

August 5, 2011

Consolidated Financial Report for the First Quarter of Fiscal 2011, the Fiscal Year Ending March 31, 2012

Company name: Nippon Coke & Engineering Co., Ltd.
 Listed stock exchange: Tokyo Stock Exchange
 Securities code: 3315
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Scheduled filing date of the Company's quarterly report: August 12, 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 Quarter of Fiscal 2011 (April 1, 2011 to June 30, 2011)

(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 Quarter of Fiscal 2011	30,966	1.7%	4,145	22.0%	4,071	29.6%	2,982	(41.1)%
First Quarter of Fiscal 2010	30,440	29.1%	3,398	177.1%	3,141	344.9%	5,060	875.9%

Note: Comprehensive income: 1Q Fiscal 2011 2,984 million yen (-41.9%) 1Q Fiscal 2010 5,133 million yen (—%)

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
First Quarter of Fiscal 2011	9.88	9.25
First Quarter of Fiscal 2010	16.77	14.38

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)
June 30, 2011	140,060	41,143	29.3%
March 31, 2011	137,000	38,832	28.3%

(Reference) Shareholders' equity: June 30, 2011 41,027 million yen March 31, 2011 38,713 million yen

2. Dividend Information

	Dividends (Yen)				
	End of the First Quarter	End of the Interim Period	End of the Third Quarter	Fiscal Year-End	Total
Fiscal 2010	—	0.00	—	2.00	2.00
Fiscal 2011	—	—	—	—	—
Fiscal 2011 (forecast)	—	0.00	—	2.00	2.00

Note: Revisions to the most recently announced dividend forecasts: No

Note: 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."

3. Consolidated Performance Forecast for Fiscal 2011 (April 1, 2011 to March 31, 2012)

(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	66,000	8.5%	7,000	(3.0)%	6,500	2.6%	4,000	(45.1)%	13.25
Full Fiscal Year	144,000	14.9%	11,000	(12.9)%	10,000	(6.6)%	6,000	(50.3)%	19.65

Note: Revisions to the most recently announced dividend forecasts: Yes

- Notes: 1. With respect to the aforementioned performance forecast, data for net sales has been revised downward since the previous performance forecast data announced on May 13, 2011. Please refer to "Qualitative Information regarding Consolidated Performance Forecasts" in Accompanying Materials on page 2 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 presented as the same amount for fiscal 2010. This is because the figures that form the basis for calculations are currently yet to be determined.

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 Special Accounting Practices for the Preparation of Quarterly Consolidated Financial Statements: No
- (3) Changes in Accounting Principles, Changes in Accounting Estimates, and Retrospective Restatements
- (a) Changes in accounting principles in accordance with revisions to accounting and other standards: No
- (b) Changes in accounting principles other than (a) above: No
- (c) Changes in accounting estimates: No
- (d) Retrospective restatements: No

(4) Shares Outstanding (Common Stock)

(a) Number of shares outstanding as of the end of the period (including treasury stock)	June 30, 2011	302,349,449 shares	March 31, 2011	302,349,449 shares
(b) Number of shares of treasury stock as of the end of the period	June 30, 2011	527,208 shares	March 31, 2011	527,141 shares
(c) Average number of shares for the period (fiscal year-to-date)	First quarter of fiscal 2011	301,822,294 shares	First quarter of fiscal 2010	301,827,806 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 2010	–	–	–	5.02	5.02
Fiscal 2011	–	–	–	–	Yet to be determined
Fiscal 2011 (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 2012. On the basis that the existence or otherwise of Class C preferred shares as of March 31, 2012, the fiscal year-end record date, has not been determined, this information has been presented as "yet to be determined."

Reference: Non-Consolidated Performance Forecast for Fiscal 2011 (April 1, 2011 to March 31, 2012)

(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	
Interim Period	59,500	6.1%	6,500	(7.2)%	6,000	(5.1)%	4,000	(21.9)%	13.25
Full Fiscal Year	130,000	14.3%	10,000	(15.1)%	9,000	(8.9)%	5,500	(46.1)%	17.99

- Notes: 1. With respect to the aforementioned performance forecast, data for net sales has been revised downward since the previous performance forecast data announced on May 13, 2011. Please refer to "Qualitative Information regarding Consolidated Performance Forecasts" in Accompanying Materials on page 2 for more details.
2. 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.

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1. Qualitative Information regarding Quarterly Financial Report

(1) Qualitative Information regarding Consolidated Business Results

During the first quarter (April 1, 2011 to June 30, 2011) of fiscal 2011, the fiscal year ending March 31, 2012, conditions remained harsh throughout the Japanese economy. This was largely attributable to the Great East Japan Earthquake which resulted in a decrease in production and export activity while triggering signs of weak capital investment and personal consumption.

Under these circumstances, and despite a drop in volumes sold in the mainstay Coke Business due to the effect of the quake, the Nippon Coke & Engineering Group reported positive results. Buoyed primarily by an increase in the volume of coal sold, consolidated net sales for the period under review amounted to 30,966 million yen, up 526 million yen compared with the corresponding period of the previous fiscal year. From a profit perspective, consolidated operating income climbed 747 million yen year on year to 4,145 million yen while consolidated ordinary income improved 930 million yen to 4,071 million yen.

Net income for the first quarter of fiscal 2011 came to 2,982 million yen, down 2,077 million yen year on year. This was essentially attributable to the absence of the extraordinary income relating to the gain on the sale of Australian coal mining rights recorded in the corresponding period of the previous fiscal year.

Segment Information

For the reasons identified above, sales in the Coal and Coke-Related Business increased 262 million yen compared with the corresponding period of the previous fiscal year to 27,169 million yen. From a profit perspective, operating income rose 433 million yen year on year to 4,411 million yen.

In the Comprehensive Engineering Business, sales amounted to 2,730 million yen, 237 million yen higher year on year. From a profit perspective, operating income totaled 157 million yen. This was compared with an ordinary loss of 126 million yen in the corresponding period of the previous fiscal year.

Turning to the Other Businesses segment, Nippon Coke & Engineering recorded sales of 1,066 million yen, up 26 million yen year on year. The Company posted operating income of 14 million yen in this segment, a decrease of 9 million yen compared with the corresponding period of the previous fiscal year.

(2) Qualitative Information regarding Consolidated Financial Position

Total assets as of June 30, 2011 stood at 140,060 million yen, 3,060 million yen higher than the end of the previous fiscal year. The principal increases were products and manufactured goods, which increased 3,176 million yen, and raw materials and stored goods, which climbed 1,395 million yen. The major decreases were other in investments and other assets, which decreased 769 million yen; cash and deposits, which contracted 396 million yen; and machinery, equipment and transportation, which declined 234 million yen.

Total liabilities as of the end of the first quarter of fiscal 2011 stood at 98,917 million yen. This represented a 749 million yen increase compared with March 31, 2011. Turning to the principal movements, short-term loans payable climbed 4,677 million yen, other in current liabilities declined 1,653 million yen, notes and accounts payable contracted 872 million yen, allowance for loss on inappropriate transactions decreased 705 million yen and allowance for bonuses fell 426 million yen.

Total net assets as of June 30, 2011 stood at 41,143 million yen, up 2,310 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

With respect to performance forecasts for fiscal 2011, the fiscal year ending March 31, 2012, announced on May 13, 2011, disclosed data was impacted by changes to the method for determining coking coal prices for the Company's mainstay Coke Business. Traditionally, prices were determined on an annual fixed rate basis. Effective from the previous fiscal year, and in negotiation with its suppliers, the price of coking coal is now determined each quarter. With this in mind, computations are based on the assumption that coking coal prices as well as coke sales prices for the period from July 2011 will remain at the same levels recorded in the first April 2011 to June 2011 quarter. On this basis, the performance forecasts were disclosed on a provisional basis as of the date of the announcement.

Taking into consideration current estimates regarding coking coal prices and coke sales prices for the second quarter of fiscal 2011, consolidated net sales performance forecasts for the interim period (second quarter cumulative) were revised downward by 6,000 million yen. On the earnings front, the Company does not anticipate any major fluctuation in consolidated performance forecasts disclosed on May 13, 2011. Accordingly, there are no changes to these previously announced forecasts.

Turning to consolidated performance forecasts for the full fiscal year, and in addition to the aforementioned conditions, both coking coal prices as well as coke sales prices are yet to be determined for the third quarter of fiscal 2011 and beyond. Accordingly, Nippon Coke & Engineering has decided to revise downward the forecast for net sales only by the same aforementioned amount of 6,000 million yen.

2. Items regarding Summary Information (Other Matters)

(1) Changes in Important Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting Practices in the Preparation of Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Principles, Changes in Accounting Estimates, and Retrospective Restatements

Not applicable.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(In millions of yen)

	End of Fiscal 2010 (March 31, 2011)	End of First Quarter of Fiscal 2011 (June 30, 2011)
Assets		
Current assets		
Cash and deposits	4,583	4,187
Notes and accounts receivable	11,765	11,725
Products and manufactured goods	9,000	12,177
Work in progress	916	1,112
Raw materials and stored goods	13,123	14,519
Other	6,561	6,486
Allowance for doubtful accounts	(20)	(20)
Total current assets	45,930	50,188
Fixed assets		
Tangible fixed assets		
Machinery, equipment and transportation	54,927	55,572
Accumulated depreciation	(31,870)	(32,750)
Machinery, equipment and transportation (net)	23,057	22,822
Land	41,818	41,693
Other	29,299	29,360
Accumulated depreciation	(14,149)	(14,245)
Other (net)	15,150	15,114
Total tangible fixed assets	80,026	79,630
Intangible fixed assets		
Other	542	510
Total intangible fixed assets	542	510
Investments and other assets		
Other	10,520	9,750
Allowance for doubtful accounts	(19)	(19)
Total investments and other assets	10,501	9,731
Total fixed assets	91,070	89,872
Total assets	137,000	140,060

(In millions of yen)

	End of Fiscal 2010 (March 31, 2011)	End of First Quarter of Fiscal 2011 (June 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable	20,723	19,850
Short-term loans payable	12,939	17,616
Income and other taxes payable	1,503	1,288
Allowance for bonuses	863	437
Allowance for loss on liquidation of affiliated companies	695	689
Allowance for loss on inappropriate transactions	705	—
Other	6,836	5,183
Total current liabilities	44,268	45,065
Long-term liabilities		
Long-term loans payable	44,956	44,991
Allowance for employee retirement benefits	4,724	4,685
Allowance for director and corporate auditor retirement benefits	181	147
Allowance for environmental development	3,526	3,526
Other	510	500
Total long-term liabilities	53,899	53,851
Total liabilities	98,167	98,917
Net assets		
Shareholders' equity		
Capital	7,000	7,000
Capital surplus	1,750	1,750
Retained earnings	30,067	32,376
Treasury stock	(94)	(94)
Total shareholders' equity	38,723	41,032
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25	23
Profit (loss) on hedge transactions	(56)	(99)
Foreign currency translation adjustments	20	70
Total accumulated other comprehensive income	(10)	(5)
Minority interests	119	116
Total net assets	38,832	41,143
Total liabilities and net assets	137,000	140,060

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Consolidated Quarterly Statements of Income

(In millions of yen)

	First Quarter of Fiscal 2010 (April 1, 2010 to June 31, 2010)	First Quarter of Fiscal 2011 (April 1, 2011 to June 31, 2011)
Net sales	30,440	30,966
Cost of sales	25,435	25,316
Gross profit	5,005	5,650
Selling, general and administrative expenses	1,607	1,505
Operating income	3,398	4,145
Non-operating income		
Interest received	22	64
Dividends received	1	196
Foreign currency exchange gain	257	107
Other	34	31
Total non-operating income	315	399
Non-operating expenses		
Interest paid	352	284
Other	219	188
Total non-operating expenses	572	473
Ordinary income	3,141	4,071
Extraordinary income		
Gain on sale of fixed assets	3,313	14
Reversal of allowance for loss on inappropriate transactions	—	135
Other	58	16
Total extraordinary income	3,372	167
Extraordinary loss		
Loss on disposal of fixed assets	8	78
Loss on application of the accounting standard for asset retirement obligations	80	—
Other	64	32
Total extraordinary loss	153	110
Income before income taxes and others	6,360	4,127
Income taxes—current	1,083	147
Income taxes—deferred	217	1,000
Total income taxes	1,301	1,148
Income before minority interests	5,058	2,979
Minority interests	(1)	(3)
Net income	5,060	2,982

Consolidated Statements of Comprehensive Income

(In millions of yen)

	First Quarter of Fiscal 2010 (April 1, 2010 to June 30, 2010)	First Quarter of Fiscal 2011 (April 1, 2011 to June 30, 2011)
Income before minority interests	5,058	2,979
Other comprehensive income		
Valuation difference on available-for-sale securities	3	(1)
Profit (loss) on hedge transactions	7	(43)
Foreign currency translation adjustments	63	49
Total other comprehensive income	74	4
Comprehensive income	5,133	2,984
(Breakdown)		
Comprehensive income attributable to owners of the parent company	5,134	2,987
Comprehensive income attributable to minority interests	(1)	(3)

(3) Notes on Assumptions as a Going Concern

Not applicable.

(4) Segment Information

a. First Quarter of Fiscal 2010 (April 1, 2010 to June 30, 2010)

Information regarding sales and income (loss) by reporting segment

(In millions of yen)

	Reporting Segments			Other Businesses ¹	Total	Adjustment ²	Amount Reported on Quarterly Consolidated Statement of Income ³
	Coal and Coke Business	Comprehensive Engineering Business	Total				
Net sales							
(1) Sales to external customers	26,907	2,492	29,400	1,040	30,440	–	30,440
(2) Intersegment sales and transfers	–	147	147	34	181	(181)	–
Total	26,907	2,640	29,547	1,074	30,622	(181)	30,440
Segment operating income (loss)	3,977	(126)	3,851	24	3,875	(477)	3,398

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 477 million yen includes 6 million yen representing intersegment eliminations and Companywide expenses totaling 483 million yen not allocated to individual 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.

b. First Quarter of Fiscal 2011 (April 1, 2011 to June 30, 2011)

Information regarding sales and income (loss) by reporting segment

(In millions of yen)

	Reporting Segments			Other Businesses ¹	Total	Adjustment ²	Amount Reported on Quarterly Consolidated Statement of Income ³
	Coal and Coke Business	Comprehensive Engineering Business	Total				
Net sales							
(1) Sales to external customers	27,169	2,730	29,900	1,066	30,966	–	30,966
(2) Intersegment sales and transfers	–	305	305	201	506	(506)	–
Total	27,169	3,035	30,205	1,267	31,473	(506)	30,966
Segment operating income	4,411	157	4,568	14	4,583	(438)	4,145

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 438 million yen includes 6 million yen representing intersegment eliminations and Companywide expenses totaling 444 million yen not allocated to individual 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.

(5) Notes on Dramatic Fluctuations in Shareholders' Equity

Not applicable.