

February 4, 2011

Consolidated Financial Report for the First Three Quarters of Fiscal 2010, the Fiscal Year Ending March 31, 2011

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>
 Representative: Kiyooki Ogura, Representative Director and Chief Executive Officer
 Inquiries: Minoru Sasaki, General Manager, Personnel and General Affairs Department
 TEL: +81-3-5560-1311

Scheduled filing date of the Company's quarterly report: February 10, 2011

Scheduled date of dividend payment commencement: —

Preparation of quarterly financial report supplemental explanatory materials: No

Holding of quarterly financial results briefing: No

(Figures are rounded down to the nearest million yen)

1. Consolidated Performance for the First Three Quarters of Fiscal 2010 (April 1 to December 31, 2010)

(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	
	Yen	% Change	Yen	% Change	Yen	% Change	Yen	% Change
First Three Quarters of Fiscal 2010	92,549	36.3	9,113	212.4	7,990	421.8	8,990	570.6
First Three Quarters of Fiscal 2009	67,883	(55.4)	2,917	(83.1)	1,531	(89.6)	1,340	(90.5)

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
First Three Quarters of Fiscal 2010	29.79	25.54
First Three Quarters of Fiscal 2009	4.44	3.59

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
December 31, 2010	132,996	40,231	30.2	109.71
March 31, 2010	118,281	31,884	27.0	81.94

Reference: Shareholders' equity: December 31, 2010 40,112 million yen
 March 31, 2010 31,884 million yen

Notes: 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 (7,000 million yen as of the period-end) from the amount of net assets.

2. Dividend Information

	Dividends (Yen)				
	End of the First Quarter	End of the Interim Period	End of the Third Quarter	Fiscal Year-End	Annual
Fiscal 2009	—	—	—	2.00	2.00
Fiscal 2010	—	—	—	—	—
Fiscal 2010 (forecast)	—	—	—	2.00	2.00

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

3. Consolidated Performance Forecast for Fiscal 2010 (April 1, 2010 to March 31, 2011)

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

Full Fiscal Year	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
	128,500	35.4%	12,100	103.7%	10,000	139.4%	10,000	107.5%	32.67

- Notes: 1. Revisions to consolidated performance forecasts during the period under review: No
There is no change between the performance forecast data shown above and the performance forecasts disclosed as provisional values of October 22, 2010. Please refer to “Qualitative Information regarding Consolidated Performance Forecasts” on page 2 of the Accompanying Materials for more details.
2. The estimate of net income per share for the full fiscal year is calculated after deducting forecast cash dividends for preferred shares from forecast net income. Furthermore, while dividends applicable to preferred shares are calculated in accordance with the predetermined formula prescribed in the guidelines relating to preferred shares, the forecast cash dividend amount is calculated based on the number of shares as of the December 31, 2010. This is because the number of shares that form the basis for calculations is currently yet to be determined.

4. Other Matters (Please refer to “Other Information” in Accompanying Materials on page 3 for more details)

- (1) Changes in Important Subsidiaries during the Period: No

Newly included: – Excluded: –

Note: Changes regarding specific subsidiaries accompanying changes in the scope of consolidation during the third quarter of the fiscal year under review

- (2) Application of the Simplified and Special Accounting Methods: Yes

Note: Application of the simplified accounting method and special accounting method in the preparation of quarterly consolidated financial statements

- (3) Changes in Accounting Principles, Procedures, Disclosure Methods and Related Standards

(a) Changes in accordance with revisions to accounting and other standards: Yes

(b) Changes in items other than (a) above: No

Notes: Changes in accounting principles, procedures, disclosure methods and related standards in connection with the preparation of quarterly consolidated financial statements recorded under “changes in important items considered fundamental to the preparation of quarterly consolidated financial statements”

- (4) Shares Outstanding (Common Stock)

- (a) Number of shares outstanding as of the end of the period (including treasury stock)

December 31, 2010 302,349,449 shares

March 31, 2010 302,349,449 shares

- (b) Number of shares of treasury stock as of the end of the period

December 31, 2010 526,030 shares

March 31, 2010 521,435 shares

- (c) Average number of shares for the period (fiscal year-to-date)

First three quarters of fiscal 2010 301,826,556 shares

First three quarters of fiscal 2009 301,832,884 shares

Statement regarding the Implementation Status of Quarterly Review Procedures

This quarterly consolidated financial report is not subject to quarterly review procedures as prescribed under the Financial Instruments and Exchange Act. At the time of quarterly consolidated financial report disclosure, however, quarterly financial report review procedures pursuant to the aforementioned Act have been implemented.

Cautionary Statement and Other Explanatory Notes

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. 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 2009	–	–	–	5.47	5.47
Fiscal 2010	–	–	–	–	Yet to be determined
Fiscal 2010 (forecast)	–	–	–	Yet to be determined	

- Notes: 1. Revisions to dividend forecasts during the period under review: No
2. With respect to the cash dividends per share applicable to Class C preferred shares issued by the Company, while the cash dividend calculated in accordance with the predetermined formula prescribed in the guidelines relating to preferred share comes to 5.025 yen per Class C preferred share, Nippon Coke & Engineering Co., Ltd. has agreed to buyback all Class C preferred shares held by Mitsui Sumitomo Banking Corporation at some time prior to the business day immediately preceding the Company's Annual Meeting of Shareholders scheduled to be held in June 2011. On the basis that the existence or otherwise of Class C preferred shares as of March 31, 2011, the fiscal year-end record date, has not been determined, this information has been presented as "yet to be determined."

Accompanying Materials Contents

1.	Qualitative Information regarding Quarterly Financial Report.....	2
	(1) Qualitative Information regarding Consolidated Business Results.....	2
	(2) Qualitative Information regarding Consolidated Financial Position.....	2
	(3) Qualitative Information regarding Consolidated Performance Forecasts.....	2
2.	Other Information.....	3
	(1) Outline of Changes in Important Subsidiaries.....	3
	(2) Outline of the Simplified and Special Accounting Methods.....	3
	(3) Outline of Changes in Accounting Principles, Procedures, Disclosure Methods and Related Standards.....	3
	(4) Outline of Important Events regarding Premises as a Going Concern.....	3
3.	Consolidated Quarterly Financial Statements.....	4
	(1) Consolidated Quarterly Balance Sheets.....	4
	(2) Consolidated Quarterly Income Statements.....	6
	(3) Notes on Assumptions as a Going Concern.....	7
	(4) Segment Information.....	7
	(5) Notes on Dramatic Fluctuations in Shareholders' Equity.....	8

1. Qualitative Information regarding Quarterly Financial Report

(1) Qualitative Information regarding Consolidated Business Results

During the first three quarters (the nine-month period from April 1 to December 31, 2010) of fiscal 2010, the fiscal year ending March 31, 2011, conditions in the Japanese economy were mixed. After signs of an emerging self-sustained recovery leading up to the interim period, business activity stalled entering the third quarter. Taking into consideration concerns of a downturn in overseas operating conditions and the downside risks associated with such factors as foreign currency exchange rate fluctuation, the outlook for the future remains shrouded in uncertainty.

Under these circumstances, the Nippon Coke & Engineering Group witnessed firm growth in the crude steel production of its mainstay blast furnace manufacturing customers and robust demand for coke. As a result, consolidated net sales for the first three quarters of fiscal 2010 amounted to 92,549 million yen, an increase of 24,666 million yen compared with the corresponding period of the previous fiscal year. From a profit perspective, consolidated operating income jumped 6,195 million yen year on year to 9,113 million yen, consolidated ordinary income surged 6,459 million yen to 7,990 million yen and net income climbed 7,650 million yen to 8,990 million yen.

Segment Information

For the reasons identified above, sales in the Coal and Coke Business increased 23,205 million yen compared with the corresponding period of the previous fiscal year to 80,602 million yen. On the earnings front, operating income increased 5,662 million yen year on year to 9,981 million yen.

Sales in the Comprehensive Engineering Business amounted to 8,608 million yen, 1,455 million yen higher than the corresponding period of the previous fiscal year. From a profit perspective, operating income increased 168 million yen year on year to 360 million yen.

Turning to the Other Businesses segment, Nippon Coke & Engineering recorded sales of 3,338 million yen, up 6 million yen year on year. The Company posted operating income of 198 million yen in this segment, an increase of 89 million yen compared to the corresponding period of the previous fiscal year.

(2) Qualitative Information regarding Consolidated Financial Position

Total assets as of December 31, 2010 stood at 132,996 million yen, up 14,714 million yen compared with March 31, 2010. Major movements included increases in raw materials and stored goods, notes and accounts receivable, and other current assets of 5,117 million yen, 4,124 million yen, and 2,262 million yen, respectively.

Total liabilities as of December 31, 2010 stood at 92,764 million yen, up 6,367 million yen compared with the previous fiscal year-end. This mainly reflected increases of 5,664 million yen in notes and accounts payable, 1,081 million yen in income and other taxes payable, and 823 million yen in allowance for environmental development as well as decreases of 856 million yen in long-term loans payable and 765 million yen in short-term loans payable.

Total net assets as of December 31, 2010 stood at 40,231 million yen, up 8,347 million yen compared with the end of the previous fiscal year. This was mainly attributable to the upswing in retained earnings.

(3) Qualitative Information regarding Consolidated Performance Forecasts

Nippon Coke & Engineering released a "Notice Concerning Revision to Its Consolidated Performance Forecast for Fiscal 2010" on October 22, 2010. This revision was based on the underlying assumptions that the cost of coking coal and coke sales prices for the fourth quarter would remain equivalent to levels recorded throughout the third quarter, and that the results of commercial arbitration relating to the improper trading of coal, details of which were disclosed by the Company on October 20, 2009, and which were scheduled to be decided last autumn are yet to be determined.

Thereafter, decisions were made on the cost of coking coal in the fourth quarter and the Company identified definitive projections for coke sales prices. In addition, Nippon Coke & Engineering is working diligently to minimize the damage to coke production and shipment caused by the heavy rain in Australia from the end of the previous year, which resulted in the limited procurement of coking coal, through a number of initiatives including procurement from alternative sources. Taking into consideration the aforementioned factors, the Company has determined that there will be no major movement in its full fiscal year consolidated performance forecasts. Accordingly, the forecasts previously announced on October 22, 2010 remain unchanged.

Recognizing that the results of commercial arbitration are yet to be determined, any subsequent impact has not been factored into the Company's forecasts.

2. Other Information

(1) Outline of Changes in Important Subsidiaries

Not applicable.

While not classified as an important subsidiary, Kyushu Building Systems Co., Ltd. was a consolidated subsidiary. During the first quarter of fiscal 2010, Kyushu Building Systems was excluded from the Company's scope of consolidation due to the sale of all of its shares.

In addition, Nippon Power Graphite Co., Ltd. and Mm Resources Pty Ltd. were included in the Company's scope of consolidation from the first quarter of fiscal 2010. Miike Port Logistics Corporation was included in the Company's scope of consolidation from the third quarter of fiscal 2010. The inclusion of each of these companies is attributable to their importance.

(2) Outline of the Simplified and Special Accounting Methods

(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 is calculated based on the loan loss ratio at the end of the previous fiscal year because the ratio at the end of the first three quarters of the fiscal year under review does not differ significantly from that at the end of the last fiscal year.

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 2010.

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

Not applicable.

(3) Outline of Changes in Accounting Principles, Procedures, Disclosure Methods and Related Standards

(a) Application of the accounting standard for asset retirement obligations

Effective from the first quarter of fiscal 2010, Nippon Coke & Engineering has applied the Accounting Standard for Asset Retirement Obligations (Accounting Standards Board of Japan [ASBJ] Statement No. 18 released on March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21 released on March 31, 2008).

As a result, operating income and ordinary income decreased by 32 million yen, respectively, and income before income taxes and others declined by 112 million yen.

(b) Application of the accounting standard for business combination

Effective from the third quarter of fiscal 2010, Nippon Coke & Engineering has applied the Accounting Standard for Business Combinations (ASBJ Statement No. 21 released on December 26, 2008), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 released on December 26, 2008), Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23 released on December 26, 2008), the Accounting Standard for Business Divestitures (ASBJ Statement No. 7 released on December 26, 2008), the Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16 portion announced on December 26, 2008) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 released on December 26, 2008).

(4) Outline of Important Events regarding Premises as a Going Concern

Not applicable.

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

(In millions of yen)

	End of the First Three Quarters (December 31, 2010)	End of Fiscal 2009 (March 31, 2010)
Assets		
Current assets		
Cash and deposits	5,831	4,510
Notes and accounts receivable	11,618	7,494
Products and manufactured goods	10,773	9,223
Work in progress	1,027	759
Raw materials and stored goods	11,296	6,178
Other	6,310	4,048
Allowance for doubtful accounts	(21)	(26)
Total current assets	46,836	32,187
Fixed assets		
Tangible fixed assets		
Machinery, equipment and transportation	53,425	53,620
Accumulated depreciation	(31,084)	(30,164)
Machinery, equipment and transportation (net)	22,341	23,455
Land	42,231	42,005
Other	23,566	23,440
Accumulated depreciation	(13,950)	(13,607)
Other (net)	9,615	9,832
Total tangible fixed assets	74,188	75,294
Intangible fixed assets		
Other	564	610
Total intangible fixed assets	564	610
Investments and other assets		
Other	11,424	10,203
Allowance for doubtful accounts	(17)	(14)
Total investments and other assets	11,406	10,189
Total fixed assets	86,159	86,093
Total assets	132,996	118,281

(In millions of yen)

	End of the First Three Quarters (December 31, 2010)	End of Fiscal 2009 (March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable	17,561	11,896
Short-term loans payable	48,233	48,998
Income and other taxes payable	1,224	142
Allowance for bonuses	450	768
Allowance for loss on liquidation of affiliated companies	879	1,009
Allowance for loss on inappropriate transactions	705	705
Asset retirement obligations	80	–
Other	5,705	4,841
Total current liabilities	74,839	68,362
Long-term liabilities		
Long-term loans payable	8,851	9,707
Allowance for employee retirement benefits	4,768	4,751
Allowance for director and corporate auditor retirement benefits	171	215
Allowance for environmental development	3,526	2,703
Asset retirement obligations	282	–
Other	325	657
Total long-term liabilities	17,925	18,034
Total liabilities	92,764	86,396
Net assets		
Shareholders' equity		
Capital	7,000	7,000
Capital surplus	1,750	1,750
Retained earnings	31,455	23,290
Treasury stock	(93)	(93)
Total shareholders' equity	40,111	31,947
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	23	22
Profit (loss) on hedge transactions	(21)	(35)
Foreign currency translation adjustments	(1)	(49)
Total valuation and translation adjustments	0	(63)
Minority interests	119	–
Total net assets	40,231	31,884
Total liabilities and net assets	132,996	118,281

(2) Consolidated Quarterly Income Statements

	(In millions of yen)	
	First Three Quarters of Fiscal 2009 (April 1 to December 31, 2009)	First Three Quarters of Fiscal 2010 (April 1 to December 31, 2010)
Net sales	67,883	92,549
Cost of sales	60,484	78,524
Gross profit	7,398	14,024
Selling, general and administrative expenses	4,480	4,911
Operating income	2,917	9,113
Non-operating income		
Interest received	103	88
Foreign currency exchange gain	256	281
Subsidy income	130	-
Other	82	171
Total non-operating income	572	541
Non-operating expenses		
Interest paid	1,162	1,029
Other	796	634
Total non-operating expenses	1,958	1,664
Ordinary income	1,531	7,990
Extraordinary income		
Gain on sale of fixed assets	141	3,343
Other	11	59
Total extraordinary income	153	3,403
Extraordinary loss		
Loss on cancellation/termination of rental contract	165	-
Provision for allowance for environmental development	-	823
Other	348	604
Total extraordinary loss	514	1,427
Income before income taxes and others	1,170	9,965
Income taxes—current	94	1,159
Income taxes—deferred	(265)	(183)
Total income taxes	(170)	976
Income before minority interests	-	8,989
Minority interests	-	(0)
Net income	1,340	8,990

(3) Notes on Assumptions as a Going Concern

Not applicable.

(4) Segment Information

a. Segment information by business type

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

(In millions of yen)

	Coal and Coke 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 and transfers	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 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 2009 (April 1 to December 31, 2009)

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

d. Segment information

1. Overview of reporting segments

The Company's reporting segments are constituent units of the Nippon Coke & Engineering Group for which separate financial information is available. The Company's Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and evaluating operating performance.

The Nippon Coke & Engineering Group classifies its businesses according to the type and characteristics of products and services handled. Each business independently formulates and proposes comprehensive strategies for the relevant products and services handled while engaging in the ongoing development of business activities.

As a result, the Nippon Coke & Engineering Group has identified two reporting segments, the Coal and Coke Business and the Comprehensive Engineering Business, taking into account the individual products and services of its constituent business segments.

In the Coal and Coke Business, the Group engages in the production and sale of coke as well as the sale of coal. In the Comprehensive Engineering Business, the Group is active in the manufacture, sale and maintenance of chemical equipment and machinery as well as the collection, transportation and disposal of industrial waste.

2. Information regarding sales and income (loss) by reporting segment

First three quarters of fiscal 2010 (April 1 to December 31, 2010)

(In millions of yen)

	Reporting Segments			Other Businesses (Note 1)	Total	Adjustment (Note 2)	Amount Reported on Quarterly Consolidated Statement of Income (Note 3)
	Coal and Coke Business	Comprehensive Engineering Business	Total				
Net sales							
(1) Sales to external customers	80,602	8,608	89,210	3,338	92,549	–	92,549
(2) Intersegment sales and transfers	–	656	656	286	942	(942)	–
Total	80,602	9,264	89,866	3,625	93,492	(942)	92,549
Segment operating income (loss)	9,981	360	10,342	198	10,540	(1,427)	9,113

- Notes:
1. The Other Businesses classification is not a business segment included in reporting segments. Activities including cargo handling and the sale and lease of real estate are included in Other Businesses.
 2. The negative adjustment in segment operating income (loss) totaling 1,427 million yen includes 16 million yen representing intersegment eliminations and Companywide expenses totaling 1,411 million yen not allocated to individual reporting segments. Companywide expenses largely comprise general and administrative expenses unrelated to reporting segments. Companywide expenses largely comprise general and administrative expenses unrelated to reporting segments.
 3. An adjustment between segment operating income (loss) and operating income recorded on the quarterly consolidated statement of income has been undertaken.

(Additional Information)

Effective from the first quarter of the fiscal year under review, the Company has adopted the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17 released on March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 released on March 21, 2008).

(5) Notes on Dramatic Fluctuations in Shareholders' Equity

Not applicable.