Shares outstanding (common stock)
  - (a) Number of shares outstanding as of the end of the period (including treasury stock)
 

September 30, 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
 

September 30, 2009	517,981 shares
March 31, 2009	513,619 shares
  - (c) Average number of shares for the period (fiscal year-to-date)
 

September 30, 2009	301,833,836 shares
March 31, 2009	230,216,117 shares

**Cautionary Statement and Other Explanatory Notes**

1. 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.
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. Moreover, there is no change in the Company’s consolidated performance forecasts previously announced on October 23, 2009.

**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	–	–	–	–	Yet to be determined
Fiscal 2009 (forecast)	–	–	–	Yet to be determined	

## Notes:

1. Revisions to dividend forecasts during the period under review: No
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.

## Qualitative Information Regarding Financial Statements, Etc.

### 1. Qualitative Information Regarding Consolidated Business Results

In the interim period (April 1, 2009 to September 30, 2009) of the fiscal year ending March 31, 2010, the Japanese economy continued to confront harsh operating conditions resulting from the U.S. financial crisis-induced global recession that emerged from autumn 2008. Despite signs of a partial recovery in production due largely to the government's pump-priming measures, the overall downturn reflected the persistent and substantial decline in corporate-sector earnings and capital expenditure as well as the ongoing deterioration in employment conditions.

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 47,718 million yen for the interim period of fiscal 2009, a decrease of 57,048 million yen compared with the corresponding period of the previous fiscal year. On the earnings front, operating income contracted 10,834 million yen year on year to 2,122 million yen, ordinary income contracted 10,364 million yen to 1,233 million yen, and net income fell 12,630 million yen to 999 million yen.

(Business Results by Business Category)

For the reasons identified above, sales in the Coal and Coke-Related Business declined 52,949 million yen compared with the corresponding period of the previous fiscal year to 40,842 million yen. From a profit perspective, operating income fell 11,359 million yen year on year to 3,132 million yen.

Sales in the Comprehensive Engineering Business contracted 2,310 million yen compared with the corresponding period of the previous fiscal year to 4,720 million yen while operating income declined 267 million yen to 167 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 consolidate subsidiary Sunoco Consultants Co., Ltd. The company was subsequently excluded from Nippon Coke & Engineering's scope of consolidation. As a result, sales in this segment decreased 1,789 million yen compared with the corresponding period of the previous fiscal year to 2,155 million yen. However, operating income improved to 33 million yen compared with a loss of 656 million yen in the corresponding period of the previous fiscal year.

### 2. Qualitative Information Regarding Consolidated Financial Position

Total assets as of September 30, 2009 stood at 121,725 million yen, a decline of 16,710 million yen compared with the previous fiscal year-end. Major movements included decreases in products and manufactured goods, cash and deposits, notes and accounts receivable as well as other current assets of 6,914 million yen, 3,519 million yen, 2,168 million yen and 980 million yen, respectively.

Total liabilities as of September 30, 2009 stood at 89,802 million yen, down 16,634 million yen compared with March 31, 2009. This mainly reflected decreases of 10,532 million yen in notes and accounts payable and 3,774 million yen in other current liabilities.

Total net assets as of June 30, 2009 stood at 31,923 million yen, down 75 million yen compared with the end of the previous fiscal year. This was mainly attributable to the payment of dividends from retained earnings.

Accounting for the aforementioned factors, the equity ratio as the end of the first quarter under review was 26.2%, an improvement of 3.1 percentage points compared with March 31, 2009.

### 3. Qualitative Information Regarding Consolidated Performance Forecasts

There is no change in the Company's consolidated performance forecasts previously announced on October 23, 2009.

### 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 Sunoco 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 interim consolidated financial statements
- (a) Application of the simplified accounting method  
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 interim period does not differ significantly.
- (b) Special accounting practices in the preparation of interim consolidated financial statements  
Not applicable
- (3) Changes in accounting principles, procedures, and disclosure methods and related standards in connection with preparation of interim 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 quarter 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 Interim Financial Statements**

## (1) Consolidated Interim Balance Sheets

(In millions of yen)

	End of the Interim Period (September 30, 2009)	End of Fiscal 2008 (March 31, 2009)
<b>Assets</b>		
Current assets		
Cash and deposits	4,530	8,050
Notes and accounts receivable	7,673	9,842
Products and manufactured goods	10,835	17,750
Work in progress	1,564	1,551
Raw materials and stored goods	6,484	7,279
Other	3,036	4,016
Allowance for doubtful accounts	(14)	(217)
Total current assets	34,110	48,272
Fixed assets		
Tangible fixed assets		
Machinery, equipment and transportation	59,401	58,921
Accumulated depreciation	(34,233)	(32,989)
Machinery, equipment and transportation (net)	25,168	25,931
Land	42,746	43,448
Other	22,295	23,424
Accumulated depreciation	(13,386)	(14,296)
Other (net)	8,908	9,127
Total tangible fixed assets	76,823	78,508
Intangible fixed assets		
Other	659	729
Total intangible fixed assets	659	729
Investments and other assets		
Other	10,173	11,004
Allowance for doubtful accounts	(41)	(78)
Total investments and other assets	10,132	10,925
Total fixed assets	87,615	90,163
Total assets	121,725	138,435

(In millions of yen)

	End of the Interim Period (September 30, 2009)	End of Fiscal 2008 (March 31, 2009)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	9,698	20,231
Short-term loans payable	10,950	21,163
Income and other taxes payable	181	192
Allowance for bonuses	764	884
Allowance for loss on liquidation of affiliated companies	912	1,406
Allowance for loss on inappropriate transactions	2,988	4,417
Allowance for loss on orders	176	850
Other	4,036	7,811
Total current liabilities	29,710	56,956
Long-term liabilities		
Corporate bonds payable	200	208
Long-term loans payable	51,492	40,503
Allowance for employee retirement benefits	4,888	5,250
Allowance for director and corporate auditor retirement benefits	199	210
Allowance for environmental development	2,703	2,703
Other	608	604
Total long-term liabilities	60,092	49,480
Total liabilities	89,802	106,437
<b>Net assets</b>		
Shareholders' equity		
Capital	7,000	7,000
Capital surplus	1,750	1,750
Retained earnings	23,311	23,156
Treasury stock	(92)	(92)
Total shareholders' equity	31,968	31,813
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	27	14
Profit (loss) on hedge transactions	(99)	(81)
Foreign currency translation adjustments	26	252
Total valuation and translation adjustments	(45)	184
Total net assets	31,923	31,998
Total liabilities and net assets	121,725	138,435

## (2) Consolidated Interim Income Statements

(In millions of yen)

	Interim Period of Fiscal 2008 (April 1 to September 30, 2008)	Interim Period of Fiscal 2009 (April 1 to September 30, 2009)
Net sales	104,767	47,718
Cost of sales	86,992	42,564
Gross profit	17,775	5,153
Selling, general and administrative expenses	4,818	3,031
Operating income	12,956	2,122
Non-operating income		
Interest received	124	72
Foreign currency exchange gain	—	231
Other	154	154
Total non-operating income	279	457
Non-operating expenses		
Interest paid	944	781
Other	694	566
Total non-operating expenses	1,638	1,347
Ordinary income	11,597	1,233
Extraordinary income		
Gain on sale of fixed assets	—	53
Gain on sale of investments in securities	1,302	—
Other	321	9
Total extraordinary income	1,623	63
Extraordinary loss		
Loss on litigation related expenses	571	—
Loss on cancellation/termination of rental contract	—	165
Other	99	223
Total extraordinary loss	671	389
Income before income taxes and others	12,549	906
Income taxes—current	152	90
Income taxes—deferred	(1,227)	(183)
Total income taxes	(1075)	(92)
Minority interests	(4)	—
Net income	13,629	999

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

(4) Segment Information

a. Segment information by business type

Interim period of Fiscal 2008 (April 1 to September 30, 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	93,792	7,030	3,944	104,767	—	104,767
(2) Intersegment sales or transfer between segments	27	418	192	638	(638)	—
Total	93,819	7,449	4,136	105,406	(638)	104,767
Operating income (loss)	14,491	434	(656)	14,269	(1,313)	12,956

Interim period of Fiscal 2009 (April 1 to September 30, 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	40,842	4,720	2,155	47,718	—	47,718
(2) Intersegment sales or transfer between segments	22	685	81	788	(788)	—
Total	40,865	5,406	2,236	48,507	(788)	47,718
Operating income (loss)	3,132	167	33	3,332	(1,209)	2,122

b. Segment information by geographic location

Interim Period of Fiscal 2008 (April 1 to September 30, 2008) and Interim Period of Fiscal 2009 (April 1 to September 30, 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

Interim Period of Fiscal 2008 (April 1 to September 30, 2008) and Interim Period of Fiscal 2009 (April 1 to September 30, 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