



ANNUAL REPORT

For the year ended March 31, 2016

2016

Nittetsu Mining Co., Ltd.

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Nittetsu Mining Co., Ltd.

Financial Highlights

Consolidated

Nittetsu Mining Co., Ltd. and Consolidated Subsidiaries
Years ended March 31

	Millions of yen					Thousands of US dollars
	2016	2015	2014	2013	2012	2016
For the year						
Net Sales	¥ 114,088	¥ 125,467	¥ 114,317	¥ 102,840	¥ 101,505	\$ 1,012,495
Profit Attributable to Owners of Parent	4,483	5,973	3,903	3,873	3,024	39,787
At year-end						
Total Assets	162,379	170,055	161,325	144,539	132,470	1,441,069
Per share data						
Profit per Share	¥ 53.86	¥ 71.75	¥ 46.89	¥ 46.53	¥ 36.32	\$ 0.48

Non-Consolidated

Nittetsu Mining Co., Ltd.
Years ended March 31

	Millions of yen					Thousands of US dollars
	2016	2015	2014	2013	2012	2016
For the year						
Net Sales	¥ 88,935	¥ 102,782	¥ 92,547	¥ 87,079	¥ 86,928	\$ 789,278
Net Income	3,773	6,536	5,116	3,816	2,754	33,489
At year-end						
Total Assets	137,197	143,802	134,155	124,968	114,493	1,217,583
Per share data						
Profit per Share	¥ 45.34	¥ 78.52	¥ 61.46	¥ 45.84	¥ 33.08	\$ 0.40

Note: US dollar amounts are translated from yen, for convenience only, at the rate of ¥112.68=US\$1.

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Message from the Management

Operating Conditions and Consolidated Results

During the fiscal year ended March 31, 2016, Japan's economy saw a slower pace of economic recovery due to weakness in exports caused by the slowdown in China's economy and an overall lack of strength in the economy given a decline in public-sector investment. On a positive note, however, corporate earnings improved on the back of the government's economic stimulus measures and the Bank of Japan's monetary easing.

In these economic conditions, the Nittetsu Mining Group posted net sales of ¥114,088 million, down 9.1% year on year, due to the drop in sales within the Mineral Resources Group.

As for profit and loss, ordinary income totaled ¥9,723 million, up 1.1% year on year, which was largely on par with the previous fiscal year. However, profit attributable to owners of parent dropped 24.9% year on year to ¥4,483 million owing to the booking of an impairment loss related to its new copper mine in Chile.

Consolidated Business Results by Segment

Mineral Resources Group

Non-Metallic Minerals Division

Net sales of the Non-Metallic Minerals Division fell 1.9%, or ¥1,045 million, over the previous fiscal year to ¥55,176 million, due to a drop in the sales volume of mainstay product limestone as well as a decline in sales of oil products following the collapse in crude oil prices.

Operating income increased 7.0%, or ¥459 million, to ¥6,978 million, reflecting lower production costs.

Metallic Minerals Division

Net sales of the Metallic Minerals Division dropped 22.2%, or ¥12,316 million, over the previous fiscal year to ¥43,145 million due to the collapse in copper prices. Operating income, too, fell 60.1%, or ¥2,055 million, to ¥1,364 million.

Machinery & Environmental Engineering Group

The Machinery & Environmental Engineering Group saw net sales advance 5.0%, or ¥462 million, to ¥9,766 million, because of strong sales of water treatment agents, a mainstay product of the Environmental Engineering Division, and dust collectors, a mainstay product of the Machinery Division, as well as strong sales recorded by subsidiaries. Operating income, too, advanced 22.6%, or ¥187 million, to ¥1,018 million.

Real Estate Group

The Real Estate Group saw net sales rise 55.0%, or ¥1,460 million, over the previous fiscal year to ¥4,116 million, while operating income also rose 110.7%, or ¥1,500 million, to ¥2,855 million thanks to robust market conditions for leased properties and the sale of real estate for sale.

Renewable Energy Group

The Renewable Energy Group saw sales advance 3.3%, or ¥60 million, from the previous fiscal year to ¥1,883 million, buoyed by the new operation of solar power plants, despite a drop in sales of the Geothermal Division.

Operating income dipped 1.6%, or ¥5 million, to ¥314 million due to an increase in depreciation and amortization costs.

Capital Expenditures, Financing and Other Related Matters

Capital expenditures of the Nittetsu Mining Group totaled ¥6,240 million during the fiscal year under review, down 20.6% from the previous fiscal year, and no major facilities were completed in the fiscal year under review.

Challenges Facing the Group

The future outlook indicates the operating environment facing the Nittetsu Mining Group will continue to require caution. This is because of economic uncertainty caused by the slowdown in China's economy and weaker economic growth in emerging countries, as well as concerns over foreign exchange rates and commodity price trends.

The Nittetsu Mining Group will respond to this operating environment by striving to enhance its business performance as it upgrades and expands its operating base and improves and enhances its management structure. It will accomplish this by such means as further boosting sales, raising productivity, cutting costs and strengthening its business continuity plan.

Going forward, the Nittetsu Mining Group will work to achieve sustainable growth and enhance medium- to long-term corporate value, while improving corporate governance. In this way, it will seek to fulfill its responsibilities to supply raw materials to basic industries as well as contribute to the prosperity of shareholders, business partners, local communities, employees and other stakeholders.

In addition, the Nittetsu Mining Group will continue with its commitment to pursue eco-friendly business activities. These include compliance with ISO 14001, greenery initiatives at mined sites, obtaining certification for company-owned forests, and generating power from natural energy.

We extend our appreciation to all shareholders and ask for your continued support and cooperation.

June 2016

Kimio Sato

Representative Director and President

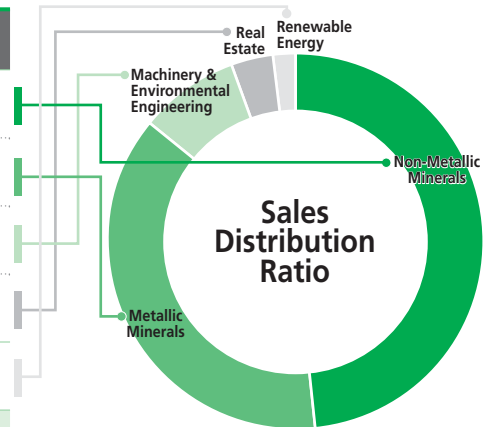
Consolidated Financial Information

Nittetsu Mining Co., Ltd. and Consolidated Subsidiaries

Net Sales by Business Segment

(Year ended March 31, 2016)

Business segment	Net sales (Millions of yen)	% change from previous fiscal year	% of total net sales
Non-Metallic Minerals	¥ 55,176	(1.9)	48.4
Metallic Minerals	¥ 43,145	(22.2)	37.7
Machinery & Environmental Engineering	¥ 9,766	5.0	8.6
Real Estate	¥ 4,116	55.0	3.6
Renewable Energy	¥ 1,883	3.3	1.7
Total	¥ 114,088	(9.1)	100.0



Breakdown of Net Sales

(Years ended March 31)

(Millions of yen)

Business segment	Major products	2016		2015		Increase (decrease)	
		Net sales	% of total net sales	Net sales	% of total net sales		
Mineral Resources	Limestone	¥ 27,500	24.1	¥ 27,913	22.2	¥ (412)	
	Crushed stone	6,401	5.6	6,874	5.5	(473)	
	Non-Metallic Minerals	Calcium carbonate	3,631	3.2	3,694	2.9	(63)
		Ancillary products and others	17,643	15.5	17,739	14.2	(96)
		Sub-total	55,176	48.4	56,222	44.8	(1,045)
	Metallic Minerals	Electrolytic copper	28,314	24.8	32,162	25.6	(3,848)
		Copper concentrate	9,248	8.1	16,898	13.5	(7,650)
		Others	5,582	4.8	6,400	5.1	(818)
			Sub-total	43,145	37.7	55,461	44.2
		Total	¥ 98,321	86.1	¥ 111,684	89.0	¥(13,362)
Machinery & Environmental Engineering	Machinery engineering	4,747	4.2	4,430	3.5	317	
	Environmental engineering	5,018	4.4	4,873	3.9	145	
		Total	¥ 9,766	8.6	¥ 9,303	7.4	¥ 462
Real Estate	Real estate rentals and sales	4,116	3.6	2,655	2.1	1,460	
Renewable Energy	Geothermal steam supply, solar power, hydroelectric power	1,883	1.7	1,823	1.5	60	
	Total	¥ 114,088	100.0	¥ 125,467	100.0	¥(11,379)	

Consolidated Financial Information

Nittetsu Mining Co., Ltd. and Consolidated Subsidiaries

Balance Sheets

As of March 31, 2016 and 2015

Assets

	Millions of yen		Thousands of US dollars
	2016	2015	2016
Current Assets			
Cash and deposits	¥ 26,648	¥ 24,118	\$ 236,497
Notes and accounts receivable—trade	25,223	25,587	223,849
Lease investment assets	4,128	4,334	36,638
Merchandise and finished goods	4,659	4,540	41,352
Work in process	7,975	7,571	70,781
Raw materials and supplies	2,041	1,948	18,117
Deferred tax assets	421	483	3,739
Other	3,084	3,002	27,376
Allowance for doubtful accounts	(408)	(80)	(3,625)
	73,774	71,506	654,727
Non-Current Assets			
Property, plant and equipment:			
Buildings and structures	24,214	25,966	214,899
Machinery, equipment and vehicles	11,220	11,079	99,576
Land used for mining operations	3,883	3,989	34,466
Land for general use	16,685	16,635	148,076
Construction in progress	711	918	6,313
Other	526	644	4,675
	57,242	59,234	508,008
Intangible assets	1,418	1,669	12,592
Investments and Other Assets			
Investment securities	25,169	32,444	223,370
Deferred tax assets	969	966	8,605
Other	4,202	4,652	37,293
Allowance for doubtful accounts	(397)	(400)	(3,528)
Allowance for investment loss	—	(19)	—
	29,943	37,644	265,741
Total Assets	¥ 162,379	¥ 170,055	\$ 1,441,069

The accompanying notes are an integral part of these statements.
Totals may not add up due to rounding.

Liabilities and Net Assets

	Millions of yen		Thousands of US dollars
	2016	2015	2016
Current Liabilities			
Notes and accounts payable—trade	¥ 10,174	¥ 10,643	\$ 90,298
Short-term loans payable	8,725	9,659	77,440
Lease obligations	768	640	6,822
Accounts payable	5,480	5,236	48,635
Income taxes payable	1,254	1,950	11,129
Provision for bonuses	943	921	8,369
Provision for directors' bonuses	23	23	211
Provision for shareholders' benefits	11	12	99
Other	3,653	5,337	32,425
	31,035	34,424	275,431
Non-Current Liabilities			
Long-term loans payable	18,103	19,064	160,661
Lease obligations	1,376	1,210	12,212
Deferred tax liabilities	5,242	8,785	46,525
Provision for directors' retirement benefits	119	118	1,056
Provision for environmental safety measures	150	151	1,333
Provision for special repairs	102	224	912
Net defined benefit liability	4,060	2,184	36,034
Asset retirement obligations	4,371	4,290	38,798
Other	6,967	7,135	61,831
	40,493	43,164	359,366
Total Liabilities	71,528	77,589	634,797
Net Assets			
Capital stock	4,176	4,176	37,062
Capital surplus	6,149	6,149	54,578
Retained earnings	69,545	65,645	617,196
Treasury shares	(144)	(139)	(1,286)
Shareholders' equity	79,726	75,831	707,550
Accumulated Other Comprehensive Income			
Valuation difference on available-for-sale securities	8,929	13,505	79,250
Deferred gains or losses on hedges	(51)	(252)	(453)
Foreign currency translation adjustment	927	901	8,232
Remeasurements of defined benefit plans	(2,060)	(766)	(18,289)
Total Accumulated Other Comprehensive Income	7,745	13,387	68,739
Non-controlling interests	3,378	3,246	29,982
Total Net Assets	90,850	92,466	806,272
Total Liabilities and Net Assets	¥ 162,379	¥ 170,055	\$ 1,441,069

Consolidated Financial Information

Nittetsu Mining Co., Ltd. and Consolidated Subsidiaries

Statements of Income

Years ended March 31, 2016 and 2015

	Millions of yen		Thousands of US dollars
	2016	2015	2016
Net Sales	¥ 114,088	¥ 125,467	\$ 1,012,495
Cost of Sales	84,901	95,975	753,476
Selling, General and Administrative Expenses	19,095	19,258	169,470
Operating Income	10,090	10,232	89,548
Non-Operating Income:			
Interest income	39	41	347
Dividends income	765	677	6,796
Share of profit of entities accounted for using equity method	257	—	2,281
Other	172	315	1,528
	1,234	1,036	10,953
Non-Operating Expenses:			
Interest expenses	356	401	3,160
Share of loss of entities accounted for using equity method	—	256	—
Other	1,245	995	11,050
	1,601	1,656	14,210
Ordinary Income	9,723	9,613	86,292
Extraordinary Income:			
Gain on sales of non-current assets	86	463	764
Gain on sales of investment securities	50	0	444
Compensation income	115	34	1,025
Other	5	21	52
	257	520	2,285
Extraordinary Losses:			
Loss on sales and retirement of non-current assets	271	162	2,411
Impairment loss	1,727	138	15,335
Loss on valuation of investment securities	425	1	3,771
Other	31	12	277
	2,455	314	21,795
Profit before Income Taxes	7,525	9,819	66,782
Income Taxes:			
Income taxes—current	2,855	3,144	25,337
Income taxes—deferred	(367)	47	(3,257)
	2,488	3,192	22,080
Profit attributable to non-controlling interests	553	654	44,701
Profit attributable to owners of parent	4,483	5,973	4,914
Profit	¥ 5,037	¥ 6,627	\$ 39,787

The accompanying notes are an integral part of these statements. Totals may not add up due to rounding.

Statements of Comprehensive Income

Years ended March 31, 2016 and 2015

	Millions of yen		Thousands of US dollars
	2016	2015	2016
Profit	¥ 5,037	¥ 6,627	\$ 44,701
Other comprehensive income:			
Valuation difference on available-for-sale securities	(4,576)	2,137	(40,619)
Deferred gains or losses on hedges	201	(450)	1,783
Foreign currency translation adjustment	39	1,003	352
Remeasurements of defined benefit plans, net of tax	(1,293)	(29)	(11,483)
Share of other comprehensive income of entities accounted for using equity method	(1)	0	—
Total other comprehensive income	(5,631)	2,661	(49,981)
Comprehensive income	(594)	9,288	(5,280)
Comprehensive income attributable to owners of parent	(1,159)	8,451	(10,286)
Comprehensive income attributable to non-controlling interests	¥ 564	¥ 837	\$ 5,006

The accompanying notes are an integral part of these statements. Totals may not add up due to rounding.

Statements of Cash Flows

Years ended March 31, 2016 and 2015

	Millions of yen		Thousands of US dollars
	2016	2015	2016
Net cash provided by operating activities	¥ 11,070	¥ 19,811	\$ 98,247
Net cash used in investing activities	(4,993)	(4,289)	(44,318)
Net cash used in financing activities	(3,675)	(3,832)	(32,621)
Effect of exchange rate change on cash and cash equivalents	(145)	487	(1,287)
Net increase in cash and cash equivalents	2,255	12,178	20,020
Cash and cash equivalents at beginning of period	23,717	11,539	210,488
Cash and cash equivalents at end of period	¥ 25,973	¥ 23,717	\$ 230,509

The accompanying notes are an integral part of these statements. Totals may not add up due to rounding.

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 21 companies

Main consolidated subsidiaries:

Funao Mining Co., Ltd., Hachinohe Mining Co., Ltd., Sociedad Contractual Minera Atacama Kozan, Hokkaido Lime Co., Ltd., Nittetsu Mining Consultants Co., Ltd., Nittetsukoukenzai Co., Ltd., Kobukuro Techno Co., Ltd.

(2) Names of principal unconsolidated subsidiaries

Shin Yaguki Mining Co., Ltd., Yaguki Aggregate Co., Ltd.

Reason for exclusion from scope of consolidation:

The unconsolidated subsidiaries are small in scale, and their total assets, net sales, profit and retained earnings, etc., (commensurate with equity holdings) do not have a material effect on the consolidated financial statements.

2. Application of the Equity Method

(1) Number of affiliated companies accounted for by the equity method:

1 company: Hibi Kyodo Smelting Co., Ltd.

(2) Unconsolidated subsidiaries (Shin Yaguki Mining Co., Ltd. and others) and an affiliated company (POLYTETSU-KOREA Co., LTD.) not accounted for by the equity method are excluded from the scope of application of the equity method because they have no overall significance and their profit and retained earnings (commensurate with equity holdings) would have an immaterial effect on consolidated financial statements even if they were excluded from eligibility for the equity method.

3. Business Years of Consolidated Subsidiaries

Companies with account settlement dates different from the consolidated account settlement date are as follows:

Company Name	Settlement Date
Sociedad Contractual Minera Atacama Kozan	December 31
Minera Nittetsu Chile Limitada	December 31

The financial statements of the consolidated subsidiaries as of the account settlement date are used. Necessary adjustments are made in consolidation for significant transactions occurring between then and the consolidated account settlement date.

4. Summary of Significant Accounting Policies

(1) Valuation standard and method for significant assets

(a) Marketable securities

Other marketable securities:

Securities with fair market value:

Valued at fair market value based on market prices, etc., at the balance sheet date (valuation differences are directly charged or credited to net assets, and cost of securities sold calculated by the moving-average method).

Securities without fair market value:

Valued at cost by the moving-average method.

(b) Derivatives

Market value method

(c) Inventories

The standard for evaluation is the cost method (book value devaluation method based on the

decline in profitability). The method of evaluation is the periodic-average method or the first-in, first-out method, depending on the product line or type of business.

(2) Method for depreciation and amortization of significant depreciable assets

(a) Property, plant and equipment (except for lease assets)

The Company and its domestic consolidated subsidiaries primarily use the declining balance method. However, buildings acquired on or after April 1, 1998, excluding leasehold improvements and auxiliary facilities attached to buildings, are depreciated using the straight-line method. Certain structures (major mineshafts) and all mining land are depreciated using the production output method. Overseas consolidated subsidiaries primarily use the straight-line method.

Estimated useful lives are as follows:

Buildings and structures: 5–60 years

Machinery, equipment and vehicles: 3–20 years

(b) Intangible assets (except for lease assets)

For mining rights, the production output method is adopted. For others, the straight-line method is adopted. Software for internal use is amortized using the straight-line method based on the usable period in the company (5 years).

(c) Lease assets

Leased property under finance leases that do not transfer ownership of the lease property are computed over the lease terms assuming no residual value.

(3) Accounting for significant reserves and allowances

(a) Allowance for doubtful accounts

At the end of each fiscal year, the Company and its domestic consolidated subsidiaries set aside an allowance for doubtful accounts in the estimated unrecoverable amount, based on the Company's loss experience for general credit and on the Company's individual estimates of future recoverability for specific accounts, including doubtful accounts.

(b) Allowance for investment loss

The Company sets aside a reserve to compensate for losses related to investments in affiliates in the mining business based on the financial standing of the applicable affiliate.

(c) Provision for bonuses

The Company and its domestic consolidated subsidiaries set aside a reserve for provision for bonuses, calculated based on estimated payments to cover payment of bonuses to employees.

(d) Provision for directors' bonuses

The Company and its domestic consolidated subsidiaries set aside a reserve to match provision for bonuses, calculated based on estimated payments to cover payment of bonuses to directors.

(e) Provision for shareholders' benefits

The Company sets aside a reasonable reserve to cover payments for expenses of the shareholders' benefits program.

(f) Provision for directors' retirement benefits

The Company and its domestic consolidated subsidiaries set aside the amount required to be paid out at the end of the fiscal year to fund the retirement benefits of directors in accordance with internal company regulations.

(g) Provision for environmental safety measures

In accordance with the Special Measures Law for the Promotion of Proper Disposal of PCB Waste (Law No. 65, June 22, 2001), the Company sets aside a reasonable reserve in an amount equivalent to the estimated disposal expenses for stored PCB.

(h) Provision for special repairs

The Company and its domestic consolidated subsidiaries have a provision for special repairs based on the estimated cost of applicable special repairs for the inspection and repair of ships requiring regular inspections under the Ship Safety Act and for regular repairs to steam production and transport facilities.

(4) Accounting method for retirement benefits

(a) Attribution method of retirement benefit estimates

The straight-line basis is used as the method for attributing estimated retirement benefits for the period until the end of the current fiscal year.

(b) Method of expense recording for actuarial differences

Actuarial differences are recorded as expenses from each consolidated fiscal year in which they occur by dividing the amount proportionately using the straight-line method over a certain number of years (13 years) within the average remaining service period of employees during the consolidated fiscal year. Certain consolidated subsidiaries of the Company record a lump-sum expense in the consolidated fiscal year in which they occur.

(c) Adoption of the simplified valuation method at small enterprise, etc.

Certain consolidated subsidiaries employ the simplified method in which the retirement benefit amount required for voluntary termination at year-end is deemed a retirement benefit obligation for the calculation of liability associated with retirement and retirement benefit expenses.

(5) Calculation method for revenue from construction work completed and costs of completed construction work

The percentage-of-completion method is used for construction contracts where the outcome of the section in progress is deemed certain by the end of the current consolidated fiscal year, while the completed contract method is applied to all other construction contracts. In addition, estimates of the state of completion at the end of the current consolidated fiscal year are calculated using the cost-to-cost method for construction projects using the percentage-of-completion method.

(6) Accounting standard for profits from financial lease transactions

Lease fees are accounted for in net sales and cost price at the time of receipt.

(7) Standards for translation of significant foreign currency denominated assets and liabilities into Japanese yen

Current and non-current monetary accounts denominated in foreign currencies are translated into yen at the current exchange rates as of the balance sheet date, and any translation difference is accounted for as a profit or loss for the year.

All assets and liabilities of overseas consolidated subsidiaries are translated at the rates of exchange in effect at the overseas consolidated subsidiary's balance sheet date. All revenues and expenses of overseas

consolidated subsidiaries are translated at the average rates of exchange for the fiscal year. Foreign currency translation adjustments are included in Valuation and translation adjustments and Non-controlling interests in the Net Assets section of the Balance Sheets.

(8) Main hedge accounting methods

(a) Hedge accounting method

The Company uses mainly deferred hedging. However, for interest rate swaps, special treatment is applied in cases that meet the necessary requirements. The recognition of gains and losses on foreign monetary rights or obligations at a preset price is used for currency swap transactions that qualify for hedge accounting requirements.

(b) Hedge instruments, hedge objects and hedge policy

The Company's interest rate swap transactions are carried out to avoid risk associated with loan interest rate fluctuations.

(c) Method of assessing the effectiveness of hedges

Over the period from the beginning of a commodity future transaction to the point at which the effectiveness is determined, the market fluctuations of the hedged commodity and the market fluctuations of the hedged instrument are compared and the effectiveness is determined. However, interest rate swap transactions are treated separately and are omitted from this effectiveness evaluation.

(9) Goodwill amortization method and period

The equal installment method is used for the amortization of goodwill over a period of time (less than 20 years) in which the investment effect in each subsidiary is realized. In addition, when the amount is immaterial, the complete amount is amortized in the consolidated fiscal year in which it occurs.

(10) Accounting method for consumption tax, etc.

The tax exclusion method is used when accounting for consumption tax and regional consumption tax.

5. Summary of Significant Accounting Policies (Notes Concerning Changes to Accounting Policy)

"Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), and "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) were applied from the year ended March 31, 2016. As a result of this application, differences resulting from changes in the Company's ownership interests in subsidiaries remaining under control of the Company are accounted for as a capital surplus, and the accounting method for costs in consolidated fiscal years in which acquisition related costs are incurred was changed. In addition, for business combinations executed on or after the first day of the year ended March 31, 2016, if changes in the allocation amount for the acquisition cost reached by finalization of provisional accounting treatment are carried out in the following fiscal year of the business combination, the impact on the initial balance of the fiscal year in which these changes are made will be presented in an individual category and the initial balance after

reflection of this impact will be posted. Furthermore, changes have been made in the presentation of profit, while minority interests have been changed to non-controlling interests.

The application of the "Accounting Standard for Business Combinations" follows the provisional handling stipulated in Article 58-2(4) of "Accounting Standard for Business Combinations," Article 44-5(4) of "Accounting Standard for Consolidated Financial Statements" and Article 57-4(4) of "Accounting Standard for Business Divestitures," and is applied from the first day of the year ended March 31, 2016 and indefinitely thereafter.

These changes had no effect on the consolidated financial statements.

(Notes Concerning Changes in Presentation)

"Provision of allowance for doubtful accounts" presented within "other" non-operating expenses in the year ended March 31, 2015 is now stated separately from the year ended March 31, 2016, due to the significant monetary impact on the financial statements. Provision of allowance for doubtful accounts in the year ended March 31, 2015 totaled ¥4 million.

"Gain on sales of investment securities" presented within "other" extraordinary income in the year ended March 31, 2015 is now stated separately from the year ended March 31, 2016, due to the significant monetary impact on the financial statements. The gain on sales of investment securities in the year ended March 31, 2015 totaled ¥0 million.

"Loss on valuation of investment securities" presented within "other" extraordinary losses in the year ended March 31, 2015 is now stated separately from the year ended March 31, 2016, due to the significant monetary impact on the financial statements. The loss on valuation of investment securities in the year ended March 31, 2015 totaled ¥1 million.

6. Notes to the Consolidated Balance Sheets

(1) Collateral assets (Millions of yen)

Foundation mortgage	
Property, plant and equipment	¥ 5,146
Debt collateralized by the above	
Short-term loans payable	20
Long-term loans payable	50
Total	70

(Others)

Property, plant and equipment	¥ 643
Debt collateralized by the above	
Short-term loans payable	31
Long-term loans payable	299
Guarantee deposits received	10
Total	341

(2) Accumulated depreciation of tangible assets

¥154,432 million

(3) Guaranteed liabilities (Millions of yen)

	Total guarantee	Consolidated company debt
Iwaki Kyodo Tancal Co., Ltd.	¥ 110	¥ (20)
HAKODATE NAMA CONCRETE CO., LTD.	10	(0)
Total	120	(21)

7. Segment Information

	Millions of yen						
	2016						
	Non-Metallic Minerals	Metallic Minerals	Machinery & Environmental Engineering	Real Estate	Renewable Energy	Eliminations and Corporate	Total
Sales to external customers	¥ 55,176	¥ 43,145	¥ 9,766	¥ 4,116	¥ 1,883	¥ —	¥ 114,088
Inter-segment sales	1,049	—	1,657	8	—	(2,716)	—
Segment Revenue	56,226	43,145	11,423	4,125	1,883	(2,716)	114,088
Segment Profits	6,978	1,364	1,018	2,855	314	(2,440)	10,090

	Millions of yen						
	2015						
	Non-Metallic Minerals	Metallic Minerals	Machinery & Environmental Engineering	Real Estate	Renewable Energy	Eliminations and Corporate	Total
Sales to external customers	¥ 56,222	¥ 55,461	¥ 9,303	¥ 2,655	¥ 1,823	¥ —	¥ 125,467
Inter-segment sales	792	—	1,083	21	—	(1,898)	—
Segment Revenue	57,015	55,461	10,387	2,677	1,823	(1,898)	125,467
Segment Profits	6,519	3,420	830	1,355	319	(2,211)	10,232

	Thousands of US dollars						
	2016						
	Non-Metallic Minerals	Metallic Minerals	Machinery & Environmental Engineering	Real Estate	Renewable Energy	Eliminations and Corporate	Total
Sales to external customers	\$ 489,676	\$ 382,899	\$ 86,670	\$ 36,530	\$ 16,719	\$ —	\$ 1,012,495
Inter-segment sales	9,316	—	14,711	79	—	(24,108)	—
Segment Revenue	498,992	382,899	101,382	36,609	16,719	(24,108)	1,012,495
Segment Profits	61,935	12,106	9,035	25,345	2,787	(21,662)	89,548

Corporate Information

Outline

As of March 31, 2016

Date of Establishment May 20, 1939

Common Stock

Authorized	200,000,000 shares
Issued and Outstanding	83,523,195 shares (including 295,400 shares of treasury stock)

Number of Shareholders 4,863

Major Shareholders % of total

Nippon Steel & Sumitomo Metal Corporation	14.87
Nittetsu Kogyo Shogakukai*	7.70
The Master Trust Bank of Japan, Ltd. (trust account)	4.86
Mizuho Bank, Ltd.	3.53
Sumitomo Mitsui Banking Corporation	3.49
Japan Trustee Services Bank, Ltd. (trust account)	3.20
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	2.39
Nittetsu Kogyo Shareholding Association	1.88
CBNY-GOVERNMENT OF NORWAY	1.74
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.68

*Non-profit corporation

Number of Employees (Consolidated)

Mineral Resources	
Non-Metallic Minerals	1,127
Metallic Minerals	247
Machinery & Environmental Engineering	260
Real Estate	4
Renewable Energy	10
Corporate (shared)	108
Total	1,756

Number of Employees (Non-Consolidated) 670

Principal Lenders

Mizuho Bank, Ltd.
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Ltd.

Primary Businesses

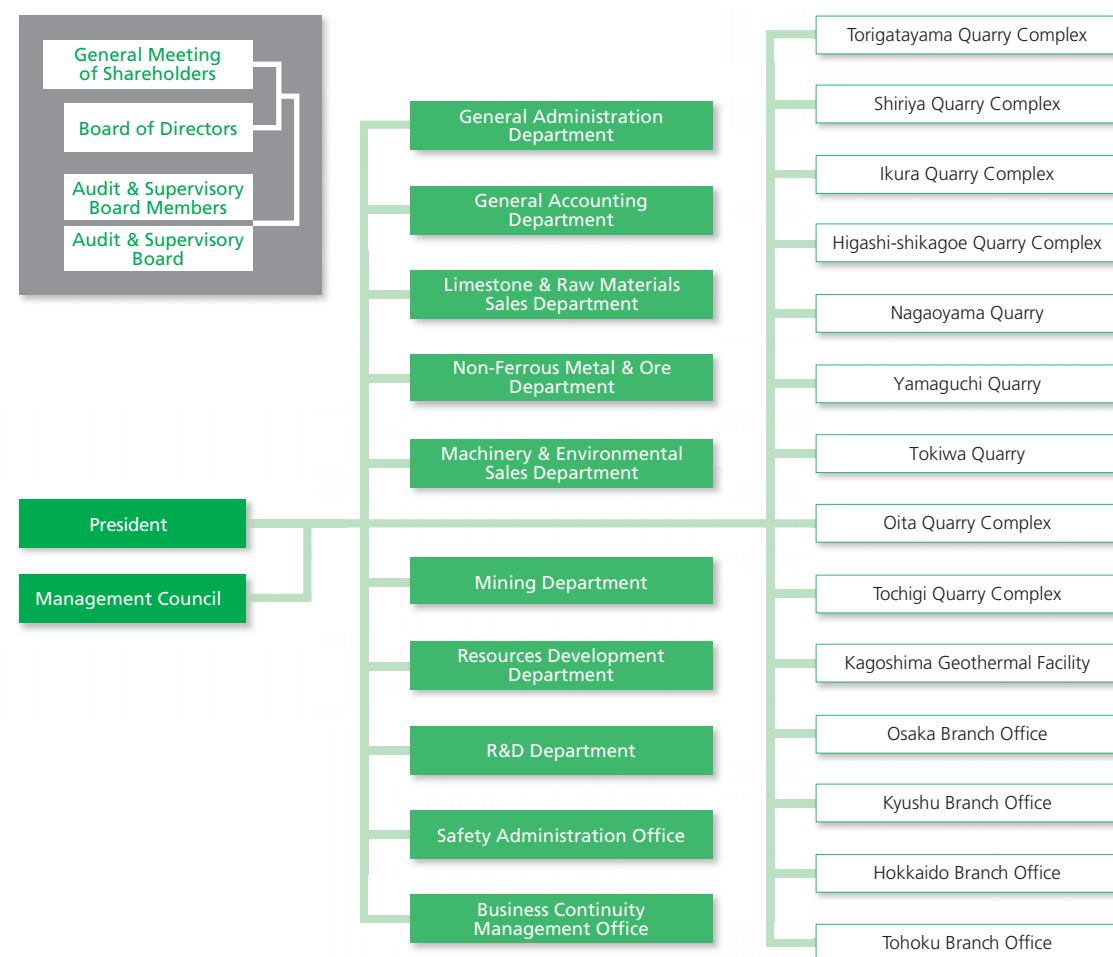
As of March 31, 2016

Group	Major Products
Mineral Resources	Non-Metallic Minerals Limestone, dolomite, crushed stone, calcium carbonate, silica rock, quicklime, hydrated lime, cement, gypsum, ready-mixed concrete and concrete products, petroleum products, coal, LPG, chips for pulp, mineral water, specialty papers (fire-retardant, calcium carbonate), granulates, handling and transportation of mineral products, technological consulting for mining and civil engineering
	Metallic Minerals Electrolytic copper, gold and silver, copper concentrate
Machinery & Environmental Engineering	Machinery Engineering Dust collectors, crushing and grinding equipment, mining machinery, construction-related machinery, civil engineering machinery, electric machinery, monorail for passenger transportation, ball valves, powder/fluid-related machinery, maintenance/repair of baryta machinery, others
	Environmental Engineering Water treatment agents, deodorizers, others
Real Estate	Rentals of office buildings, condominiums, commercial spaces, factories and warehouses and real estate sales
Renewable Energy	Geothermal steam supply, solar power, hydroelectric power

Corporate Information

Organizational Chart

As of June 29, 2016



Directors and Audit & Supervisory Board Members

As of June 29, 2016

Representative Director and President

Kimio Sato

Managing Director

Yoshifumi Noguchi

Directors

Jun Matsunaga

(Supervision of Resources Development Department)

Hiroshi Koyama

(Supervision of General Administration Department and General Accounting Department and BCM Promotion Office)

Shinya Yamasaki

(Supervision of Limestone & Raw Materials Sales Department, Non-Ferrous Metal & Ore Department, Machinery & Environmental Sales Department)

Hideo Kawamura

(Representative Director and President, Hachinohe Mining Co., Ltd.)

Takeyuki Kumamura

Katsuhiko Kaneko

Standing Audit & Supervisory Board Members

Izumi Tanaka

Hiroyasu Adachi

Audit & Supervisory Board Members

Yohtaro Matsuo

Yoshiro Wakayanagi

Corporate Executives

Hideaki Kido

(General Manager of Mining Department)

Yuji Somatsu

(General Manager of Torigatayama Quarry Complex)

Reiichi Morikawa

(General Manager of Limestone & Raw Materials Sales Department)

Offices

As of April 1, 2016

Domestic	
Head Office	Yusen Building, 3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8377, Japan URL: http://www.nittetsukou.co.jp/eng/
General Administration Section	Tel: +81-3-3284-0516 Fax: +81-3-3215-8480
Public & Investor Relations Group	Tel: +81-3-3284-0518 Fax: +81-3-3215-8480
Information System Section	Tel: +81-3-3216-5231 Fax: +81-3-3216-5232
Limestone Sales Section	Tel: +81-3-3216-5261 Fax: +81-3-3284-0037
Limestone Powder and Aggregate Sales Section	Tel: +81-3-3216-5260 Fax: +81-3-3284-0037
Fine Materials Sales Section	Tel: +81-3-3216-5254 Fax: +81-3-3215-7293
Non-Ferrous Metal & Ore Section	Tel: +81-3-3216-5265 Fax: +81-3-3284-0037
Environmental Sales Section	Tel: +81-3-3216-5320 Fax: +81-3-3216-5262
Machinery Sales Section	Tel: +81-3-3216-5321 Fax: +81-3-3216-5263
Resources Development Section	Tel: +81-3-3216-5281 Fax: +81-3-5962-5180
R&D Department	8-1, Hirai, Hinode-cho, Nishitama-gun, Tokyo 190-0182, Japan R&D Administration Section Tel: +81-42-597-7001 Fax: +81-42-597-7013
Overseas	
Sydney Subsidiaries	Level 24, 1 York Street, Sydney, NSW 2000, Australia Tel: +61-2-9252-2076 Fax: +61-2-9252-2220
Taiwan Subsidiaries	No. 46, Section 2, Zhongshan N Rd, Zhongshan District, Taipei City, Taiwan 104 Tel: +886-2-2521-7316 Fax: +886-2-2521-7756

Major Subsidiaries

As of March 31, 2016

Subsidiaries	Capital (Millions of yen)	Company holdings (%)	Primary businesses
Nittetsu Mining Consultants Co., Ltd.	100	100.0	Consulting services for geological surveys, geophysical exploration, test boring and construction
Hokkaido Lime Co., Ltd.	80	100.0	Manufacture and sales of quicklime and hydrated lime
Funao Mining Co., Ltd.	60	100.0	Mining and sales of limestone Manufacture and sales of calcium carbonate
Nittetsukouzenai Co., Ltd.	50	100.0	Buying and selling of limestone, crushed stone and calcium carbonate
Kobukuro Techno Co., Ltd.	50	100.0	Manufacture and sales of crushing and grinding equipment and electric machinery
Hachinohe Mining Co., Ltd.	100	70.0	Mining and sales of limestone

1. No subsidiaries fall under the category of specified wholly owned subsidiary.
2. The paid-in capital of Hachinohe Mining Co., Ltd. was reduced on August 7, 2015, resulting in a decline in capital stock.

Subsidiary	Capital (Thousands of US dollars)	Company holdings (%)	Primary businesses
Sociedad Contractual Minera Atacama Kozan	3,750	60.0	Mining and sales of copper and other minerals