



Supporting people and society through mining development

Nittetsu Mining provides the world with a wide array of mineral resources from its numerous mines in Japan and other countries.

We own many limestone mines in Japan—including the largest, the Torigatayama Quarry Complex—from which we sell limestone to domestic manufacturers of steel, cement, and other essential products in addition to exporting to Australia, Taiwan, and other countries.

Our limestone and other important materials are used in many industries to create the things we need to live.

Torigatayama Quarry Complex (limestone mine)

Share of limestone supply for steelmaking in Japan:

40%+

Note: Nittetsu Mining survey

Japan's leading supplier of limestone for steelmaking

Nittetsu Mining Co., Ltd. was founded on May 20, 1939 when the mining division was separated from the former Japan Iron & Steel Co., Ltd. in order to develop and secure coal, iron ore, and other raw materials for steelmaking. Our uninterrupted involvement in mining development since then has given us the technology to seamlessly handle all aspects of mining, from prospecting and assessment to excavation and ore processing. Through our efforts to leverage this technology to provide a stable supply of mineral resources, we have established long-standing, trust-based relationships with steelmakers, cement manufacturers, and other clients. In particular, we have long been Japan's top supplier of limestone for steelmaking.

Robust technology to help build a sustainable society

We are researching, developing, and engineering new products and materials to serve as the core of new businesses based on the wealth of mining development technology and experience we have amassed over the years.

We harness the collective strengths of the Group in our business segments—including machinery & environmental engineering centered on environmentally friendly products, real estate, and renewable energy—to help create a prosperous society in the future.

Preserving the global environment with renewable energy

We are making proactive efforts to use renewable energy to conserve the global environment, such as using large-diameter drilling technology to supply geothermal steam and using the sites of former mines for solar power and small-scale hydropower generation.

Kagoshima Geothermal Facility (supplying geothermal steam)

Creating an ideal society through technology

Wastewater treatment agents

Polytetsu, our inorganic iron flocculant with excellent coagulation sedimentation and sludge dehydration effects, purifies household and industrial wastewater to help conserve water resources and ecosystems.

Dust collectors

Sinter Lamellar Filter, our resin-sintered element with high collection efficiency, removes potentially unhealthy dust to help create safe working environments and prevent air pollution.

Deodorizing smoke separators

PLASMA DASH, our deodorizing smoke separator, delivers excellent air purification effects to create comfortable environments by removing tobacco odors and other contaminants from the air.

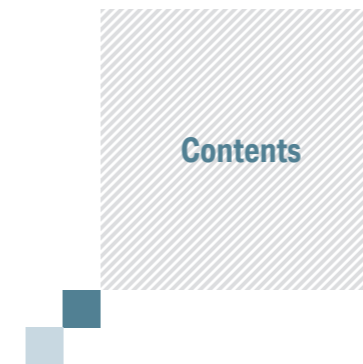
Management Policy

The Nittetsu Mining Group aims to contribute to the creation of a prosperous society in the future and to be a company where each and every employee can work with high motivation and pride.

Code of Conduct

Recognizing that a corporation is a member of society, the executives and employees of the Nittetsu Mining Group establish this Code of Conduct that requires us to abide by all laws, engage in sensible corporate activities, and contribute to our own sustainable development and the creation of a vibrant society.

- 1 We provide high-quality, safe products and services to customers that meet the needs of the time.
- 2 As a member of society, we live up to the trust placed in us as we co-exist with local communities.
- 3 Executives and employees create a bright, safe workplace that empowers self-realization and where work is done in good faith and in compliance with all laws and regulations.
- 4 We fulfill the trust and expectations of society by appropriately disclosing information as needed to shareholders and investors.
- 5 We consider environmental conservation by effectively utilizing resources and by promoting recycling.
- 6 We take a resolute stance against antisocial forces and have no relationships with them.



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Editorial Policy

The 2022 Integrated Report ("this report") is a collection of important information to help shareholders, investors, and other stakeholders understand Nittetsu Mining in terms of our management policy, business strategies, and other financial aspects as well as our ESG efforts and other non-financial aspects. We view this report as a vital tool for communicating with stakeholders, and we intend to enhance it further in the future.

Timeframe

In general, this report focuses on activities that occurred from April 1, 2021 to March 31, 2022. However, this report also contains information about initiatives that started before then as well as more recent activities.

Scope

In general, this report focuses on Nittetsu Mining Co., Ltd. and the Nittetsu Mining Group.

The products that appear in this report—Polytetsu, Sinter Lamellar Filter, and PLASMA DASH—are trademarks of Nittetsu Mining Co., Ltd.

Our Path to Becoming an Integrated Mineral Resources Company

Origins of Nittetsu Mining

1899
Nittetsu Mining traces its origins to the Futase Mine established to serve as the Raw Materials Department for procuring coke and general fuels for the state-owned Yahata Steel Works, Japan's first integrated steel manufacturer.



1934
Japan Iron & Steel Co., Ltd. was established with funds from the state-owned Yahata Steel Works and four other private-sector companies, and took over the Futase Mine.



1939
Nittetsu Mining was established separately from Japan Iron & Steel Co., Ltd. to develop and secure coal, iron ore, limestone, and other raw materials for steelmaking. Nittetsu Mining took over mines in Japan, including the Futase Mine (coal) and the Kamaishi, Kucchan, and Akatani mines (iron ore).



1951
Entered the securities business by participating in the management of Kanto Securities Co., Ltd.

1956
Expanded into the machinery business by investing in Kobukuro Kosakusho Co., Ltd., a manufacturer of coal mining machinery

1968
Entered the copper smelting business by co-financing the establishment of Hibi Kyodo Smelting Co., Ltd. with MITSUI MINING & SMELTING CO., LTD.

1972
Withdrew from coal production with the closing of the Ioujima Quarry Complex

1971
Established the Torigatayama Quarry Complex

1973
Established the Machinery Sales Department

1975
Started operations at the Qaleh-Zari Copper Mine in Iran (sold to a national Iranian copper industries company in December 1991)

1979
Released inorganic iron flocculant Polytetsu as a product under management of the Machinery Sales Department

1985
Released Sinter Lamellar Filter
Established the Chemical Products Sales Division (changed name to Environmental Sales Department in April 1993 and integrated a portion of the business into the Mineral Resources Division)

1989
Established the Real Estate Division

1990
With NIPPON STEEL CORPORATION, co-financed the establishment of Nittetsu Kagoshima Geothermal Co., Ltd. (absorbed into Nittetsu Mining in April 2013)

1991
Started operations at the El Roble Copper Mine (Colombia) (sold to a Colombian corporation in June 1998)

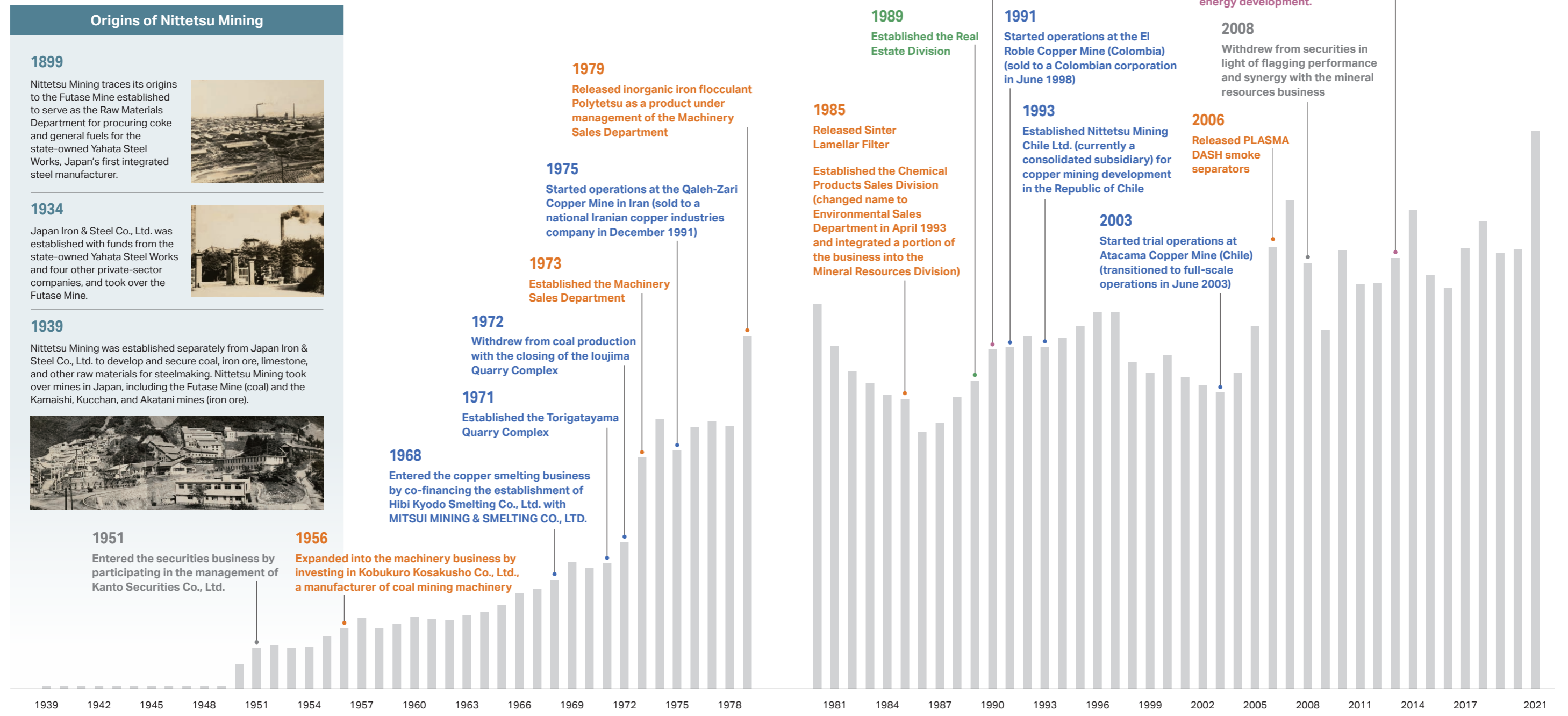
1993
Established Nittetsu Mining Chile Ltd. (currently a consolidated subsidiary) for copper mining development in the Republic of Chile

2003
Started trial operations at Atacama Copper Mine (Chile) (transitioned to full-scale operations in June 2003)

2006
Released PLASMA DASH smoke separators

2008
Withdrew from securities in light of flagging performance and synergy with the mineral resources business

2013
Launched solar power generation business when we started selling electricity from the Toyako Mega Solar Power Plant. Established the Renewable Energy Department to promote natural energy development.



Note: The bars on the graph represent non-consolidated net sales each year

World events

- Nixon Shock
- First Oil Crisis
- Second Oil Crisis
- Plaza Accord
- Collapse of Japan's bubble economy
- September 11 attacks in the USA
- Collapse of Lehman Brothers
- Great East Japan Earthquake
- COVID-19 pandemic

Nittetsu Mining's business segments

- Nonmetallic minerals
- Metallic minerals
- Coal
- Machinery & environmental engineering
- Real estate
- Renewable energy
- Securities

Message from the President

Reiichi Morikawa

Representative Director and President

Stably supplying minerals resources to help create a prosperous future



Thoughts on more than 80 years of history

The Nittetsu Mining Group is an integrated mineral resources company with an 83-year history.

We trace our origins to the Futase Mine established to serve as the Raw Materials Department of the state-owned Yahata Steel Works, Japan's first integrated steel manufacturer. In 1939, the department was separated from Japan Iron & Steel Co., Ltd. (the forerunner of NIPPON STEEL CORPORATION) to

develop and secure coal, iron ore, limestone, and other raw materials for steelmaking. We formed a corporate group as we took over mines in Japan and the rest of the world. Since our establishment, we have continuously fulfilled our mission and responsibility to provide a stable supply of mineral resources to steelmakers and other members of core industries of Japan.

Over the past 83 years, we have developed an accurate understanding of the rapidly changing circumstances surrounding mineral and energy resources and used our findings to advance and develop our business. Specifically, we expanded beyond coal into metals, namely iron and copper ores. Later, against a backdrop of dwindling domestic resources, we pivoted to limestone, a nonmetal mineral resource, and continued expanding abroad in search of metal resources to the point where we grew into the mining-based integrated mineral resources company we are today.

Although we anticipate that circumstances surrounding mineral and energy resources will continue to change substantially—for example due to the worldwide push to achieve carbon neutrality as a means of mitigating climate change—we also expect the steel, cement, and other industries to which we consistently supply mineral resources to continue to remain indispensable in the quest to create a carbon-neutral society. We intend to continue fulfilling our role as an integrated mineral resources company by providing a stable supply of raw materials to support core industries in Japan and around the world.

Resolute corporate culture

The mining business requires a long-term approach. Everything starts with studies and development, and it takes 10 years or more of time and management resources to launch operations. Once operations finally begin, they continue for decades—even beyond the century mark in the longest cases. There is an old saying that every mine has a family. It describes how everyone who works at a coal mine or other type of mine is part of a family, because this line of work naturally breeds a strong sense of camaraderie and spirit of cooperation. I believe such characteristics of the mining business, when viewed from a long-term perspective, have fostered the Group's corporate culture of cooperating as we engage in our work. We have always been keenly aware of the negative impact

mining operations have on surrounding communities, and have a long-standing, firmly rooted inclination to prevent pollution from mining and take other steps to protect the environment and contribute to communities.

However, self-initiated change is also important if we are to be a sustainable company that lasts for another 100 or 200 years. Members of the younger generation are particularly sensitive to trends in the world. Amid sweeping changes in the business environment, it is essential for us to create working environments where our future leaders feel free to engage in open and broad-minded discussion about their views. If we can create more of these kinds of workplaces, we can further accelerate the growth of our business.

Productive investment in future growth (Medium-Term Management Plan)

Now is the time to pave a steady path toward the growth we aim to achieve in the near future. In May 2021, the Group published the Second Medium-Term Management Plan. We view the three-year term of the plan, which started in FY2021, as the time to make large-scale investments in the sustainable growth of the Group. Toward that end, we have two primary tasks to achieve while maintaining our financial health and securing the earnings we need to make these major investments. The first is to respond flexibly to changes in domestic and international demand, namely the restructuring of steelmakers, the main buyers of limestone. The second is to strike a balance between

business activities and contributions to initiatives to achieve carbon neutrality and other SDGs.

In FY2021, the first year of the three-year plan, we enjoyed higher revenue and profits than the previous year thanks in part to rising copper prices in the Metallic Minerals Division of our mineral resources business, and thus exceeded the targets for net sales and operating profit. We are making great progress with our large-scale investments as well. Construction of the third shaft at the Torigatayama Quarry Complex, our main limestone mine, is under way with the aim of prolonging the capacity of the complex to provide a stable supply of limestone. We expect to begin

full-scale operation in FY2023. At the Hachinohe Mine, a new mining area under development, we have already begun extraction in a limited capacity with an eye on full-scale operation during the next Medium-Term Management Plan. Additionally, although development at the Arqueros Copper Mine in Chile, which is in the development preparation stage, has been slower than expected due in part to the COVID-19 pandemic and delays in the environmental license application, detailed design, and other processes, we aim to launch full-scale operations during the next Medium-Term Management Plan.

We will expand limestone exports and take other steps to mitigate concern that domestic demand for limestone will fall in the future given the restructuring of



steelmakers, its main buyers. Specifically, we have set the goal to expand exports to Asia, Oceania, and other areas of the Pacific Rim where demand continues to grow, and will achieve it by leveraging the production and shipping capacity and high quality of the Torigatayama mines—Japan's most productive—as well as identifying new demand and optimizing production and sales efforts in response to future changes in demand.

In the Metallic Minerals Division, we aim to optimize synergy by more efficiently cycling between smelting and mining. The upcoming opening of the Arqueros Mine will allow the Group to supply nearly 30,000 tons of copper per year when added to the capacity of the ATACAMA KOZAN Mine. This will be a major step toward realizing an earnings structure that is more robust against external factors such as the shifting terms of ore sales agreements.

With regard to other business segments, we are confident that the push toward carbon neutrality will present business opportunities in machinery & environmental engineering and renewable energy because they are centered on environmentally friendly products. We are also looking into new product development to lead us into new markets, constructing local production plants in Taiwan and Southeast Asia with an eye toward further overseas expansion, and constructing new geothermal power stations.

Working toward sustainable growth

To ensure the success of large-scale investments in upcoming growth and continue to rely on existing business to grow, we must make the Group's management and organizational operation more sustainable.

As I mentioned earlier, to operate the business that requires a long-term approach, we made the decision long ago to devote ourselves to a management style that is considerate of the environment and society. It is safe to say that we were engaging in sustainability management long before it became a popular topic as it has in the past several years. Nonetheless, in an effort to explicitly state our stance on sustainability to the public going forward, we formulated a new management policy—to contribute to the creation of a prosperous society in the future and to be a company where each and every employee can work with high motivation and pride—in addition to enacting our Basic Policy on Sustainability as a subordinate concept and

identifying material issues to achieve the policy.

We intend to implement business activities in earnest based on the Basic Policy on Sustainability to advance toward the realization of our management policy. Efforts to realize our management policy are the actions we take for the benefit of society to fulfill our *raison d'être* as a Group. The material issues we identified as specific targets cannot be resolved overnight; therefore, we must set out detailed KPIs and make steady progress toward achieving them.

This integrated report—our first—is our statement on sustainability management, and by publishing it, we share it with the world as well as within the Group. I hope this report helps you understand how the Group is developing business while fully considering society and the environment, continuing to fulfill our mission to provide a stable supply of raw materials to steelmakers and other members of core industries, and enhancing sustainability management.

Satisfying all stakeholders

In terms of outside sales, we provide the largest volume of limestone in Japan and shoulder the responsibility of supplying the critical raw materials including steel, cement, aggregates, and others that underpin infrastructure. Copper is another essential material for infrastructure, and demand for it is certain to grow as electrification progresses in pursuit of carbon neutrality. Our mission is to provide a stable supply of high-quality mineral resources in addition to contributing to environmental conservation on a global scale and doing our part to create a prosperous society in the future.

It goes without saying that our employees are the ones who must achieve sustainable growth for the Group. I am grateful for the efforts of our employees

who earnestly perform their duties with a selfless, team-first attitude, and am committed to improving the working environment so that they can continue to find fulfillment in their work.

I intend to fulfill my management duties with a constant focus on determining the most balanced ways to contribute not only to the happiness of our employees, but also of our customers, clients, local communities, shareholders, investors, and other stakeholders.

I hope you see a bright future ahead for the Nittetsu Mining Group as we work to contribute to the happiness of all stakeholders and help create a prosperous society in the future.



Nittetsu Mining's Value Creation

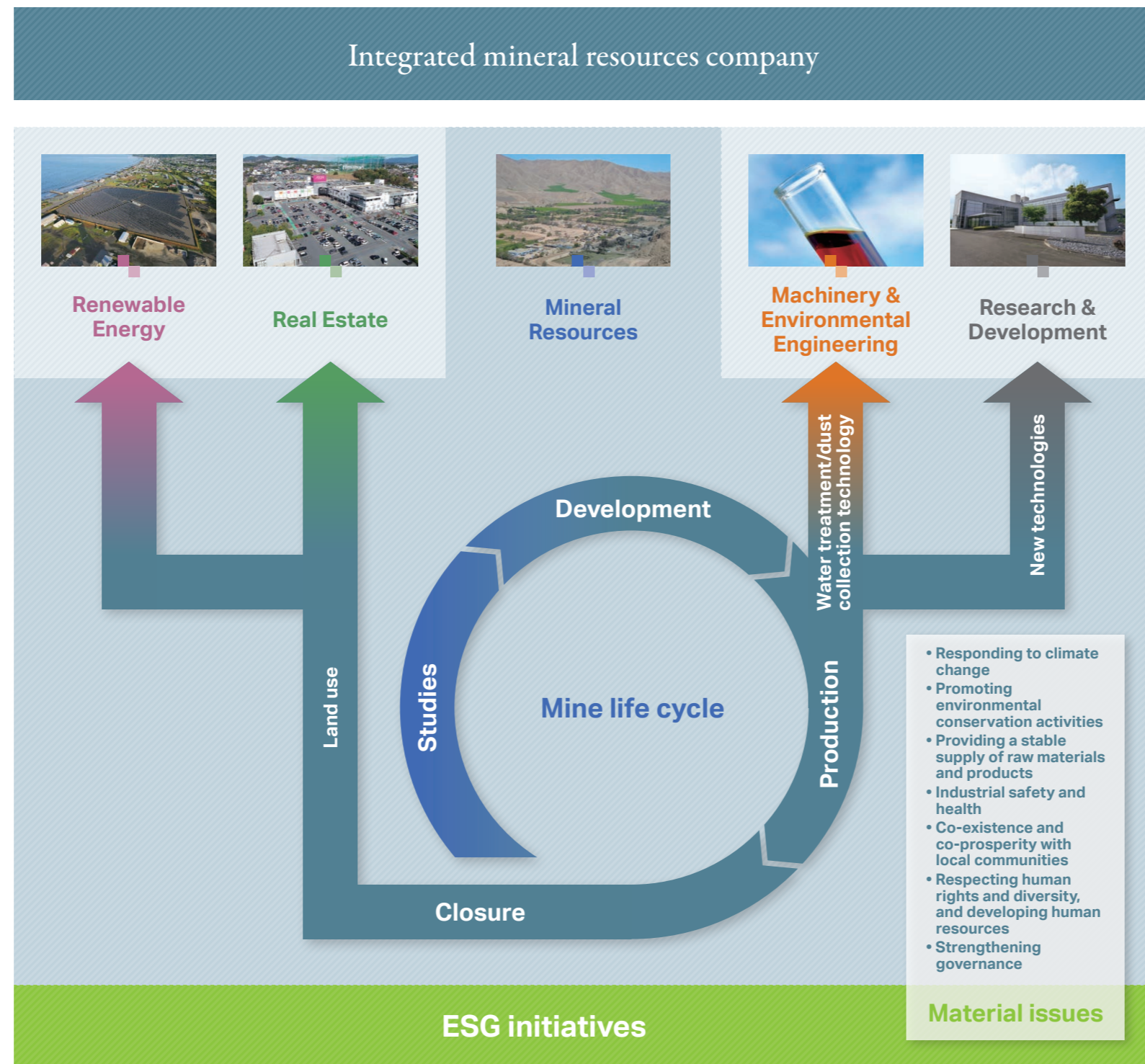
Societal issues

Society-wide sustainability

- Climate change, pollution
- Economic stratification, regional inequalities
- Demographic challenges (Japan: Low birthrate, aging population)
- Racial/social discrimination
- Forced labor, child labor, industrial accidents

Management resources

- **Financial capital**
Consolidated net assets — 126,371 million yen
Interest-bearing liabilities — 22,957 million yen
- **Manufacturing capital**
Business locations — 7
Limestone, geothermal steam supply, etc.
Head offices/branch offices — 5
Sales offices — 6
Overseas offices — 2
Affiliate companies — 23
Limestone, copper concentrates, exploration, machinery & environmental engineering, etc.
Works/quarries — 6
Crushing, machinery & environmental engineering, etc.
Laboratories — 1
- **Intellectual capital**
Research and development expenses — 750 million yen
Number of patents owned — 56
- **Human capital**
Number of employees (Group) — 2,019
- **Social/relationship capital**
Trust-based relationships with clients
Co-existence and co-prosperity with local communities
- **Natural capital**
Operating mines — 14
Limestone mines in Japan, crushing, copper mines overseas
Total area of mining areas — 315 km²
Prospecting and mining rights in Japan
Former mines
Acquiring forest certification for properties, repurposing properties for new business



Total limestone production

24,380,000 tons

Total crushed stone production

2,986,000 tons

Total calcium carbonate production

476,000 tons

Total copper concentrate production

43,000 tons

Total sales of Polytetsu

216,000 tons

(Group wide)

Creating industrial infrastructure



Local development/employment



Helping resolve environmental and societal issues



Promoting carbon neutrality



Achieve sustainable growth by contributing to society through the development and stable supply of mineral resources and by harnessing the collective strengths of the Group as an integrated mineral resources company.

Medium-Term Management Plan

Long-Term Vision

Achieve sustainable growth by contributing to society through the development and stable supply of mineral resources and by harnessing the collective strengths of the Group as an integrated mineral resources company.

First Medium-Term Management Plan
Strengthen management infrastructure

Second Medium-Term Management Plan
Execute large-scale investments

We will steadily implement large-scale investments, aiming to acquire resources for sustainable growth. We will allocate management resources in response to demand trends in Japan and overseas.

The current medium-term management plan period is a time for full-fledged implementation of large-scale investments with an eye to future growth. The third shaft at the Torigatayama Quarry Complex (limestone) is under construction with the aim of beginning full-scale operation in FY2023. We will proceed with development at the new mining area at the Hachinohe Mine, already under development, and at the Arqueros Copper Mine, which is in the development preparation stage, aiming for full-scale operation in the next medium-term management plan period.

We recognize that it is important to respond flexibly to demand trends in Japan and overseas, especially in relation to structural reform at steel manufacturers, which are major purchasers of limestone, while securing profits that can handle such active investments and maintaining financial soundness.

For this reason, we will work to identify growth areas and develop demand in all our businesses, and strive to balance our SDGs initiatives with our business activities.

Business activity	Relevance	Related SDGs
Mineral Resources	Contribute to the development of industrial infrastructure, regional development, and employment	8, 9
	Operation of an environmental management system in accordance with ISO 14001 (certification obtained for all limestone mines under direct control)	3, 13
	In-house generation of electricity by long distance conveyor belt (Torigatayama) Future initiatives • Micro power generation using water from mine shafts and solar power generation for offices and company-owned land • Collaborate with local governments to use public water for small-scale hydropower generation • Cooperate with manufacturers to consider hybridization and electrification of heavy mining equipment	7, 13
	Reuse steel slag and copper slag, and increase procurement of recycled raw materials to Tamano Smelter	12, 13
	Greening and appropriate maintenance of former mine sites (used effectively in some real estate projects) and sedimentation sites Forest certification system: Operate in accordance with SGEC (certification acquired in company-owned forest in Hokkaido)	12, 13, 15
Machinery & Environmental Engineering	Production and sale of wastewater treatment agents, dust collectors and deodorizers	3, 6, 14, 15
	Water purification for sewage treatment and industry effluent	3, 6, 14, 15
	Use of recycled materials and coagulation to save energy in factories	3, 6, 14, 15
Renewable Energy	Improve air quality through dust collection and deodorization	3, 11, 13
	Supply steam to geothermal power station Solar and small-scale hydropower generation Future initiatives • Pursue sustainability of renewable energy • Construction of our own geothermal power station • Study and promote introduction of renewable energy for in-house power generation and consumption throughout the Group	7, 12, 13
R&D Department	Develop new products and materials that will contribute to existing and new businesses Future initiatives • Research hydrogen recovery from hydrogen sulfide • Research CO ₂ absorption and fixing in mineral products and waste*	7, 12, 13

* We are revising some future initiatives to better match present circumstances.

Financial Indicators and Medium- to Long-Term Management Goals

- We will improve our ROA (return on assets) in order to improve operating profit through the efficient operation of total capital.
- We will maintain a stable capital adequacy ratio.

	ROA (operating profit)			Stable capital adequacy ratio	
	Operating margin	Total capital turnover			
	Increase profitability by improving quality and controlling costs	Improve capital efficiency by reducing debt and cross-shareholdings		<ul style="list-style-type: none"> • Long-term life cycle of the mining industry • Preparation of investment for sustainable growth 	
				Temporary decline due to full-fledged investment period	Investment recovery and next investment preparation period
	FY2019 Results	FY2020 Results	FY2021 Results	FY2023 Plan	Medium- to long-term goals
Operating margin	6.4%	7.3%	10.5%	6% or more	8% or more
Total capital turnover	0.68	0.66	0.77	0.7 or more	0.9 or more
ROA (operating profit)	4.4%	4.8%	8.1%	4% or more	7% or more
Capital adequacy ratio	57.5%	58.9%	60.7%	57.5% or more	60% or more

Numerical Target

(Assumptions) Exchange rate: ¥105 = US\$1, copper price: 350 cents/pound (\$7,716/ton) (Billions of yen)

	FY2019 Results	FY2020 Results	FY2021 Results (plan)	FY2022 Plan	FY2023 Plan
Net sales	117.5	119.1	149.0 (128.4)	125.6	123.8
Operating profit	7.5	8.7	15.7 (9.4)	9.0	7.3

Our plan assumes net sales to hold steady for the most part. Regarding limestone, we plan to counteract the drop in sales because of the ongoing consolidation of blast furnaces due to the restructuring of steelmakers—the main buyers of limestone—by expanding exports to Asia, Oceania, and other areas where economic growth is substantial. We also aim to expand exports of high-grade limestone from Torigatayama, which features loading facilities compatible with large vessels. We expect copper sales to hold steady as well, but will increase sales once the new copper mine comes online during the next Medium-Term Management Plan. Additionally, we are aiming to expand sales in machinery & environmental engineering (mainly environmentally friendly products).

Financial Plan and Capital Investment Plan

	FY2019 Results	FY2020 Results	FY2021 Results (plan)	FY2022 Plan	FY2023 Plan
EBITDA	12.9	14.0	21.1 (15.2)	14.8	15.4
Capital investment	8.8	7.5	11.0 (12.1)	13.2	17.3
Depreciation	5.3	5.3	5.4 (5.8)	5.8	8.1

Notes: 1. EBITDA: Operating profit + depreciation. 2. Capital investment: (FY2021 to FY2023) Including the stripping activity asset.

We plan to invest in the following three endeavors to bring our total investment in development toward sustainable growth to 29,000 million yen (during the Second Medium-Term Management Plan).

- **Constructing a third shaft at Torigatayama**
The largest-scale construction project since the complex opened is under way with the aim of starting full-scale operations during FY2023. The goal is to sustain our stable supply of limestone and use and extract mineral resources more effectively and efficiently.
- **Developing the Hachinohe Mine, a new mining area**
We will start development and perform initial stripping and river rerouting work to create the next major extraction area. We began extraction in a limited capacity in FY2021 and aim to complete the construction work during FY2024.
- **Developing the Arqueros Copper Mine**
With regard to the environmental license application and detailed design processes, progress has been slower than expected due in part to the COVID-19 pandemic. As of now, we aim to launch operations during FY2024.

Overview of Business Segments

Mineral Resources

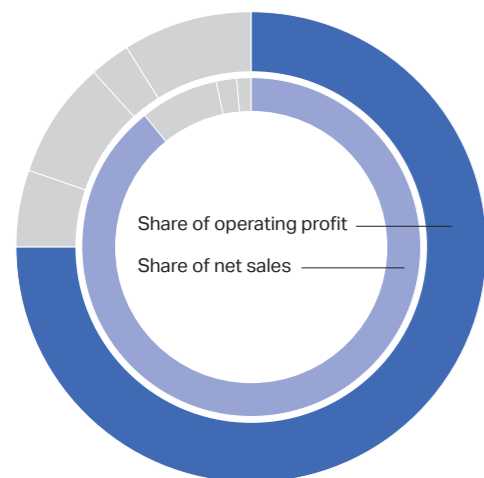


The Nonmetallic Minerals Division boasts the top level of limestone production in Japan on the strength of our limestone mines throughout the country, including the largest in Japan: the Torigatayama Quarry Complex.

The Metallic Minerals Division operates the Atacama Copper Mine of the Republic of Chile in South America and smelts electrolytic copper on consignment from Hibi Kyodo Smelting Co., Ltd.

Our business strategies in this segment ▶ P. 19

Net sales 133,124 million yen
Operating profit 14,296 million yen



Machinery & Environmental Engineering

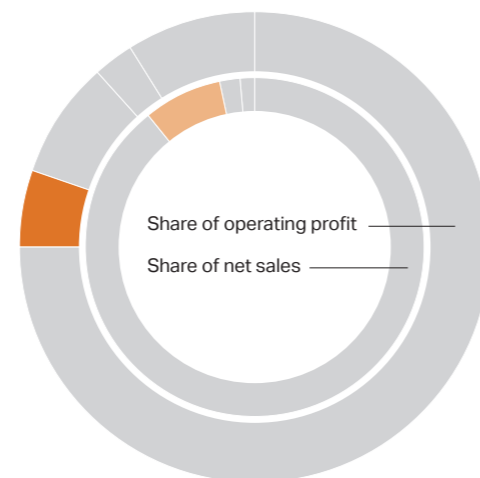


The Environment Division supplies wastewater treatment agents, with a special emphasis on our inorganic iron flocculant, Polytetsu.

The Machinery Division satisfies a broad range of needs with dust collectors and other environmentally friendly products as well as general industrial machinery.

Our business strategies in this segment ▶ P. 20

Net sales 11,345 million yen
Operating profit 1,000 million yen



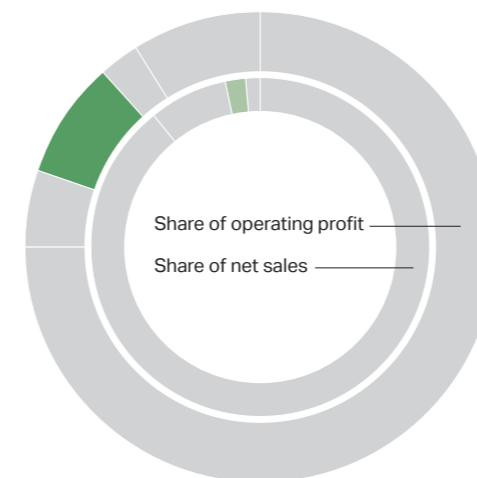
Real Estate



The Real Estate Division has carried out business activities to effectively use company-owned real estate. The division manages office buildings, condominiums, and other buildings on company-owned real estate in urban areas, and is developing leasing business to meet market needs (e.g. restaurants, merchandise outlets, factories, storehouses, parking areas) at former mine sites and on idle land throughout Japan.

Our business strategies in this segment ▶ P. 21

Net sales 2,825 million yen
Operating profit 1,575 million yen



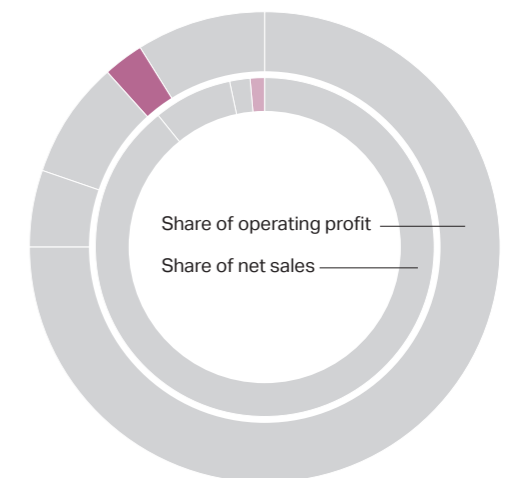
Renewable Energy



Efforts are underway in this segment to develop renewable energy in ways that consider the global environment, for example using our prospecting technology cultivated through mineral resource development to study and develop geothermal energy and supply and sell geothermal steam, generating solar power at former mine sites and on other idle company-owned land, and small-scale hydropower generation using seepage water in tunnels.

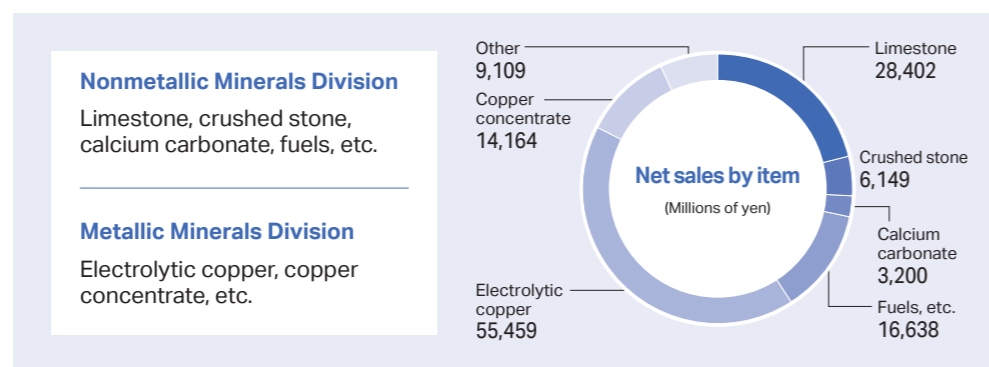
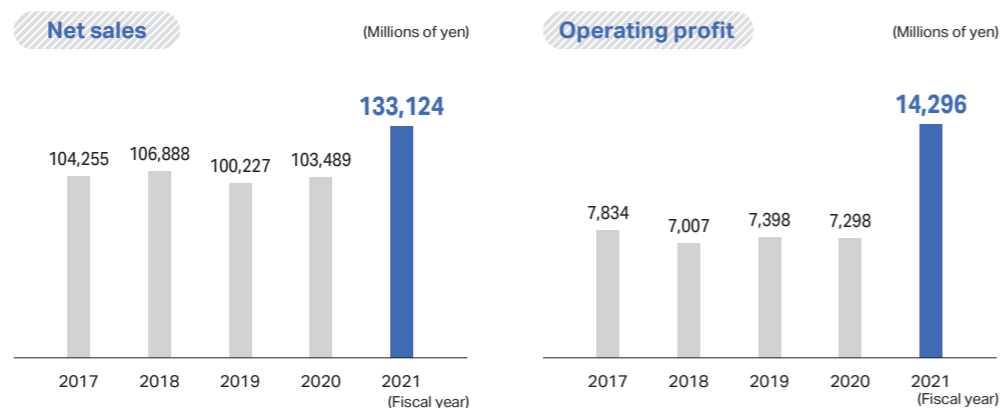
Our business strategies in this segment ▶ P. 22

Net sales 1,787 million yen
Operating profit 509 million yen





Mineral Resources



Nonmetallic Minerals Division

Limestone, crushed stone, calcium carbonate, fuels, etc.

Metallic Minerals Division

Electrolytic copper, copper concentrate, etc.

Nonmetallic Minerals Division

Business strategies

Our long-term goal is to expand into the global market ahead of the projected decline in domestic demand. Steelmakers in Japan—major buyers of limestone—are proceeding with efforts to streamline by consolidating blast furnaces in Japan and to enhance their systems for producing raw materials overseas in light of the projected decline in domestic demand and other countries' moves toward self-sufficiency in production. Accordingly, we anticipate a measurable decrease in demand for limestone for steelmaking in Japan. On the other hand, worldwide demand for steel is on the rise year after year as developing economies grow substantially. Therefore, we intend to expand exports to China, Taiwan, Australia, and elsewhere in Asia and Oceania to

capture the increasing demand we expect in those places. Although ramping up exports will require us to further strengthen our system for providing a stable supply, we must also reevaluate operational risks and revise our backup systems at coastal quarry complexes in light of the January 2021 fire along our long-distance conveyor belt at the Torigatayama Quarry Complex in addition to harnessing cutting-edge technology to streamline production and improve economic efficiency.

We are also looking into mineral resource development in comprehensive terms, for example to maintain and expand the Group's productivity and for BCP systems.

Environmental efforts

The mining industry is typically saddled with the negative impression that it is environmentally destructive, which is all the more reason to devote energy to environmental efforts, including controlling noise and dust in operations, rigorously managing water quality at faces and sedimentation sites, and greening and managing extraction sites after mines are

closed. One such effort is our operation of ISO 14001-certified environmental management systems at each of the mines under our direct control. We have also begun to consider using water from mine shafts to generate power as well as generating solar and wind power at our offices and on company-owned land as a means of decarbonizing.

Metallic Minerals Division

Business strategies

Our long-term goal is to produce at least 50,000 tons of copper concentrate (copper equivalent) per year in the Republic of Chile. At present, our Chilean subsidiary Atacama Kozan produces 13,000 tons of copper concentrate (copper equivalent) per year. We expect roughly 15,000 tons of copper equivalent from the Arqueros Copper Mine, which we aim to bring online during the next Medium-Term Management Plan (FY2024–FY2026). This would bring the total to just under 30,000 tons per year. We aim to add more production to reach 50,000 tons by promoting new development projects and retaining rights and interests into the future, and also to balance the smelting and mining sides of the business to create an earnings structure that is more robust against external factors.

Another long-term goal is to achieve stable profits in our smelting business. In pursuit of this goal, we will work with our investing partners to streamline as well as discuss and coordinate the timing of investments to promote the recovery of cost competitiveness of smelting outsourcing companies, and promote the procurement of raw materials that stabilize our operations and recycled materials that enable us to contribute to a sustainable society.



Limestone

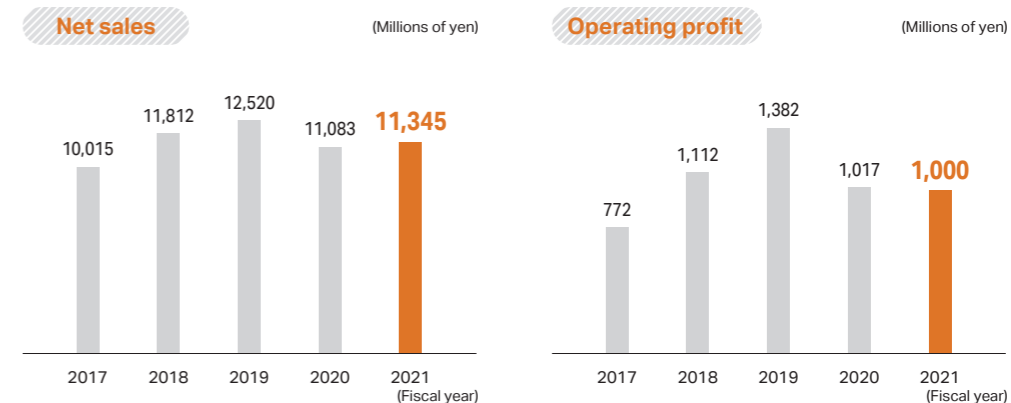
Limestone is an essential primary and secondary mineral resource in the production of steel, cement, and other industrial materials. It also has many other applications, including as an aggregate in civil engineering and construction, a desulfurizer at power plants and waste treatment facilities, and a material in the process of manufacturing fertilizer, animal feed, glass, paper, sugar, pharmaceuticals, food products, and more. Thus, limestone is present in every aspect of our daily lives.



Copper ore

Copper is a highly conductive material used in all electrified machines and infrastructure (e.g. power cables), and its importance is on the rise amid the proliferation of electric vehicles and renewable energy on the path toward society-wide carbon neutrality.

Machinery & Environmental Engineering



Machinery & Environmental Engineering

Business strategies

Our long-term goal is to raise profits in the segment to at least 3,000 million yen, roughly triple the present level. We believe this segment represents a future

Environment Division

Specific initiatives in this division include developing next-generation wastewater treatment agents to explore new demand and constructing production plants in Taiwan and Southeast Asia to open up the global market for wastewater treatment agents. Although we have expanded the market for sewer

growth sector because our products in it—namely wastewater treatment agents and dust collectors—directly address environmental issues.

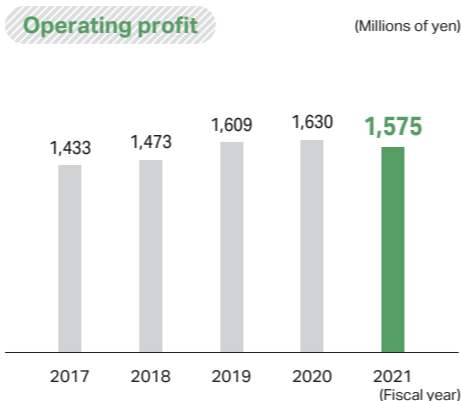
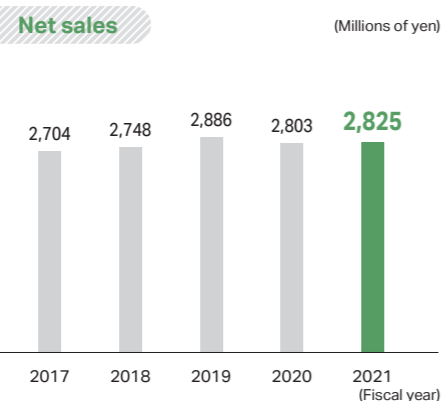
systems with our wastewater treatment agent Polytetsu, we intend to develop next-generation wastewater treatment chemicals to enter new markets. We also plan to construct production plants in Taiwan and Southeast Asia to increase the competitiveness of our prices while capturing demand in those areas.

Machinery Division

Initiatives in this division include opening up Asia and the rest of the global market for dust collectors, automating production of dust collector filters and making other improvements to enhance the competitiveness of our prices, and expanding sales by developing new applications for smoke separators. To expand sales for Sinter Lamellar Filter, we plan to develop the markets in China, South Korea, Taiwan, and

Southeast Asian countries as well as the Republic of Chile, home to one of our Group companies. As for smoke separators, we are looking into applications other than removing tobacco smoke—for example removing CO and nursing care-related odors—to expand sales.

Real Estate



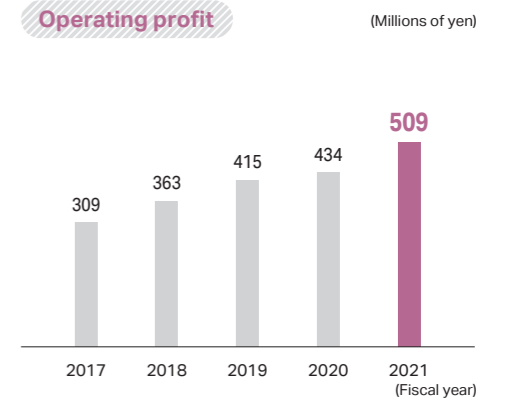
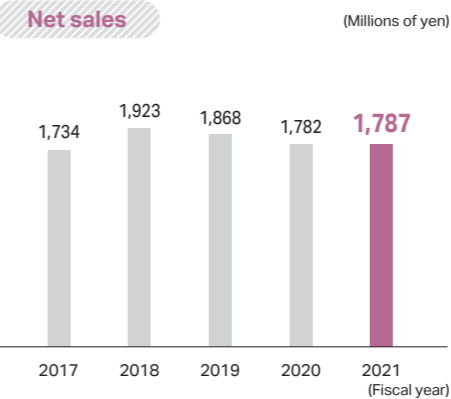
Business strategies

Our long-term goals are to continue developing idle company-owned real estate and to improve profitability by rearranging properties. Specific initiatives include promoting studies for new development, improving customer satisfaction and ensuring profitability through renovations, and re-examining the profitability and potential of existing properties.

We are presently studying the feasibility of projects

under discussion for new development using idle company-owned land, and are also considering replacing unpromising assets in terms of future profitability improvement while effectively managing existing properties to further stabilize profits.

Renewable Energy



Business strategies

Our long-term goals are to maximize our supply of steam for geothermal power stations, construct and operate new geothermal power stations, and introduce renewable energy throughout the Group, and we have set out specific initiatives for each goal. We believe this

is the most impactful segment for environmental conservation and sustainability, and we intend to make our best efforts in terms of contributing to achieving SDGs and carbon neutrality.

Geothermal Division

Specific initiatives in this division include investigation and drafting plans to ensure a stable supply of steam to cover the maximum electricity output of the Ogiri Geothermal Power Station, and promoting investigations into constructing new geothermal power stations. Under the project to supply steam to the Ogiri Geothermal Power Station of Kyushu Electric Power Company, Incorporated, we maintain a calendar-day facility utilization rate of roughly 70%, one of the highest in Japan. However, we aim to establish a steam generation-hot water re-injection system to enable stable steam generation over the long term, and

are evaluating geothermal reservoirs as well as analyzing their structure through geophysical exploration of ground surfaces and other studies and formulating plans to dig auxiliary production wells and wells for re-injection.

Additionally, in September 2022, the mayor of Kirishima approved our survey-phase plan for the city regarding development in the Shiramizugoe district, another new project. We will continue our development and investigation while taking sufficient time to explain them to local stakeholders and gain their understanding.

Solar Power Division

Specific initiatives include engaging in safe operations and considering ways to use surplus electricity. When there is an oversupply of solar power, output control is activated, preventing facilities from

transmitting electricity. However, in light of legislative trends and technological innovation, we are considering ways to make generated electricity available even when there is a surplus.

Small-scale hydropower generation Division

For our small-scale hydropower generation using seepage water from the tunnel of the Kamaishi Mine, we regularly inspect the tunnels and facilities, and are making improvements and striving for safe operations.

We are also moving forward with studies of small-scale hydropower generation at other mines and on company-owned land.

Group-wide initiatives

We will use what we have learned about renewable energy to continue considering the introduction of renewables—including in-house power generation and consumption—at Group offices, affiliates, idle

company-owned land, and elsewhere in addition to promoting projects that fulfill conditions in an effort to contribute to achieving carbon neutrality.

Spreading Nittetsu Mining throughout the world



Ever since our founding, with the pride of a mining company that consistently rises to the challenge of developing underground resources, we have made efforts to secure rights and interests from the earliest stage and develop mineral resources with the goal of independent exploration, development, and operation,

and have developed technology for handling all aspects of mining development, including prospecting for and assessing mineral deposits, mining, and beneficiation. We use this technology to develop and secure new resources and provide a stable supply of mineral resources inside and outside Japan.



Geophysical exploration

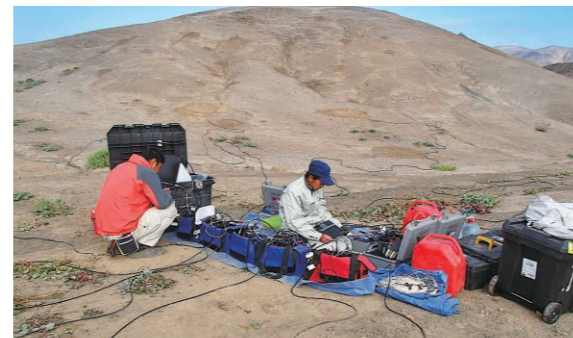
When prospecting for metallic mineral deposits outside Japan and for nonmetallic mineral resources in Japan, we use ground penetrating radar (GPR), gravity survey, and other geophysical exploration centered on electrical and electromagnetic survey, depending on the purpose of the prospecting. In fact, electrical and electromagnetic survey helped us discover mineral deposits during the development of the ATACAMA KOZAN Mine in Chile.

Although prospecting technologies include many methodologies, we have some of the most advanced technology in the world for magnetotelluric (MT) methods—a type of electromagnetic survey—as illustrated by the fact that we have more measuring instruments for these methods than anyone in Japan and have developed our own methods of analysis. MT methods are used to derive the specific resistivity of underground areas from the signals of natural geoelectric and geomagnetic fields, and make it possible to explore several dozen kilometers below the ground surface, far deeper than other methods of specific resistivity prospecting. Accordingly, we have used the methods many times in investigations of crustal and geothermal structure, and they have been immensely helpful for developing an understanding of geothermal resources in Ogiri and promising areas around it. The audiomagnetotelluric (AMT) method—which involves the observation of natural geoelectric and geomagnetic fields at higher frequencies than other MT methods—enables more detailed prospecting despite being limited to a depth of roughly 1 km below the surface. We have used the AMT method to survey metallic mineral deposits as well as thermal springs

and faults.

The spectral induced polarization (SIP) method is a developing technology that has attracted attention in recent years. Under the SIP method, the underground electrical response at each frequency is measured, and the characteristics of each are used to classify underground areas in greater detail. Because methods of measurement and analysis have not yet been established, basic testing, rock core testing and analytical programs have been developed in fields in Japan, and the method is currently gaining traction in metallic mineral prospecting outside Japan.

Ground penetrating radar (GPR) is also being used in geophysical exploration toward making operations safer—for example, this method of prospecting is useful in the early detection of cavities in the faces of limestone mines.



Risk management

Mineral resource development on the global stage is no simple task; accordingly, it involves many risks (uncertainties). Exploration is widely considered to be an extremely low-probability industry—out of 1,000 promising mineral deposits, only a few make the grade. We have come up against new risks in the past several years; in addition to geological risks, country risk in the

countries and regions targeted for development, and the other inevitable risks of mining development, the cost of development is increasing as we must travel farther and deeper to reach mineral deposits of interest, and resource nationalism is appearing in more forms than ever. Below are examples of measures the Group plans to take to counter these risks.

Country risk

We work to minimize risk by swiftly discerning and taking measures to counter risks pertaining to politics, economics, natural disasters, diseases, and other factors in each country. We will also enlist local agents in gathering information to expedite our recognition of these risks.

Resource nationalism-based risk

We build systems capable of sustaining our stable supply of mineral resources by making efforts to diversify resources for each type of mineral outside Japan and dispersing risk with prospecting and production locations in multiple countries.

Increasing remoteness/depth of mineral deposits of interest

We utilize satellite imaging technology and other technologies to enable initial prospecting in regions outside the scope of previous development, and use magnetotelluric methods (MT and AMT) in the context of geophysical exploration to search even deeper for minerals.

Providing a stable supply with dispersed locations

We own limestone and gravel mines throughout Japan. Our limestone mines—the origins of our leading product—are located as far north as Hokkaido and as far south as Kyushu, and our Sodegaura Distribution Center in Chiba Prefecture houses our stockpile of limestone for aggregates and steel in the Kanto region.

Our four coastal quarry complexes—Shiriyama Quarry Complex, Hachinohe Mining Co., Ltd., Torigatayama Quarry Complex, and Oita Quarry Complex—have loading facilities for ships and function in tandem with the Sodegaura Distribution Center, giving us multiple options when production and shipments are delayed due to typhoons, heavy rain events, and other natural disasters, and contributing to our stable supply of mineral resources.



Developing technology to resolve many societal issues

Improving water treatment capacity and reducing CO₂ emissions **Polytetsu**

Societal issues

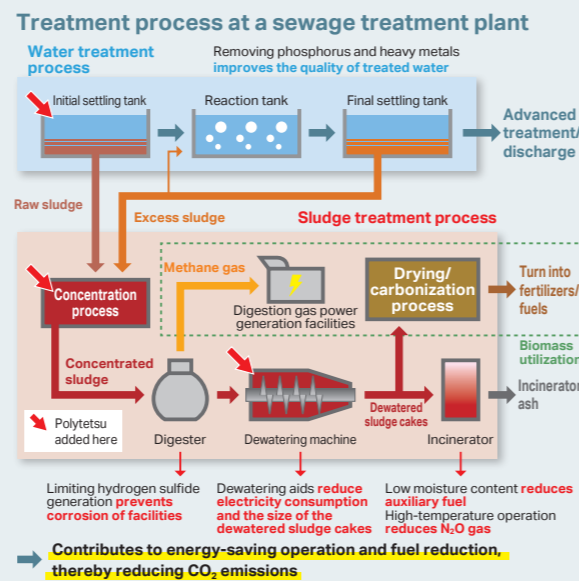
The increasingly uneven distribution of water due to climate change, contamination associated with worldwide population growth and industrial development, and other water-related problems are—along with climate change itself—the most serious of societal issues. In order to effectively utilize water resources, it is becoming increasingly important to purify and reuse wastewater.

Effectiveness of Polytetsu

Polytetsu delivers excellent coagulation sedimentation and deodorization effects to purify wastewater from sewage treatment plants and privately owned factories, thereby increasing the quality of treated water and contributing to the stable supply of safe water. It also removes phosphorus from treated water, preventing marine eutrophication and contributing substantially to ecosystem conservation.

The past several years have seen growing expectations for the use of gas and sludge generated in the wastewater treatment process as sources of biomass energy. Polytetsu helps maintain facilities and save energy in the process of tapping into this biomass energy. For example, Polytetsu prevents corrosion in digesters by limiting hydrogen sulfide that is generated concurrently with methane gas. Additionally, its excellent dewatering capacity makes it a popular choice as an aid for dewatering sludge—it lowers the moisture content of sludge, which can reduce the amount of fuel oil used to incinerate the sludge.

The process of producing Polytetsu emits less CO₂ than other inorganic flocculants, meaning that it reduces the environmental impact both when it is produced and when it is used.



Outlook on technological development

- Application of more efficient production methods
- Establishment of production methods using a wider array of raw materials
- Development and popularization of new products

Technological development

Our R&D Department is researching, developing, and engineering new products and materials to contribute to society based on the wealth of mining development technology and experience we have amassed over the years.

The department views itself as one of our service departments, and thus selects themes of development and pursues solutions that proactively incorporate stakeholders' needs.

In the course of finding solutions, the department actively searches through and introduces outside technology and combines it with our proprietary technology to develop distinct technologies that will contribute to the future. We also intend to adapt our proprietary technology to reduce greenhouse gases in an effort to contribute to the achievement of carbon neutrality.

Realizing safe, secure working environments **Sinter Lamellar Filter**

Societal issues

Entities in many industries are now expected to use energy-saving, efficient systems and ensure safety at all times when recovering surplus materials from production lines, capturing waste from products, and collecting dust. Companies involved in manufacturing materials for batteries, toner for printers, and the like, and companies engaged in producing steel, mineral resources, cement, animal feed, and more are dealing with a growing amount of particulate matter that evades conventional bag-filter dust collection. In response, dust collectors must satisfy restrictions on emissions into the workplace and surrounding environments and fulfill other requirements that grow stricter by the year.

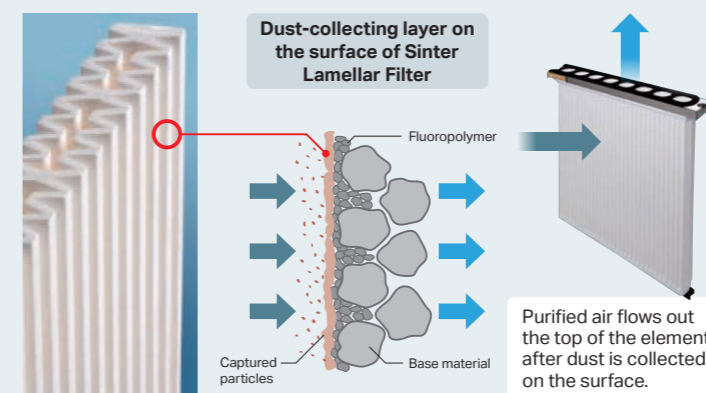
Effectiveness of Sinter Lamellar Filter

Sinter Lamellar Filter removes potentially unhealthy dust to help create safe working environments and prevent air pollution.

Sinter Lamellar Filter is formed by sintering resin and coating the surfaces with a special coating that gives the product the ability to efficiently filter and collect particulate matter from the air. With great fissility for capturing particles, Sinter Lamellar Filter is capable of collecting particles that are deliquescent, extremely moist, or otherwise difficult

to collect. With better filters developed quite recently, the product can also collect fine powders that evade conventional filters.

Resin filters are tough, strong, resistant to damage, and structured to prevent captured particles from infiltrating. Therefore, they resist pressure loss better and last longer than bag filters in addition to reducing waste by virtue of having a longer filter replacement cycle.



Outlook on technological development

- Development of methods of producing more efficient filters that save more energy
- Development of filters capable of reducing energy consumption by fans due to lower pressure loss
- Development of filters capable of reducing CO₂ emissions during production and disposal
- Development of highly heat-resistant filters for biomass power generation facilities, etc.



R&D Center



Sustainability at Nittetsu Mining

Basic Policy on Sustainability

- 1 We contribute to the sustainable development of society and the economy through the development and stable supply of mineral resources.
- 2 We understand the significance of protecting the environment and maintaining biodiversity and promote the reduction of environmental impact and the efficient, cyclical use of resources in an effort to maintain a healthy global environment. Specifically, we continue undertaking targeted efforts to achieve carbon neutrality in the context of global warming countermeasures.
- 3 We seek solidarity and harmony with local communities as we develop in an effort to continue to be a trustworthy, indispensable company.
- 4 We respect human rights and diversity and provide bright, well-ventilated workplaces with the aim of helping our employees achieve self-realization and better lives.
- 5 We prioritize safety in all business activities and work to prevent industrial accidents by creating healthy, sanitary, comfortable working environments.
- 6 We disclose information as appropriate to establish and maintain healthy, quality relationships with all stakeholders.
- 7 We engage in fair business activities, observing laws, regulations, and social norms.

List of material issues

Responding to climate change

- Initiatives to achieve carbon neutrality (e.g. promoting the introduction of renewable energy)

Promoting environmental conservation activities

- Preserving biodiversity (greening and properly maintaining former mine sites and sedimentation sites)
- Producing and selling environmentally friendly products

Providing a stable supply of raw materials and products

- Contributing to society through the development and stable supply of mineral resources

Industrial safety and health

- Creating working environments where each and every employee can work with high motivation
- Efforts to prevent industrial accidents

Co-existence and co-prosperity with local communities

Respecting human rights and diversity, and developing human resources

- Raising awareness of human rights
- Realizing diversity and inclusion

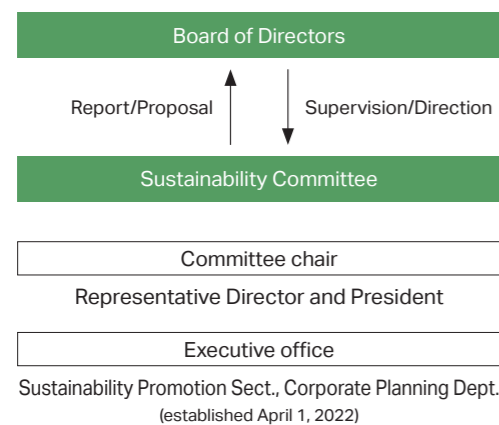
Strengthening governance

- Rigorous compliance
- Improving corporate value by continuing to engage in sensible, healthier, and more transparent business activities

Process of identifying material issues

We referred to the GRI Standards to identify environmental, social, and economic issues in mining, our main line of business. Then, we carefully considered our mission, the characteristics of our business, our strategies, and what our stakeholders and the rest of society needs from us. We created a materiality map and double-checked the significance of each item using models such as the SDGs wedding cake, which depicts the environment as the foundation of social and economic activities. Finally, we arrived at our list of material issues.

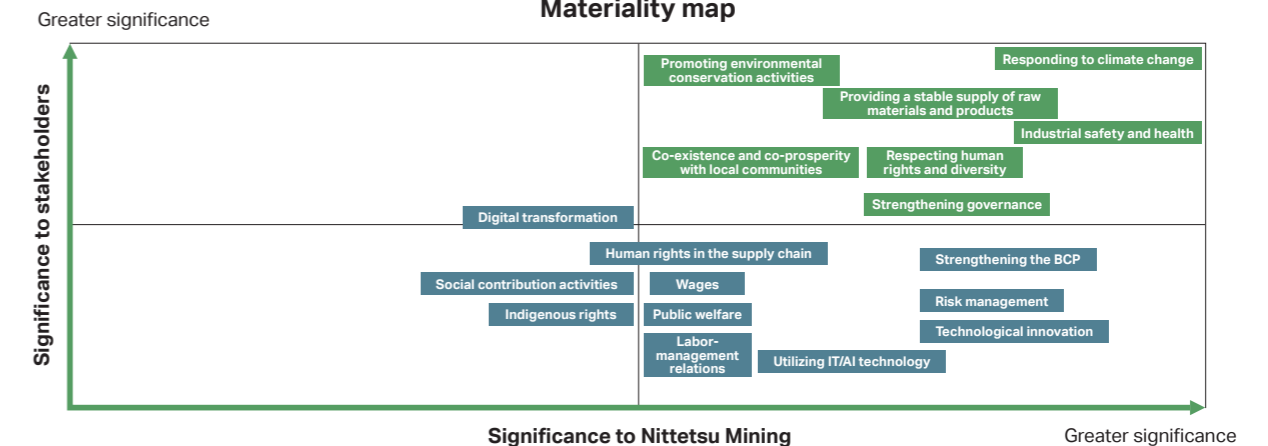
Sustainability Committee Chart



Policy Chart



Materiality map



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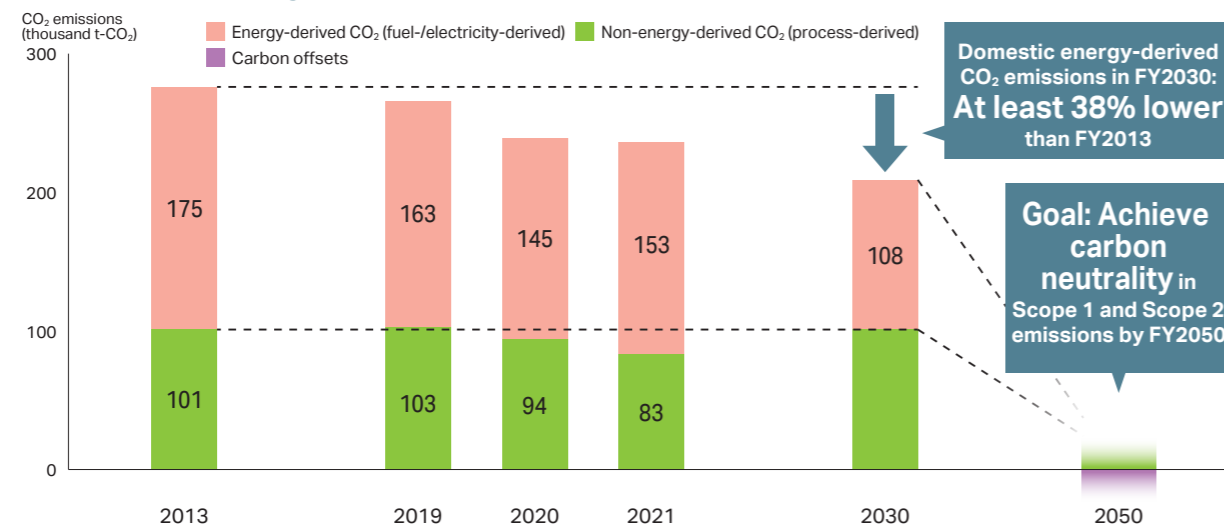
Environment

The path toward achieving carbon neutrality by 2050

As the years pass, climate change is having a greater impact on social and economic activities, and the shift toward carbon neutrality is spreading rapidly. Nittetsu Mining launched the Sustainability Committee in April 2022 and pledged to make greater efforts than ever before to resolve environmental and social issues. In June 2022, we endorsed the TCFD recommendations on climate-related financial disclosures and resolved to

work together as a Group to create and follow a roadmap toward achieving carbon neutrality by 2050. We will transition to executing specific measures in addition to taking action to reduce non-energy-derived CO₂ emissions from the quicklime production process while keeping an eye on technological advancements in CCUS and other areas.

Roadmap to achieving carbon neutrality



Measures to achieve carbon neutrality

We will promote the following measures to successfully travel the path set out on our roadmap to carbon neutrality. As one measure, in October 2022 we switched to renewable energy-derived electricity to power our head office in the Yusen Building. We also intend to expedite our efforts to reduce CO₂ emissions.

- Streamline facilities and introduce energy-saving technology
- Introduce solar, wind, and small-scale hydropower generation for internal consumption
- Promote transition to EV in the company vehicle fleet
- Increase forest absorption by greening former mine sites and sedimentation sites at active mines
- Switch to biofuels for heavy machinery, use technological innovations to switch to electric heavy machinery, etc.
- Purchase renewable electricity
- Introduce new technology for CCUS and the like to reduce process-derived CO₂ in the future

Generating power from renewable energy

We have active projects in each division of our renewable energy segment. In the Geothermal Division, we are supplying geothermal steam to a geothermal power station in Kyushu. In the Solar Power Division, we are selling solar power in eight locations across Japan (one in Hokkaido, three in the Tohoku region, one in the Kanto region, and three in Kyushu). We are also selling small-scale hydropower generated using seepage water in tunnels at one location in the Tohoku region.

We intend to continue studying and developing clean energy to enable us to help protect the global environment through our business activities.



Our Kagoshima Geothermal Facility supplies geothermal steam

Using idle land and former mine sites

We are effectively using former mine sites—primarily locations that served as offices, production plants, ore storage areas, and company housing when the mines were active—to construct solar power plants. We are also using idle land and former mine sites in the leasing business component of our real estate segment. Mines are destined to be closed once the limited resources within are extracted. These efforts to repurpose the land for new businesses after the mining is complete are our way of sustaining business activities.



Kamaishi Mega Solar Power Plant (former company housing site)



Mitaka Nisshin Building (former research laboratory)



Honami Park City (former coal mine)

Greening former mine sites and preventing pollution

Mining development inevitably involves altering the environment, for example by removing trees from excavation areas. Decades pass between the development and closure of mines; we plant trees and vegetation in extraction areas and sedimentation sites after mining-related operations are complete in an effort to restore the environment and landscape. We also conduct patrols and inspections mandated by the Mining Safety Act and perform the necessary maintenance at former mines throughout Japan to prevent pollution.



Greening at the No. 5 Sedimentation Site at Torigatayama Quarry Complex

Endorsing the TCFD recommendations

In June 2022, the Group announced its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We consider responding to climate change to be one of our key management issues and aim to

engage in sustainable business activities and improve our corporate value over the longer term by further accelerating the actions we take to achieve society-wide carbon neutrality.



Governance

In April 2022, we established a Sustainability Committee in an effort to further strengthen our initiatives to combat climate change and resolve societal issues (e.g. achieve SDGs and carbon neutrality), achieve a sustainable society, and sustainably improve our corporate value.

The Sustainability Committee formulates policies, targets, and action plans for combating climate change and realizing other aspects of sustainability; manages and evaluates our progress toward the targets; discusses individual measures in depth; and reports and advises the Board of Directors on a regular basis.

Risk management

The Group established the Sustainability Committee in April 2022 to respond to climate change-related problems. The Sustainability Committee identifies climate-related risks and opportunities and then evaluates and reconsiders them by monitoring the progress of subsequent

actions taken in response to them. Additionally, in terms of efforts to achieve carbon neutrality, the committee discusses plans for reducing CO₂ emissions, manages the progress of plan implementation, and takes necessary measures.

Indicators and targets

The Group is making efforts to reduce CO₂ emissions by steadily transitioning to implementing measures to combat climate change, including reducing fuel and electricity consumption by streamlining and switching to energy-saving facilities and introducing renewable energy-based power generation facilities and switching to renewable electricity for internal consumption. Specifically, we aim for a 38% or higher reduction^{*1} of energy-derived CO₂ emissions from domestic Group companies' consumption of fossil fuels and electricity out of their total CO₂ emissions—the sum of their direct (Scope 1) emissions and indirect (Scope 2) emissions from their use of electricity and other energy purchased from other companies—

from the FY2013 level by FY2030, identical to the Japanese government's target for the corresponding CO₂ emissions category.^{*2} Notably, we intend to further reduce non-energy-derived CO₂ emissions from the quicklime production process by monitoring technological advancements and introducing new technology for CCUS and the like once it is ready for real-world implementation.

We also plan to introduce new technologies and use carbon offsets and other means of achieving carbon neutrality to meet the long-term goal of reducing direct and indirect (Scope 1 and Scope 2) emissions of the Group's non-energy-derived CO₂ by FY2050.

*1: 38% or higher reduction from the FY2013 level: The target rate of reduction for CO₂ emissions derived from fuel and electricity consumed at plants and business locations under the Industrial category of the Japanese government's CO₂ emissions categories

*2: The Japanese government's FY2030 target for the corresponding CO₂ emissions category: The rate of reduction for the corresponding CO₂ emissions category set out in the Comprehensive Plan of the Government under the Act on Promotion of Global Warming Countermeasures (approved by the Cabinet on October 22, 2021)

Strategies

We have exhaustively identified risks and opportunities presented by the impact of climate change on each of the Group's businesses under two scenarios: a global average temperature increase of 2°C or lower, and an increase of 4°C. We split the risks brought by climate change into two categories: transition risks associated with the transition to a low-carbon (or decarbonized) society,

and physical risks, which we separated further into acute risks caused by heavy intensive rainfall, floods, and other meteorological phenomena that come and go, and chronic risks that have a long-lasting impact, such as sea level rise and heat waves. We plan to continue analyzing the scenarios to gain an understanding of the impacts on our business and will formulate strategies accordingly.

	Category	Event	Risk or opportunity	Description
Transition risks	Policies/legal regulations	Increase in carbon pricing	Risk	• Costs increase when new carbon-related taxes are introduced
		Tighter regulations	Risk	• Costs increase amid the shift to electric/energy-saving equipment and systems at production locations • Costs increase when fuels and power sources for large and heavy machinery are changed
	Technology	Development of new technologies	Risk	• Demand for limestone decreases when alternative materials and technologies are developed
		Spread of renewable energy/energy-saving technologies	Opportunity	• Profits increase when we develop products that help lower GHG emissions
	Market	Fluctuation of product/material prices	Risk	• Energy procurement costs increase when we purchase renewable energy • Greater possibilities for new development in geothermal power generation, solar power generation, and other areas
			Opportunity	• Raw material procurement costs increase as decarbonization progresses • Investment costs increase as competition for mining development projects intensifies • Regulations become stricter and tax burdens grow as resource nationalism emerges
Reputation	Changes in customer behavior	Risk	• Demand for copper increases amid growing demand for electrification • Economically minable ores increase as the profitability of copper mines increases	
Physical risks	Acute	Intensification of meteorological disasters (e.g. typhoons, floods)	Risk	• Costs increase when we respond to demand for products with lower GHG emissions • Customers demand more products that help reduce GHG emissions
			Opportunity	• Costs increase as we undertake disaster control measures and disaster recovery at production locations • Sales decrease due to supply chain interruptions • Demand for limestone increases as disaster risk reduction infrastructure is developed
Chronic	Increase in mean temperatures	Risk	• We retain the ability to produce and deliver during disasters by leveraging the strengths of our dispersed locations • Risk of flood damage at coastal locations due to sea level rise • Operations impacted by the increased risk of drought • Productivity declines due to negative impacts on worker health	
		Opportunity	• Demand for wastewater treatment agents increases as water quality declines (nutritive salts, red tides) and reclaimed water use increases • Productivity increases when we revise working environments	

S

Social

Efforts for industrial safety and health

Each year, the Safety Administration Office at the Group's head office takes the lead in setting out a course of action and targets for industrial safety and health based on the previous year's performance in those areas, and provides assistance and guidance to help our business locations and affiliates achieve the targets.

The course of action and targets are shared at meetings of safety managers, meetings of people in charge of safety, and other meetings attended by representatives from each department and location at which measures to prevent recurrence of industrial accidents are discussed and cross-departmental efforts are implemented.

Efforts to prevent industrial accidents include workplace patrols by the Safety Administration

Office to identify causes of danger as well as hazard prediction training, hands-on safety courses, and other safety education provided at each business location and for each area. Safety education is also offered to contractors working onsite to ensure and improve awareness of safety throughout all business activities.

Results of industrial safety and health training (total number of participants)

(People)				
FY2017	FY2018	FY2019	FY2020	FY2021
296	359	347	—	284

Notes: 1. Results of training provided by the Safety Administration Office to domestic Group companies
2. All training was canceled in FY2020 due to the COVID-19 pandemic



Photograph of a meeting of safety managers



Photograph of a hands-on safety course

Co-existence and co-prosperity with local communities

Sustaining cooperative relations with the areas and communities in which we do business is essential for our mining operations and other businesses. We strive to co-exist and co-prosper with local communities by creating employment opportunities and through local procurement in the context of our business activities in addition to

engaging in dialogue with local people, implementing environmental conservation activities, participating in and sponsoring local events, offering tours of our business locations, and undertaking other activities to establish mutual understanding and trust-based relationships.

Promoting diversity

Consistent with our Management Policy, we strive to be a company where each and every employee can work with high motivation and pride. Accordingly, we hire throughout the year and make our selections regardless of gender, nationality, or whether someone is a new graduate or midcareer candidate in an effort to ensure that our employees

have a diverse array of abilities and values. When each and every employee can flourish and grow in their line of work and eventually earn promotions as core members of the company, we as a company can grow sustainably and increase our corporate value.

Targets for promoting core human resources (2030)

Women: At least 5%	Foreign nationals: At least 5%	Mid-career hires: At least 15%
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Promoting active participation by women

In addition to introducing systems to encourage active participation in the workplace by women, we are developing and deploying internal systems that accommodate time off for child care and elderly care, telecommuting, and other flexible work styles to create working environments that are motivating

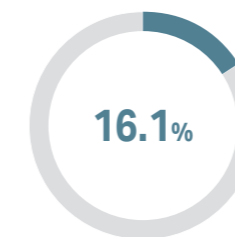
and free of worry for people from all walks of life. We also hold seminars on child care, elderly care, and work styles and undertake other awareness-raising and educational activities for management personnel so that they will understand and accept diversity.

Action Plan based on the Act on the Promotion of Women's Active Engagement in Professional Life (Duration: April 1, 2021–March 31, 2026)

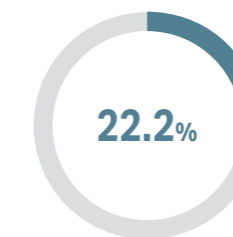
Target 1: Women comprise at least 30% of new hires in career track positions

Target 2: Trim the gender gap in average years of service to two years or less

Percentage of female employees



Percentage of female employees of new hires in career track positions



Percentage of female employees taking childcare leave



Note: Nittetsu Mining figures, FY2021

Systems for supporting family care

We provide support to employees who are providing child care and elderly care by enhancing our systems for supporting them beyond the requirements of laws enacted to facilitate a balance between work and family care. Specifically, we offer time off for employees to look after spouses giving birth, extend the duration of our system that allows

employees to work shorter hours so that they can provide child care (through the end of their children's third year of primary school), and offer paid leave for taking care of sick children or elderly family members in addition to maintaining systems that satisfy the laws.

Preventing harassment

We prohibit and have set out policies and regulations to prevent all forms of harassment and discrimination. We will continue to implement awareness-raising activities, including incorporating harassment prevention into training at all levels, having all employees participate in e-learning, and

distributing booklets to all employees. We will also establish contact points for reporting and consultation to equip the company to take the proper steps to prevent the recurrence of any incidents that occur.

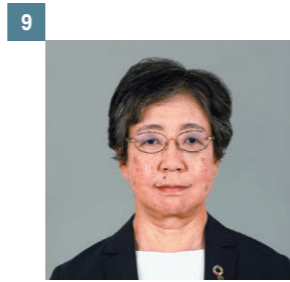
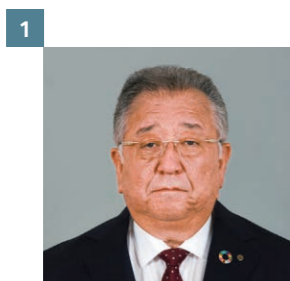


G Governance

Corporate Governance

Board Members (as of September 30, 2022)

Directors



Audit & Supervisory Board Members



1 Reiichi Morikawa Representative Director and President

Apr. 1986 Joined the Company
 June 2012 General Manager of Limestone & Raw Materials Sales Department
 June 2015 Corporate Executive and General Manager of Limestone & Raw Materials Sales Department
 Apr. 2017 Director and President of Sociedad Contractual Minera Atacama Kozan
 June 2017 Director, Responsible for Non-Ferrous Metal & Ore Department, and General Manager of Limestone & Raw Materials Sales Department
 Oct. 2017 Director, Responsible for Limestone & Raw Materials Sales Department and Non-Ferrous Metal & Ore Department
 June 2019 Managing Director, Responsible for Limestone & Raw Materials Sales Department and Non-Ferrous Metal & Ore Department
 Apr. 2021 Representative Director and President (current position)

2 Shinya Yamasaki Managing Director

Apr. 1982 Joined the Company
 June 2010 General Manager of Kyushu Branch Office
 June 2013 Corporate Executive and General Manager of Machinery & Environmental Sales Department
 June 2015 Director, Responsible for Limestone & Raw Materials Sales Department, Non-Ferrous Metal & Ore Department and Machinery & Environmental Sales Department
 June 2017 Director, Responsible for Machinery & Environmental Sales Department and Research & Development Department
 May 2019 Director, Responsible for General Administration Department, General Accounting Department, Machinery & Environmental Sales Department, Research & Development Department, and Business Continuity Management Office
 June 2019 Managing Director, Responsible for Machinery & Environmental Sales Department and Research & Development Department (current position)

3 Yuji Somatsu Managing Director

Apr. 1985 Joined the Company
 Jan. 2014 General Manager of Tochigi Quarry Complex
 June 2015 Corporate Executive and General Manager of Torigatayama Quarry Complex
 June 2017 Director, Responsible for Mining Department and Safety Administration Office
 Apr. 2021 Director, Responsible for Limestone & Raw Materials Sales Department, Non-Ferrous Metal & Ore Department, Mining Department, and Safety Administration Office
 June 2021 Managing Director, Responsible for Mining Department and Safety Administration Office (current position)

4 Yukihiko Hagikami Director

Apr. 1984 Joined the Company
 Oct. 2011 Director and Deputy President of Sociedad Contractual Minera Atacama Kozan
 June 2015 General Manager of Resources Development Department
 June 2017 Corporate Executive and General Manager of Resources Development Department
 Apr. 2019 Director and President of Sociedad Contractual Minera Atacama Kozan
 June 2019 Director, Responsible for Resources Development Department
 July 2022 Director, Responsible for Resources Development Department and Overseas Mineral Resources Business Department (current position)

5 Hirofumi Fujimoto Director

Apr. 1987 Joined the Company
 June 2014 General Manager of General Administration Department
 June 2017 Corporate Executive and General Manager of General Administration Department
 June 2019 Director, Responsible for General Administration Department, General Accounting Department and Business Continuity Management Office
 June 2021 Director, Responsible for General Administration Department and Business Continuity Management Office (current position)

6 Kenji Otakara Director

Apr. 1986 Joined the Company
 June 2013 General Manager of Non-Ferrous Metal & Ore Department
 June 2016 General Manager of General Accounting Department
 June 2017 Corporate Executive and General Manager of General Accounting Department
 June 2019 Corporate Executive and General Manager of Osaka Branch Office
 June 2021 Director, Responsible for General Accounting Department, Limestone & Raw Materials Sales Department and Non-Ferrous Metal & Ore Department
 Apr. 2022 Director, Responsible for Corporate Planning Department, General Accounting Department, Limestone & Raw Materials Sales Department and Non-Ferrous Metal & Ore Department (current position)

7 Nobumichi Izumi Outside Director

Apr. 1977 Joined Nikkei Inc.
 Mar. 2011 Executive Officer and Managing Editor of Osaka Head Office, Nikkei Inc.
 Mar. 2012 Managing Executive Officer and Managing Editor of Osaka Head Office, Nikkei Inc.
 Mar. 2013 Senior Managing Executive Officer and Representative Manager of Nagoya Branch, Nikkei Inc.
 Director of Nikkei Nagoya Newspaper Printing Center, Inc.
 Mar. 2015 Advisor of Nikkei Inc.
 June 2015 Executive Research Director of Japan Center for Economic Research
 Mar. 2018 Honorary Member of Nikkei Inc.
 June 2019 Director of the Company (current position)

8 Kenichi Itakura Outside Director

Apr. 2002 Professor, Department of Information and Electronic Engineering, Muroran Institute of Technology
 Apr. 2004 Vice President, Muroran Institute of Technology
 Apr. 2012 Director, Center of Environmental Science and Disaster Migration for Advanced Research, Muroran Institute of Technology
 Aug. 2012 Director, Mikasa Potential Coal Energy Research Facility, Muroran Institute of Technology
 Oct. 2016 Director, Mikasa Underground Gasification Coal Mine, Muroran Institute of Technology
 Apr. 2019 Specially Appointed Professor, Graduate School, Division of Engineering, Muroran Institute of Technology (current position)
 May 2019 Emeritus Professor of Muroran Institute of Technology
 June 2021 Director of the Company (current position)

9 Yuko Aoki Outside Director

Apr. 1994 Registered as Attorney-at-Law
 Joined Shigetaka Arai Law Office
 Apr. 1999 Joined Aoki Law Office
 Apr. 2004 Joined Litigation Department, Tokyo Legal Affairs Bureau, Ministry of Justice
 Apr. 2009 Joined Shin-Yotsuya Law Offices (current position)
 Apr. 2021 Vice Chairman, Daini Tokyo Bar Association
 Managing Director, Japan Federation of Bar Associations
 June 2022 Director of the Company (current position)

10 Seiji Yasuda Standing Audit & Supervisory Board Member

Apr. 1986 Joined the Company
 June 2013 General Manager of General Accounting Department
 June 2016 Managing Director of Hachinohe Mining Co., Ltd.
 June 2019 Standing Audit & Supervisory Board Member of the Company (current position)

11 Kazuhiko Kojima Standing Audit & Supervisory Board Member

Apr. 1986 Joined the Company
 June 2014 General Manager of Osaka Branch Office
 June 2019 Standing Audit & Supervisory Board Member (current position)

12 Yoshiro Wakayanagi Outside Audit & Supervisory Board Member

Apr. 1976 Registered as Attorney-at-Law
 Joined Tanabe Law Office (now Tanabe & Wakayanagi Law Office)
 June 2015 Audit & Supervisory Board Member of the Company (current position)

13 Eiki Hotta Outside Audit & Supervisory Board Member

Apr. 1995 Professor of Interdisciplinary Graduate School of Science & Engineering, Tokyo Institute of Technology
 Apr. 2016 Emeritus Professor of Tokyo Institute of Technology
 June 2017 Audit & Supervisory Board Member of the Company (current position)

Basic approach to corporate governance

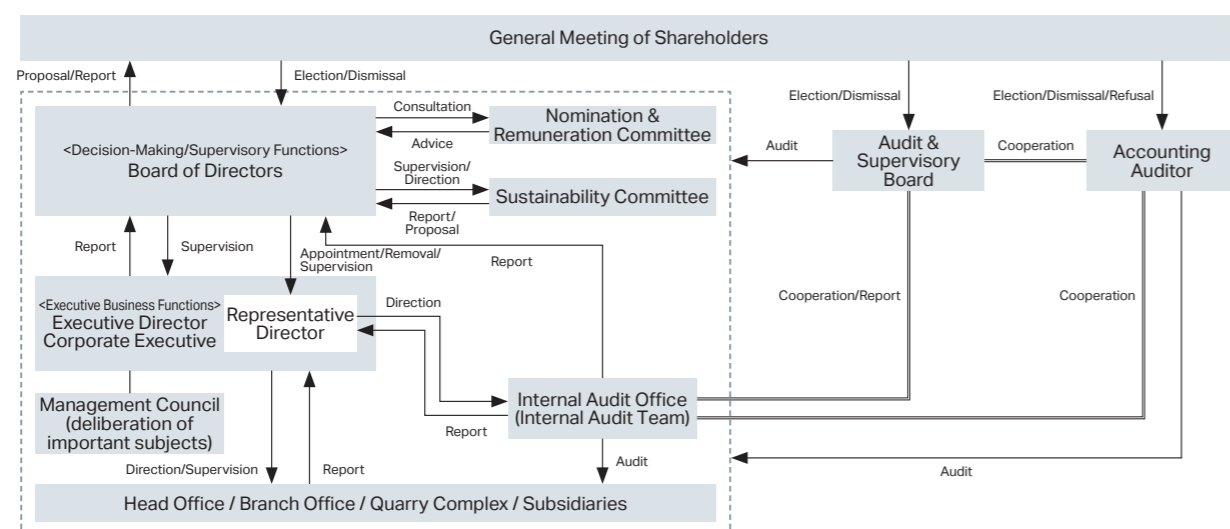
We make proactive efforts to establish organizations capable of swiftly and appropriately responding to changes in the business environment, and management systems to equip the Company to execute decisions with the utmost fairness and transparency.

We will continue efforts to establish, enhance, and ensure the effectiveness of a shared internal

understanding of the importance of corporate governance, and aim to become a company worthy of the trust of shareholders, users, and local communities.

We formulated the Nittetsu Mining's Basic Policy on Corporate Governance to outline our basic approach to and policy for corporate governance, and have published it on our website.

Corporate governance system chart (as of June 29, 2022)



Skills matrix for Directors and Audit & Supervisory Board Members (as of June 29, 2022)

Name	Years in office	Nomination & Remuneration Committee	Sustainability Committee	Position	Corporate management/ Sustainability	Internationality	Business strategy/ Sales/ Marketing	Mining engineering/ Safety environment	Research & development	Legal/Risk management	Finance/ Accountant	Human resources/ Human resource development
Reiichi Morikawa	5	○	◎	Representative Director and President	●	●	●					●
Shinya Yamasaki	7		○	Managing Director	●	●	●		●			
Yuji Somatsu	5		○	Managing Director	●	●		●				
Yukihiko Hagikami	3		○	Director	●	●	●	●				
Hirofumi Fujimoto	3		○	Director	●		●			●		●
Kenji Otakara	1		○	Director	●		●			●	●	
Nobumichi Izumi	3	◎		Outside Director	●	●						
Kenichi Itakura	1	○		Outside Director		●		●	●			
Yuko Aoki	0	○		Outside Director						●	●	
Seiji Yasuda	3			Standing Audit & Supervisory Board Member	●					●	●	
Kazuhiko Kojima	3			Standing Audit & Supervisory Board Member			●			●		●
Yoshiro Wakayanagi	7			Outside Audit & Supervisory Board Member						●	●	
Eiki Hotta	5			Outside Audit & Supervisory Board Member		●			●			

Notes: 1. The chairs of the Nomination & Remuneration Committee and the Sustainability Committee are marked with double circles.
 2. In addition to the members listed above, the Sustainability Committee also includes Corporate Executives Jiro Fujitsu (Representative Director and President, Hachinohe Mining Co., Ltd.), Masanobu Kawata (General Manager, Research & Development Department), Hiroyuki Sakaguchi (General Manager, Limestone & Raw Material Sales Department), and Ken Soda (General Manager, Torigatayama Quarry Complex).

Main Boards and Committees (as of June 29, 2022)

Board of Directors

Number of members: **9** Percentage of Outside Directors: **33%**

Number of meetings in FY2021
16

The Board of Directors, which comprises nine Directors (including three Outside Directors), holds ordinary meetings monthly and is also ready to operate expeditiously, for example holding extraordinary meetings about matters that require swift decisions. Additionally, matters of high importance are brought to the Board of Directors only after they are examined and vigorously discussed from multiple perspectives at Management Council meetings based on the Company's long-term management strategy.

Audit & Supervisory Board

Number of members: **4** Percentage of Outside Audit & Supervisory Board Members: **50%**

Number of meetings in FY2021
16

The Audit & Supervisory Board comprises two Standing Audit & Supervisory Board Members with a wealth of experience working at the Company and two Outside Audit & Supervisory Board Members who are experts in their respective fields; since June 1998, at least half of the members have been Outside Audit & Supervisory Board Members, who provide the Company with insightful views and observations based on their plentiful knowledge and experience.

Nomination & Remuneration Committee

Number of members: **4** Percentage of Outside Directors: **75%**

Number of meetings in FY2021
2

Note: Number of meetings since establishment in December 2021

As to the functions of the Board of Directors with regard to the nomination and remuneration of Directors, in December 2021, we took the initiative to establish this voluntary committee to elicit recommendations from and ensure proper involvement by Outside Directors with the aim of enhancing fairness, transparency, and objectivity of the procedures, strengthening the management system to support fairer, more transparent decision-making, and enhancing the Company's corporate governance system.

Evaluating effectiveness

To further enhance the analysis and evaluation of the effectiveness of the Board of Directors in FY2021, we enlisted an outside entity to conduct an anonymous survey for the first time and used the results of their objective analysis and evaluation to analyze, discuss, and evaluate the Board of Directors.

Reflections of the outside executives' views and other evaluations from the survey responses were generally positive, and our average score for each response was generally higher than other companies', indicating that our Board of Directors is functioning effectively.

Upon analysis, discussion, and evaluation based on these results, the Board of Directors identified some issues to work on, such as: ensuring opportunities for more free, open-minded exchange of views; closing gaps between our average scores and those of other companies; and reaching ideal levels of diversity in gender and other aspects, on the Board of Directors and throughout the

Company. The Board of Directors agrees that there is room for further discussion and improvement.

Notably, regarding our response to changes in the business environment brought up as issues in last year's effectiveness evaluation—namely diversity and carbon neutrality—in April 2022, we established a sustainability promotion system for the Group comprising the Sustainability Committee and the Corporate Planning Department, a two-section department comprising a Corporate Planning Section and a Sustainability Promotion Section.

We intend to continue efforts to enhance the functions of the Board of Directors to further improve the corporate value of the Group.

Executives' remuneration

Directors' remuneration comprises fixed monthly remuneration and performance-linked bonuses within the maximum amount of remuneration determined at a General Meeting of Shareholders. Our basic policy when determining monthly remuneration for individual Directors is to set appropriate amounts commensurate with their responsibilities. As for performance-linked remuneration, in pursuit of sustained growth and improving our corporate value over the medium to long term by continuously expanding our earning capacity in our main business activities, our basic policy is to use operating margin as the performance indicator. Remuneration for Executive Directors comprises fixed basic remuneration and performance-linked remuneration based on the trailing 10-year operating margin. As for remuneration for Outside Directors, we only pay

monthly remuneration because they are tasked with monitoring and supervising the management of the Company from a neutral, objective standpoint.

Notably, amounts of remuneration for individual Directors are determined by resolution of the Board of Directors. In the course of deliberating and resolving proposals on Directors' remuneration, the Nomination & Remuneration Committee discusses the proposals from a neutral, objective standpoint and reports the results of their discussions to the Board of Directors, which then make decisions respecting the committee's views.

Additionally, the Audit & Supervisory Board Members discuss and determine Audit & Supervisory Board Members' remuneration within the monthly remuneration amount approved at a General Meeting of Shareholders.

Executive category	Total remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of recipient executives
		Monthly remuneration (fixed remuneration)	Bonus (performance-linked remuneration)	Retirement benefits	
Directors (excluding Outside Directors)	255	210	44	-	7
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	45	45	-	-	2
Outside executives	35	35	-	-	5

Notes: 1. The totals above include two Directors (including one Outside Director) who stepped down from their positions as a result of their terms expiring at the end of the 107th Annual General Meeting of Shareholders held on June 29, 2021.
 2. The maximum amounts for executive remuneration approved at the 93rd Annual General Meeting of Shareholders held on June 28, 2007 are 27 million yen for Directors' monthly remuneration (not including the portion of employee salaries for Directors who are concurrently working as employees) and 6 million yen for Audit & Supervisory Board Members' monthly remuneration; the number of recipient executives at the time of the resolution was seven Directors and four Audit & Supervisory Board Members.
 3. The maximum amount for Directors' bonuses approved at the 93rd Annual General Meeting of Shareholders held on June 28, 2007 is 60 million yen per year (not including the portion of employee bonuses for Directors who are concurrently working as employees); the number of recipient executives at the time of the resolution was seven Directors.

Policy for cross-shareholdings

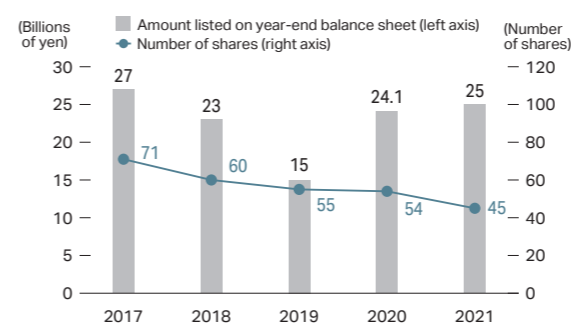
We hold shares deemed necessary in terms of business strategy in pursuit of sustained growth and improving our corporate value over the medium to long term.

The Board of Directors examines the purpose and economic rationality of individual cross-shareholdings each year, and when they reach the conclusion that there is little reason to continue holding certain shares, we initiate a dialogue with the investee company en route to selling the shares (over the five-year period from FY2017 to FY2021, we sold 1,900 million yen worth of shares).

Our policy is to reduce our cross-shareholdings by 6,000 million yen (based on the market value at end-March 2022) over the five-year period from FY2022 to FY2026 to raise capital for investments toward carbon neutrality as well as other environmental and growth investments.

We will exercise our right to vote on cross-shareholdings appropriately; our criteria are whether the holdings will improve the corporate value of the Company and investee companies over the medium to long term and whether our reasons for holding the shares remain valid.

Cross-shareholdings (exchange-listed shares excluding presumptive holdings) through the years



Actual sales of cross-shareholdings (exchange-listed shares)



Compliance

We are making efforts to establish a compliance system for the entire Group in accordance with the Nittetsu Mining Group Code of Conduct in addition to establishing and applying internal controls for financial reporting to ensure the reliability thereof and comply with accounting standards.

In FY2021, we held one compliance seminar for management personnel and higher-ranking members of the Group for the purpose of spreading compliance management throughout the Group.

An audit team comprising members of the Internal Audit Office and employees from other departments audits the status of compliance and internal controls at the Company and its subsidiaries as well as their accounting work.

(1) Internal reporting system

We have established and applied regulations for internal reporting to serve as a system that enables employees of the Company and its affiliates to report illegal conduct and other misconduct within the Group to the Company. The regulations identify the Internal Audit Office of our Head Office as the contact point for these reports and set out other provisions, including requiring the Internal Audit Office to conduct investigations promptly after receiving reports and take action in a manner that does not put the reporter(s) at a disadvantage.

As for applying the regulations, the Internal Audit Office reports on all reports received and actions taken in response at the very next meeting of the Board of Directors in addition to reporting the results for the fiscal year at the final meeting of the Board of Directors that year.

(2) Conducting compliance training

In addition to compliance seminars for management and executives at the Company and its affiliates, we also offer courses for sales personnel on the Antimonopoly Act and the Subcontract Act and enlist outside instructors to lead training for section managers and assistant managers.

Risk management

We have formulated a business continuity plan (BCP) to prepare for earthquakes and other natural disasters and also discuss revisions to the plan based on risks and other information identified in the interim, for example during the two safety status confirmation drills and five business continuity management (BCM) meetings conducted and held during FY2021.

Additionally, the Quality Assurance Committee

meets on a regular basis to ascertain, assess, and examine countermeasures for risks pertaining to the quality of the products and services the Group provides to its customers. Notably, the two meetings of the Quality Assurance Committee held during FY2021 included reports on investigations of quality control at each business location and the activities of the Risk Management Subcommittee.



INTERVIEW

Nobumichi Izumi

Outside Director

● **As you understand them, what are the main roles, responsibilities, and goals of Outside Directors? Also, what are your thoughts on the ideal state of the Board of Directors?**

Reform of corporate governance in Japan has been progressing as part of the government's growth strategy. The Corporate Governance Code lists many roles and responsibilities of Outside Directors, including offering advice geared toward promoting the sustained growth of the Company and improving its corporate value over the medium to long term, supervising the management of the Company, including the election and dismissal of management and executives, overseeing conflicts of interest, and requiring the Board of Directors to properly reflect the views of shareholders and other stakeholders. My understanding is that Outside Directors are required to use their neutral position to encourage constructive discussion and decision-making that is free of the conventional thinking within the Company.

Corporate governance reform has also changed the roles of the Board of Directors. They now need perspective as to how the Company is perceived by the capital market—that is, how it can contribute to the interests of shareholders and other stakeholders. I think it increasingly important for Outside Directors to use their knowledge of the world outside the Company to both supervise and provide advice based on their expertise and experience.

● **In that respect, what is your impression of Nittetsu Mining's governance system and Board of Directors?**

I was elected as an Outside Director at the General Meeting of Shareholders in June 2019. It appears to me that Nittetsu Mining's efforts toward corporate governance have evolved in the three-plus years since then. The Board of Directors is discussing matters more actively than before. I, too, am asking the attendees to speak up more often than before.

Recently, we have held offsite meetings immediately following scheduled meetings of the Board of Directors. The attendees are all the same, but no minutes are kept. This is so that we can discuss and debate any topic freely, regardless of the meeting agenda. Although we are still in the trial-and-error stage, this seems like a meaningful effort.

The Company is also making steady progress with digital transformations. For a time in 2021, when Japan was under a state of emergency due to the COVID-19 pandemic, we held meetings of the Board of Directors online on a trial basis, and attended via our devices. We introduced electronic seals, essentially abolishing the practice of applying a Director's seal to physical documents in person and eliminating the need to travel to the Company to do so. However, we became busier than ever because we often had to finalize matters from our devices.

● **How have you used your own knowledge and experience on the Board of Directors?**

I was a Senior Managing Executive Officer of Nikkei Inc. and Director of the Nikkei Nagoya Newspaper Printing Center, Inc., an affiliate of Nikkei. Also, when I was a journalist, I covered major companies in textiles and other industries, including Toyota Motor Co. Ltd., Toyota Motor Sales Co., Ltd. (currently Toyota Motor Corporation) and others in the Toyota Group, NGK Insulators, Ltd., NGK SPARK PLUG CO., LTD., and others in the Morimura Group.

I was also posted overseas, spending three-and-a-half years in Manila and five years total on two separate assignments in Beijing. While in the Philippines and China, I covered business as well as politics and economics. In my three years as second-in-command of the editorial department, I wrote editorials and otherwise had opportunities to speak on behalf of a journalistic organization. At the Japan Center for Economic Research, a public-interest think tank, I served as a Managing Director, Executive Office Director, and Executive Research Director.

These experiences prepared me to offer concrete, constructive advice and opinions to the Board of Directors to help them conduct business aggressively and manage risk.

● **What kinds of things do you point out from your perspective as an Outside Director? Also, what does the Board of Directors do with your recommendations and advice?**

The Corporate Governance Code requires independent outside executives to exchange information and knowledge between themselves, and Outside Directors to coordinate with Audit & Supervisory Board Members, among other things. The Company's Outside Directors attend some meetings of the Audit & Supervisory Board as observers and take steps to share information about monthly performance and important matters. Outside Directors also attend Management Council meetings.

Even more unique is that our Outside Directors and Outside Audit & Supervisory Board Members hold meetings to exchange views twice each year (in May and November). After each meeting, we put together a report outlining our specific recommendations and submit it to the Board of Directors. The Company president typically offers his views on the recommendations at meetings of the Board of Directors.

For example, the report from our November 2021 outside executives meeting advised the Company to establish a Sustainability Committee that includes the Company president as a member given that companies are required to make efforts to achieve the UN's Sustainable Development Goals (SDGs) and implement environmental, social, and corporate governance (ESG). We also recommended that internal action be taken in response to the new economic security law. As you know, the Sustainability Committee, which is chaired by the Company president, was established this past April.

I chaired the outside executives meeting this past May, and our report touched on two major themes: using the Company's new systems (the Corporate Planning Department and the Sustainability Committee) to respond to the crisis in Ukraine and promoting reforms fitting of a Prime Market company. Specifically, we advised the Company to prepare for the enactment of the new Economic Security Promotion Act, further promote the hiring and inclusion of female employees, hire deserving mid-career transfers (including foreign nationals), and introduce career-path systems.

● **In terms of governance, what has changed since you took office? What does not need to change? What must change?**

In December 2021, the Company established the Nomination & Remuneration Committee, which comprises the Company president and Outside Directors. I am serving as the chair of the committee. We now have three Outside Directors, including one woman who was elected at the General Meeting of

Shareholders held in June 2022. Given that there are nine Directors in total, Outside Directors now comprise one-third of the Board of Directors, which satisfies the requirement for Prime Market companies.

In this volatile era of increasing geopolitical risk, companies cannot grow without unceasing management reforms. In that sense, I cannot think of anything that does not need to change.

On the other hand, a lot of things absolutely must change. It is especially important to sustain efforts in corporate governance reform. A growing number of companies in Japan that are adding outside directors are transitioning into companies with audit and supervisory committees. It seems to me that we should also look into this issue.

● **Nittetsu Mining is an integrated mineral resources company engaged in several different businesses, namely in environmental and technical fields. What do you expect of the Company going forward, and what are some things that must be done to sustain the Company's growth?**

The Company was established in 1939, when the mining division was separated from the former Japan Iron & Steel Co., Ltd. (currently NIPPON STEEL CORPORATION) in order to develop and secure coal, iron ore, limestone, and other raw materials for steelmaking. After Japan's postwar economic boom, the Company pivoted from coal to metals and limestone, claiming a unique position in the industry as an integrated mineral resources company. Looking ahead, the earning capacity of the entire Group should grow stronger as productivity continues to improve.

Mining—our cornerstone—is an epic global business in which management plans are drafted in the order of decades and centuries in the context of Earth history.

In terms of corporate governance, we have much to accomplish, including respecting human rights and diversity; securing core human resources spanning all genders and nationalities; achieving carbon neutrality as a measure to combat global warming; achieving solidarity and harmony with communities; complying with laws, regulations, and social norms; engaging in constructive dialogue with shareholders; and implementing business portfolio reforms that channel investments to businesses with growth potential.

To fulfill my responsibilities as one of the Company's Outside Directors, I am prepared to do what it takes to stay connected to what is happening in the field and on the ground, listen to what stakeholders have to say, and constantly update and advance my knowledge.

Consolidated Financial Indicators Through the Years

		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Net sales	(Millions of yen)	102,840	114,317	125,467	114,088	107,325	118,709	123,372	117,502	119,159	149,082
Operating profit	(Millions of yen)	8,649	9,517	10,232	10,090	8,026	8,741	7,479	7,576	8,726	15,715
Ordinary profit	(Millions of yen)	7,233	8,957	9,613	9,723	7,474	8,779	7,356	8,012	9,629	16,605
Profit attributable to owners of parent	(Millions of yen)	3,873	3,903	5,973	4,483	7,289	4,877	5,360	4,518	3,746	9,279
Capital investment	(Millions of yen)	8,908	6,850	7,855	6,240	6,465	5,165	8,044	8,825	7,461	9,577
Depreciation	(Millions of yen)	4,954	5,358	5,927	6,623	5,875	5,433	5,547	5,316	5,302	5,426
Research & development expenses	(Millions of yen)	587	565	551	580	617	634	702	696	672	750
Net assets	(Millions of yen)	76,746	84,755	92,466	90,850	102,399	106,164	107,186	105,208	116,411	126,371
Total assets	(Millions of yen)	144,539	161,325	170,055	162,379	167,496	172,431	171,717	173,954	188,735	197,732
Equity capital	(Millions of yen)	75,273	81,591	89,219	87,472	98,042	101,534	102,656	100,060	111,075	120,073
Earnings per share*	(Yen)	465.26	468.88	717.53	538.65	875.83	586.12	644.24	543.16	450.37	1,115.46
Dividend per share*	(Yen)	70.00	85.00	70.00	80.00	80.00	90.00	110.00	90.00	100.00	335.00
ROA (operating profit)	(%)	6.2	6.2	6.2	6.1	4.9	5.1	4.3	4.4	4.8	8.1
ROE	(%)	5.4	5.0	7.0	5.1	7.9	4.9	5.3	4.5	3.5	8.0
EBITDA	(Millions of yen)	13,604	14,876	16,160	16,713	13,901	14,174	13,027	12,892	14,029	21,141
Capital adequacy ratio	(%)	52.1	50.6	52.5	53.9	58.5	58.9	59.8	57.5	58.9	60.7
Cash flows from operating activities	(Millions of yen)	11,838	5,742	19,811	11,070	12,079	12,161	13,465	9,242	9,414	8,539
Cash flows from investing activities	(Millions of yen)	(8,674)	(10,186)	(4,289)	(4,993)	(6,070)	(4,611)	(6,077)	(7,714)	(6,539)	(7,256)
Cash flows from financing activities	(Millions of yen)	(2,341)	0	(3,832)	(3,675)	(6,194)	(3,089)	(4,025)	(1,454)	(999)	(4,759)
Payout ratio	(%)	15.0	18.1	9.8	14.9	9.1	15.4	17.1	16.6	22.2	30.0
Number of employees (consolidated)	(Persons)	1,704	1,781	1,787	1,756	1,771	1,784	1,836	1,882	1,941	2,019

* The Company implemented a 10-to-1 consolidation of common shares that took effect on October 1, 2016; per-share data predating the consolidation has been recalculated to reflect the consolidation.

Consolidated Financial Statements (Condensed)

Consolidated balance sheets

(Millions of yen)

	FY2020	FY2021
Assets		
Current assets	87,866	89,705
Non-current assets	100,869	108,027
Property, plant and equipment	62,584	67,117
Intangible assets	3,329	3,608
Investments and other assets	34,955	37,301
Total assets	188,735	197,732
Liabilities		
Current liabilities	48,162	46,938
Non-current liabilities	24,161	24,422
Total liabilities	72,323	71,360
Net assets		
Shareholders' equity	100,591	108,145
Capital stock	4,176	4,176
Capital surplus	4,889	4,746
Retained earnings	91,693	99,391
Treasury stock	(167)	(169)
Accumulated other comprehensive income	10,483	11,928
Valuation difference on available-for-sale securities	10,986	11,974
Deferred gains or losses on hedges	79	(778)
Foreign currency translation adjustment	53	808
Remeasurements of defined benefit plans	(635)	(75)
Non-controlling interests	5,336	6,297
Total net assets	116,411	126,371
Total liabilities and net assets	188,735	197,732

Consolidated statements of income

(Millions of yen)

	FY2020	FY2021
Net sales	119,159	149,082
Cost of sales	92,104	114,217
Gross profit	27,054	34,864
Selling, general and administrative expenses	18,327	19,149
Operating profit	8,726	15,715
Non-operating income	1,704	1,561
Non-operating expenses	801	671
Ordinary profit	9,629	16,605
Extraordinary income	44	191
Extraordinary losses	3,070	493
Profit before income taxes	6,603	16,304
Income taxes - current	2,694	5,082
Income taxes - deferred	(675)	27
Total income taxes	2,019	5,110
Profit	4,584	11,193
Profit attributable to non-controlling interests	837	1,914
Profit attributable to owners of parent	3,746	9,279

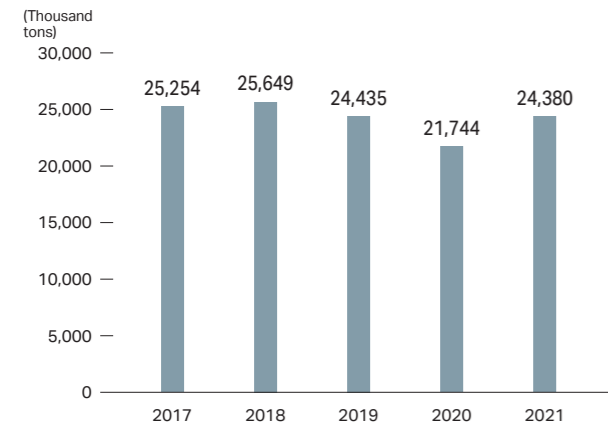
Consolidated statements of comprehensive income

(Millions of yen)

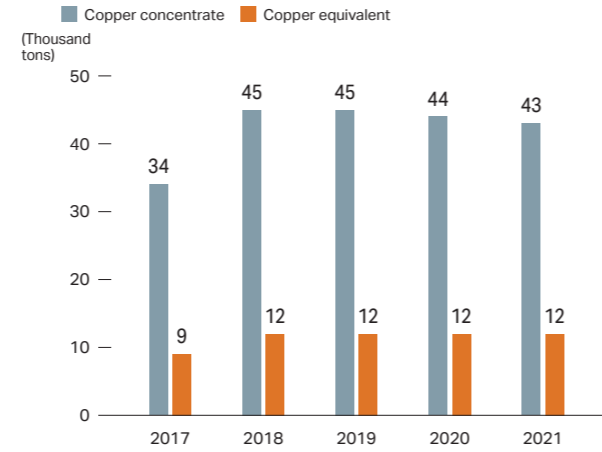
	FY2020	FY2021
Profit	4,584	11,193
Other comprehensive income	7,948	1,727
Valuation difference on available-for-sale securities	6,657	987
Deferred gains or losses on hedges	194	(858)
Foreign currency translation adjustment	(489)	1,034
Remeasurements of defined benefit plans	1,587	564
Comprehensive income	12,532	12,921
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,819	10,723
Comprehensive income attributable to non-controlling interests	713	2,197

Non-Financial Highlights

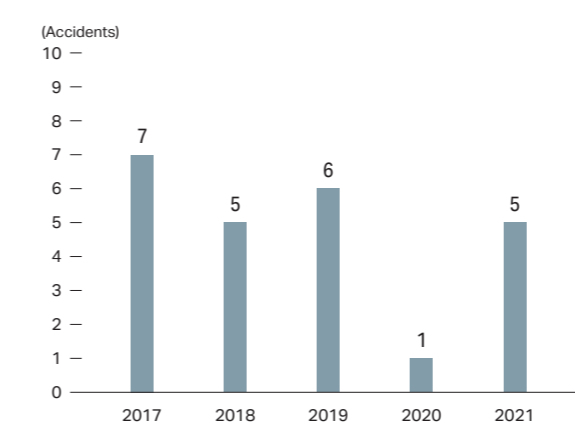
■ Total limestone production (consolidated)



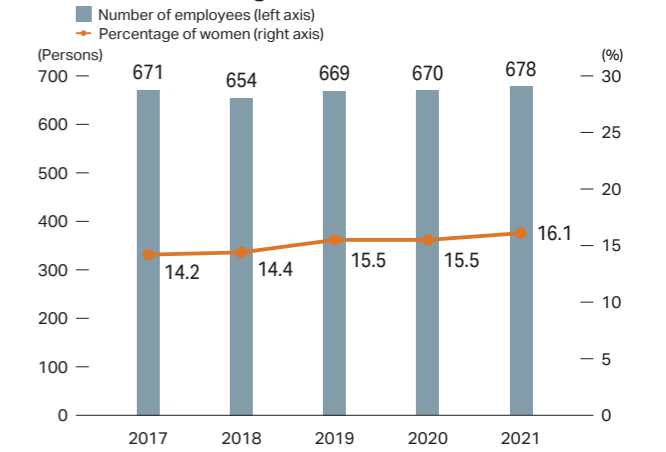
■ Total copper concentrate production (consolidated)



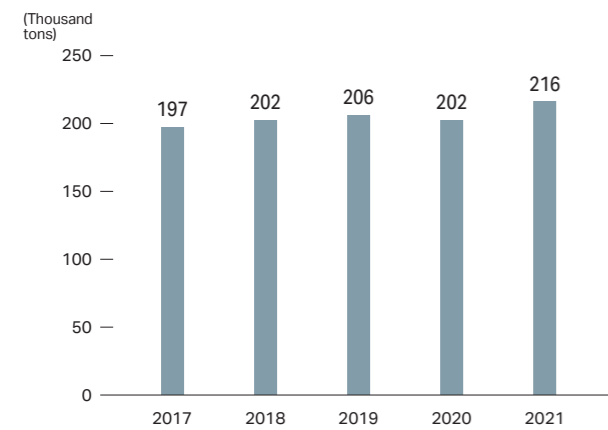
■ Number of industrial accidents involving lost work time (consolidated; domestic)



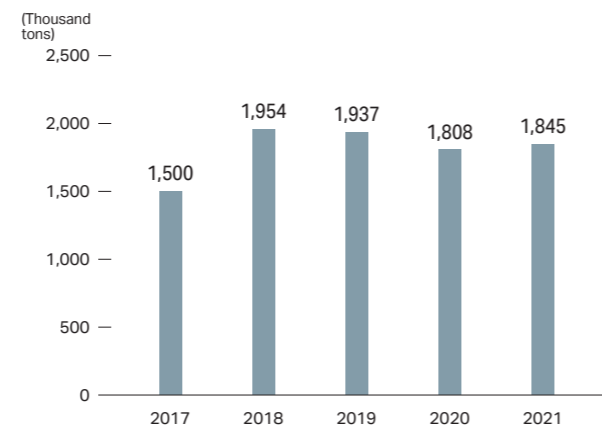
■ Number of employees/percentage of women (Nittetsu Mining)



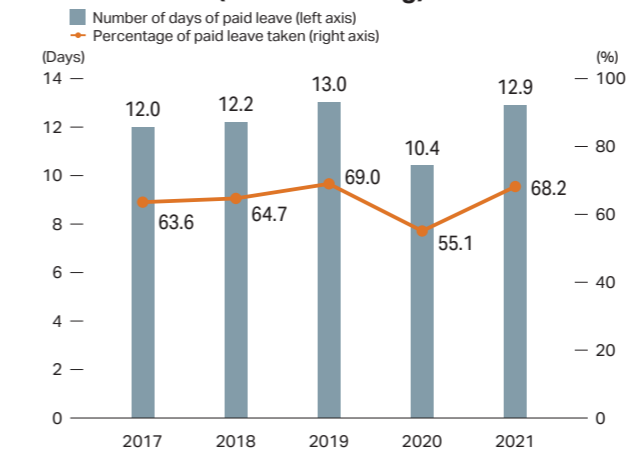
■ Total sales of Polytetsu (consolidated)



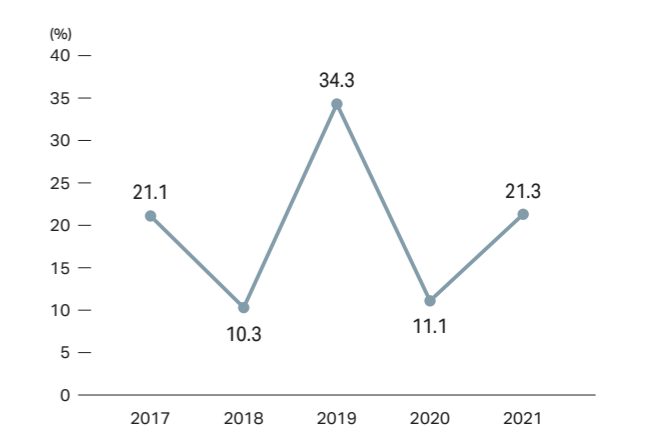
■ Total geothermal steam supplied (consolidated)



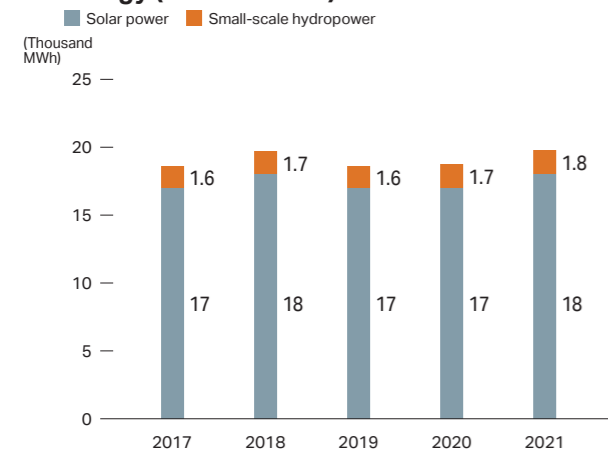
■ Number of days of paid leave/percentage of leave taken (Nittetsu Mining)



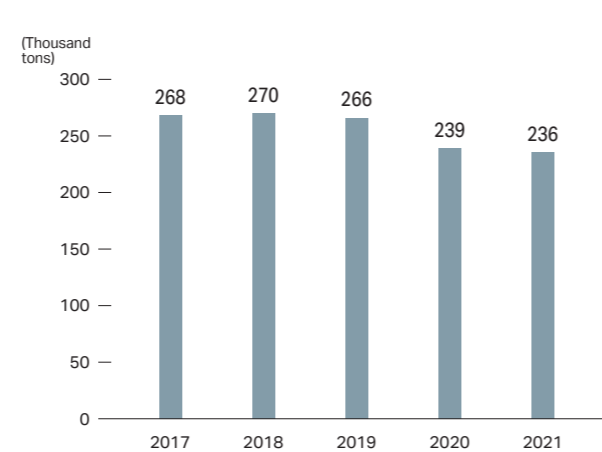
■ Percentage of women hired (Nittetsu Mining)



■ Total electricity generated from renewable energy (consolidated)

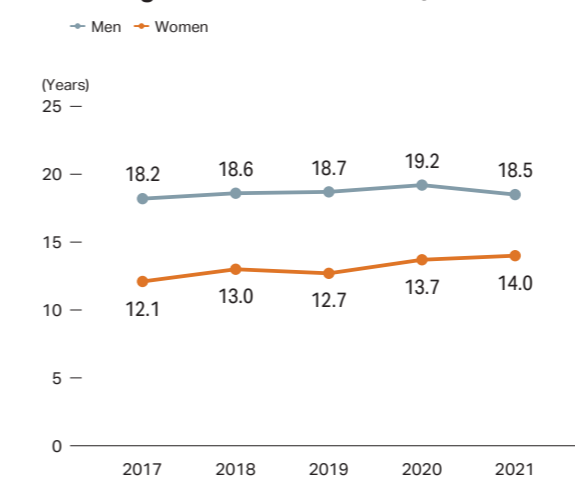


■ CO₂ emissions

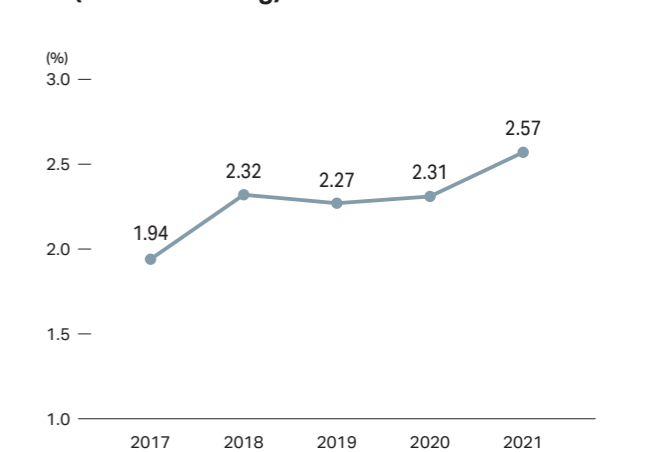


Note: Domestic (including Group companies) Scope 1 and Scope 2 emissions calculated using emissions factors based on the Act on Promotion of Global Warming Countermeasures

■ Average continuous service (Nittetsu Mining)



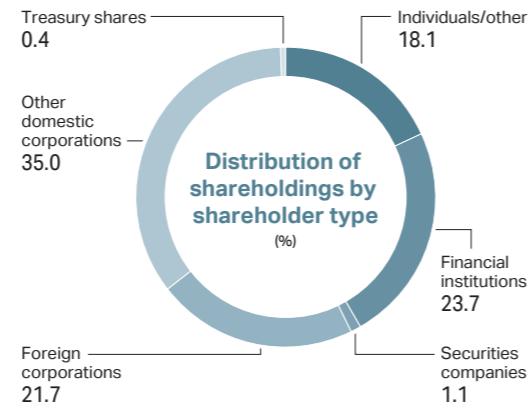
■ Employment rate of people with disabilities (Nittetsu Mining)



Share Information (as of September 30, 2022)

Basic information

Securities code	1515
Stock exchange listings	Tokyo Stock Exchange Prime
Business type	Mining industry
Share unit	100 shares
Authorized shares	20,000,000 shares
Outstanding shares	8,352,319 shares (including 33,906 shares of treasury stock)
Number of shareholders	5,245
Fiscal year	April 1 to March 31
Annual General Meeting of Shareholders	Held in June every year
Record date of Annual General Meeting of Shareholders	March 31
Record date of shareholders eligible for profit dividends	March 31, and September 30 when paying an interim dividend
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited
Special account administrator	



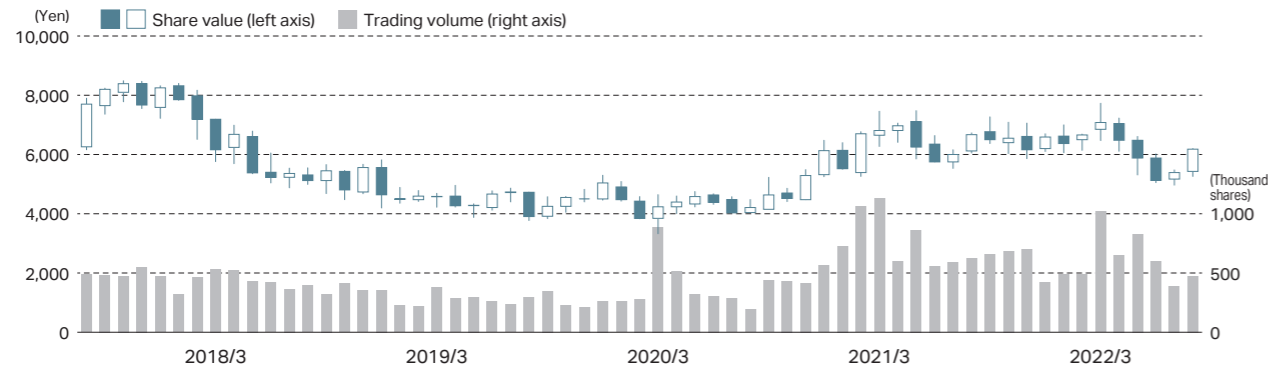
Note: The Company conducted a 2-for-1 share split of its common shares with a record date of September 30, 2022 and an effective date of October 1, 2022

Major shareholders

Name	Number of shares held (Thousand shares)	Shareholding ratio (%)
NIPPON STEEL CORPORATION	1,237	14.88
The Master Trust Bank of Japan, Ltd. (trust account)	788	9.48
Nittetsu Kogyo Shogakukai	641	7.71
Mizuho Bank, Ltd.	294	3.54
Sumitomo Mitsui Banking Corporation	290	3.49
Custody Bank of Japan, Ltd. (trust account)	218	2.62
Nittetsu Kogyo Shareholding Association	173	2.08
DFA INTL SMALL CAP VALUE PORTFOLIO	146	1.76
CEPLUX-THE INDEPENDENT UCITS PLATFORM 2	143	1.72
MUFG Bank, Ltd.	139	1.68

Notes: 1. Shareholding ratio is calculated excluding treasury stock (33,906 shares).
2. Shareholding ratios are rounded off to two decimal places.

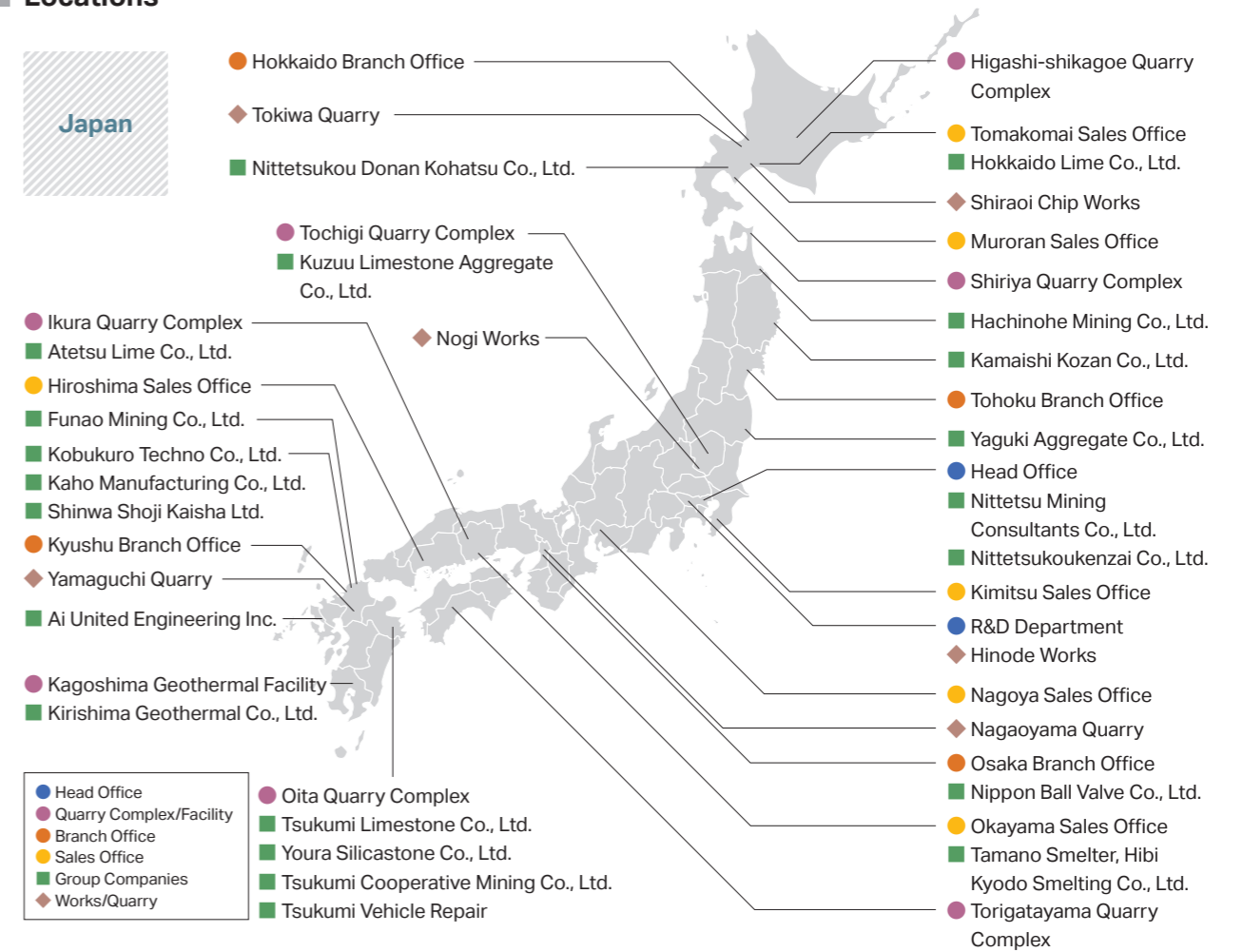
Share value/trading volume through the years



Corporate Profile (as of March 31, 2022)

Company name	Nittetsu Mining Co., Ltd.
Date of establishment	May 20, 1939
Representative	Reichi Morikawa, Representative Director and President
Head office	Yusen Building 6th floor, 3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8377 Japan
Capital	4,176 million yen
Business description	Primarily mining (mining and distributing limestone, calcium carbonate, gravel, etc.) in addition to processing, distributing, importing, and exporting copper and other mineral products; purchasing and distributing coal and petroleum products; developing and distributing products and equipment, including machinery and environment-related products; real estate; generating power using renewable energy; etc.
Number of employees	Consolidated 2,019 Non-consolidated 678

Locations



Overseas Offices	Group Companies (Mining)	Group Companies (Machinery)	Group Companies (Commercial and Services)
<ul style="list-style-type: none"> Sydney Office Level 14, 115 Pitt Street, Sydney NSW 2000, Australia Taiwan Office Rm. 506, 5F, No. 88, Sec. 2 Zhongxiao E.Rd., Zhongzheng Dist., Taipei City 100, Taiwan 	<ul style="list-style-type: none"> Sociedad Contractual Minera Atacama Kozan Tierra Amarilla, III, Chile Compañía Minera Arqueros S.A. Coquimbo, IV, Chile Nittetsu Mining Chile Ltd. Copiapo, III, Chile 	<ul style="list-style-type: none"> Shanghai Jinhua Environment Purification Engineering Co., Ltd. Songjiang District, Shanghai, China 	<ul style="list-style-type: none"> Nittetsukou (Shanghai) Co., Ltd. Changning District, Shanghai, China