

November 4, 2011

## Consolidated Financial Report for the Interim Period 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: November 11, 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 Interim Period of Fiscal 2011 (April 1, 2011 to September 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	
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
Interim Period of Fiscal 2011	65,243	7.2%	6,994	(3.0)%	6,557	3.5%	4,371	(40.0)%
Interim Period of Fiscal 2010	60,849	27.5%	7,214	239.9%	6,333	413.6%	7,281	628.7%

Note: Comprehensive income: Interim Period of Fiscal 2011 4,309 million yen (-40.3%)  
 Interim Period of Fiscal 2010 7,223 million yen (-%)

	Net Income per Share (Yen)		Diluted Net Income per Share (Yen)	
	Amount	% Change	Amount	% Change
Interim Period of Fiscal 2011	14.48		13.55	
Interim Period of Fiscal 2010	24.12		20.69	

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)
	September 30, 2011	133,433	42,468
March 31, 2011	137,000	38,832	28.3

(Reference) Shareholders' equity: September 30, 2011 42,354 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	—	0.00	—	—	—
Fiscal 2011 (forecast)	—	—	—	2.00	2.00

Notes: 1. Revisions to the most recently announced dividend forecasts: No  
 2. 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 Forecasts 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	Amount
Full Fiscal Year	132,000	5.3%	10,000	(20.8)%	9,000	(16.0)%	5,500	(54.5)%	18.00

Notes: 1. Revisions to the most recently announced performance forecasts: Yes  
 2. The aforementioned performance forecasts represent a revision of the performance forecast data previously announced on August 5, 2011. Please refer to "Qualitative Information regarding Consolidated Performance Forecasts" on page 2 of the Accompanying Materials for more details.  
 3. 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 September 30, 2011. This is because the number of shares that form the basis for calculations is 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): 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)	September 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	September 30, 2011	528,115 shares	March 31, 2011	527,141 shares
(c) Average number of shares for the period (fiscal year-to-date)	Interim period of fiscal 2011	301,822,159 shares	Interim period of fiscal 2010	301,827,267 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 of Japan. 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:
- Revisions to dividend forecasts during the period under review: No
  - 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 4.8625 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 Forecasts 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	
Full Fiscal Year	118,000	3.7%	9,000	(23.6)%	8,500	(14.0)%	5,500	(46.1)%	18.00

- Notes:
- The aforementioned performance forecasts represent a revision of the performance forecast data previously announced on August 5, 2011.  
Performance forecast data previously announced on August 5, 2011:  
Net Sales: 130,000 million yen      Operating Income: 10,000 million yen  
Ordinary Income: 9,000 million yen      Net Income: 5,500 million yen
  - 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 interim period (April 1, 2011 to September 30, 2011) of fiscal 2011, the fiscal year ending March 31, 2012, the Japanese economy continued to experience harsh economic conditions due mainly to the impact of the Great East Japan Earthquake and ongoing appreciation in the value of the yen. Despite a modest recovery in production, export activity and capital investment were weak while crude steel production by the domestic iron and steel industry, the primary users of coke, was soft.

Under these circumstances, and despite a drop in volumes sold in the mainstay Coke Business due to the earthquake disaster, the Nippon Coke & Engineering Group reported positive results. Buoyed primarily by an upswing in the sales price of coke, together with an increase in the volume of coal sold, consolidated net sales for the period under review amounted to 65,243 million yen, up 4,394 million yen compared with the corresponding period of the previous fiscal year. From a profit perspective, consolidated operating income declined 220 million yen year on year to 6,994 million yen while consolidated ordinary income improved 224 million yen to 6,557 million yen.

Net income for the interim period of fiscal 2011 came to 4,371 million, a decrease of 2,909 million year on year. This decline was essentially attributable to the absence of the extraordinary income recorded in connection with the gain on the sale of Australia coal mining rights brought to account during the corresponding period of the previous fiscal year as well as the payment of income and other taxes.

#### *Segment Information*

For the reasons identified above, sales in the Coal and Coke-Related Business increased 3,824 million yen compared with the corresponding period of the previous fiscal year to 56,856 million yen. From a profit perspective, however, operating income contracted 642 million yen year on year to 7,214 million yen.

Sales in the Comprehensive Engineering Business amounted to 6,117 million yen, 530 million yen higher than the corresponding period of the previous fiscal year. From a profit perspective, operating income increased 356 million yen year on year to 544 million yen.

Turning to the Other Businesses segment, Nippon Coke & Engineering recorded sales of 2,269 million yen, up 38 million yen year on year. The Company posted operating income of 86 million yen in this segment, a decrease of 57 million yen compared with the corresponding period of the previous fiscal year.

### (2) Qualitative Information regarding Consolidated Financial Position

Total assets as of September 30, 2011 stood at 133,433 million yen, down 3,567 million yen compared with March 31, 2011. The principal movements included products and manufactured goods which increased 3,257 million yen, as well as other current assets, other investments and other assets, notes and accounts receivable and machinery, equipment and transportation, which decreased 2,510 million yen, 2,066 million yen, 1,505 million yen and 946 million yen, respectively.

Total liabilities as of September 30, 2011 stood at 90,964 million yen, 7,203 million yen lower than the end of the previous fiscal year. The principal increase was in short-term loans payable which climbed 6,102 million yen. The major decreases were notes and accounts payable, long-term loans payable, other current liabilities and income and other taxes payable, which contracted 5,371 million yen, 4,094 million yen, 1,994 million yen and 1,212 million yen, respectively.

Total net assets as of September 30, 2011 stood at 42,468 million yen, up 3,636 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 in the consolidated financial report for the fiscal year ended March 31, 2011 (released 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. Moreover, in the consolidated financial report for the first quarter of fiscal 2011 released on August 5, 2011, the Company took into consideration current estimates regarding coking coal prices and coke sales prices for the second quarter of fiscal 2011. Accordingly, consolidated net sales performance forecasts for the interim period (second quarter cumulative) were revised downward by 6,000 million yen. On the earnings front, Nippon Coke & Engineering announced that there would be no changes to previously released forecast data on the basis that there would be no major fluctuation in consolidated performance forecasts previously disclosed.

Thereafter, a decision was made on the cost of coking coal in the third quarter with successful efforts to reach a definitive projection for coke sales prices. Together with this announcement of the Group's performance for the interim

period of fiscal 2011, Nippon Coke & Engineering has revised its consolidated performance forecasts for the full fiscal year. In specific terms, net sales are projected to reach 132,000 million yen, 12,000 million yen lower than the previously announced forecast. The forecast for operating income is revised to 10,000 million yen, down 1,000 million yen. Ordinary income and net income are expected to come in at 9,000 million yen and 5,500 million yen, respectively. This represents a 1,000 million yen and 500 million yen decline in previously announced forecasts for ordinary income and net income, respectively.

Consolidated performance forecasts for the full fiscal year are computed based on the assumption that coking coal prices and coke sales prices for the fourth quarter will remain at the same levels as the third quarter.

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 the Interim Period (September 30, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	4,583	4,052
Notes and accounts receivable	11,765	10,260
Products and manufactured goods	9,000	12,258
Work in progress	916	1,344
Raw materials and stored goods	13,123	12,882
Other	6,561	4,050
Allowance for doubtful accounts	(20)	(20)
Total current assets	45,930	44,829
Fixed assets		
Tangible fixed assets		
Machinery, equipment and transportation	54,927	55,736
Accumulated depreciation	(31,870)	(33,625)
Machinery, equipment and transportation (net)	23,057	22,110
Land	41,818	41,599
Other	29,299	30,246
Accumulated depreciation	(14,149)	(14,315)
Other (net)	15,150	15,930
Total tangible fixed assets	80,026	79,640
Intangible fixed assets		
Other	542	526
Total intangible fixed assets	542	526
Investments and other assets		
Other	10,520	8,454
Allowance for doubtful accounts	(19)	(18)
Total investments and other assets	10,501	8,436
Total fixed assets	91,070	88,604
Total assets	137,000	133,433

(In millions of yen)

	End of Fiscal 2010 (March 31, 2011)	End of the Interim Period (September 30, 2011)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	20,723	15,352
Short-term loans payable	12,939	19,042
Income and other taxes payable	1,503	291
Allowance for bonuses	863	905
Allowance for loss on liquidation of affiliated companies	695	678
Allowance for loss on inappropriate transactions	705	–
Provision for loss on litigation	–	200
Other	6,836	4,842
<b>Total current liabilities</b>	<b>44,268</b>	<b>41,311</b>
Long-term liabilities		
Long-term loans payable	44,956	40,862
Allowance for employee retirement benefits	4,724	4,700
Allowance for director and corporate auditor retirement benefits	181	142
Allowance for environmental development	3,526	3,526
Other	510	420
<b>Total long-term liabilities</b>	<b>53,899</b>	<b>49,652</b>
<b>Total liabilities</b>	<b>98,167</b>	<b>90,964</b>
Net assets		
Shareholders' equity		
Capital	7,000	7,000
Capital surplus	1,750	1,750
Retained earnings	30,067	33,765
Treasury stock	(94)	(94)
<b>Total shareholders' equity</b>	<b>38,723</b>	<b>42,421</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25	22
Profit (loss) on hedge transactions	(56)	(121)
Foreign currency translation adjustments	20	31
<b>Total accumulated other comprehensive income</b>	<b>(10)</b>	<b>(67)</b>
Minority interests	119	114
<b>Total net assets</b>	<b>38,832</b>	<b>42,468</b>
<b>Total liabilities and net assets</b>	<b>137,000</b>	<b>133,433</b>

**(2) Consolidated Quarterly Statements of Income and Comprehensive Income**

## Consolidated Quarterly Statements of Income

(In millions of yen)

	Interim Period of Fiscal 2010 (April 1, 2010 to September 30, 2010)	Interim Period of Fiscal 2011 (April 1, 2011 to September 30, 2011)
Net sales	60,849	65,243
Cost of sales	50,417	55,053
Gross profit	10,432	10,189
Selling, general and administrative expenses	3,218	3,195
Operating income	7,214	6,994
Non-operating income		
Interest received	51	125
Dividends received	71	240
Other	132	123
Total non-operating income	254	488
Non-operating expenses		
Interest paid	704	566
Other	430	358
Total non-operating expenses	1,135	925
Ordinary income	6,333	6,557
Extraordinary income		
Gain on sale of fixed assets	3,338	122
Reversal of allowance for loss on inappropriate transactions	–	135
Other	59	23
Total extraordinary income	3,398	281
Extraordinary loss		
Loss on disposal of fixed assets	60	99
Loss on litigation related expenses	–	208
Provision for allowance for environmental development	823	–
Other	250	83
Total extraordinary loss	1,134	391
Income before income taxes and others	8,597	6,448
Income taxes—current	1,127	317
Income taxes—deferred	190	1,763
Total income taxes	1,318	2,081
Income before minority interests	7,279	4,366
Minority interests	(2)	(5)
Net income	7,281	4,371

## Consolidated Quarterly Statements of Comprehensive Income

(In millions of yen)

	Interim Period of Fiscal 2010 (April 1, 2010 to September 30, 2010)	Interim Period of Fiscal 2011 (April 1, 2011 to September 30, 2011)
Income before minority interests	7,279	4,366
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(2)
Profit (loss) on hedge transactions	8	(65)
Foreign currency translation adjustments	(64)	10
Total other comprehensive income	(56)	(56)
Comprehensive income	7,223	4,309
(Breakdown)		
Comprehensive income attributable to owners of the parent company	7,225	4,314
Comprehensive income attributable to minority interests	(2)	(5)

**(3) Notes on Assumptions as a Going Concern**

Not applicable.

**(4) Segment Information**

a. Interim Period of Fiscal 2010 (April 1, 2010 to September 30, 2010)

Information regarding sales and income (loss) by reporting segment

(In millions of yen)

	Reporting Segments			Other Businesses <sup>1</sup>	Total	Adjustment <sup>2</sup>	Amount Reported on Quarterly Consolidated Statement of Income <sup>3</sup>
	Coal and Coke Business	Comprehensive Engineering Business	Total				
Net sales							
(1) Sales to external customers	53,031	5,587	58,618	2,230	60,849	–	60,849
(2) Intersegment sales and transfers	–	567	567	70	638	(638)	–
Total	53,031	6,155	59,186	2,301	61,488	(638)	60,849
Segment operating income	7,857	188	8,045	143	8,189	(974)	7,214

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 totaling 974 million yen includes 21 million yen representing intersegment eliminations and Companywide expenses totaling 953 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 and operating income recorded on the quarterly consolidated statement of income has been undertaken.

b. Interim Period of Fiscal 2011 (April 1, 2011 to September 30, 2011)

Information regarding sales and income (loss) by reporting segment

(In millions of yen)

	Reporting Segments			Other Businesses <sup>1</sup>	Total	Adjustment <sup>2</sup>	Amount Reported on Quarterly Consolidated Statement of Income <sup>3</sup>
	Coal and Coke Business	Comprehensive Engineering Business	Total				
Net sales							
(1) Sales to external customers	56,856	6,117	62,974	2,269	65,243	–	65,243
(2) Intersegment sales and transfers	–	527	527	415	942	(942)	–
Total	56,856	6,645	63,501	2,684	66,186	(942)	65,243
Segment operating income	7,214	544	7,759	86	7,845	(851)	6,994

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 totaling 851 million yen includes 12 million yen representing intersegment eliminations and Companywide expenses totaling 864 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 and operating income recorded on the quarterly consolidated statement of income has been undertaken.

**(5) Notes on Dramatic Fluctuations in Shareholders' Equity**

Not applicable.