

NITTETSU
MINING CO., LTD.



ANNUAL REPORT

For the year ended March 31, 2017

2017

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
	2017	2016	2015	2014	2013	2017
For the year						
Net Sales	¥ 107,325	¥ 114,088	¥ 125,467	¥ 114,317	¥ 102,840	\$ 956,643
Profit Attributable to Owners of Parent	7,289	4,483	5,973	3,903	3,873	64,970
At year-end						
Total Assets	167,496	162,379	170,055	161,325	144,539	1,492,967
	Yen					US dollars
Per share data						
Profit per Share	¥ 875.83	¥ 538.65	¥ 717.53	¥ 468.88	¥ 465.26	\$ 7.81

Non-Consolidated

Nittetsu Mining Co., Ltd.
Years ended March 31

	Millions of yen					Thousands of US dollars
	2017	2016	2015	2014	2013	2017
For the year						
Net Sales	¥ 86,149	¥ 88,935	¥ 102,782	¥ 92,547	¥ 87,079	\$ 767,890
Profit	6,695	3,773	6,536	5,116	3,816	59,681
At year-end						
Total Assets	144,149	137,197	143,802	134,155	124,968	1,284,868
	Yen					US dollars
Per share data						
Profit per Share	¥ 804.54	¥ 453.38	¥ 785.23	¥ 614.60	¥ 458.39	\$ 7.17

Notes: 1 US dollar amounts are translated from yen, for convenience only, at the rate of ¥112.19=US\$1.

2 The Company initiated a reverse stock split in which 10 shares of common stock were exchanged for one share with the effective date of October 1, 2016, and thus calculated profit per share based on the assumption that the reverse stock split took place at the beginning of FY2013 (the fiscal year ended March 31, 2013).

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Message from the Management

Operating Conditions and Consolidated Results

During the fiscal year ended March 31, 2017, Japan's economy experienced certain areas of weakness caused by the slowdown in China's economy and other factors. However, exports recovered on the back of a yen depreciation after the U.S. presidential election, while corporate earnings showed improvement, indicating that the economy was continuing a gradual recovery despite a lack of robustness.

In these economic conditions, the Nittetsu Mining Group posted net sales of ¥107,325 million, down 5.9% year on year, due to a drop in sales in the Mineral Resources Group, while ordinary profit was ¥7,474 million, down 23.1% year on year.

Profit attributable to owners of parent totaled ¥7,289 million, up a significant 62.6% year on year, driven by the decline in extraordinary losses and the posting of income taxes-deferred due to a review of the recoverability of deferred tax assets that resulted in lower tax expenses.

Consolidated Business Results by Segment

Mineral Resources Group

Non-Metallic Minerals Division

Net sales of the Non-Metallic Minerals Division fell 6.5%, or ¥3,612 million, over the previous fiscal year to ¥51,564 million due to a drop in the sales volume of mainstay product limestone. Operating profit fell 7.7%, or ¥534 million, compared to the previous fiscal year to ¥6,444 million.

Metallic Minerals Division

Net sales of the Metallic Minerals Division dipped 4.4%, or ¥1,918 million, over the previous fiscal year to ¥41,226 million, owing to a decline in sale price of electrolytic copper. Operating profit also fell 1.8%, or ¥24 million, to ¥1,339 million due to rising smelting costs and other factors.

Machinery & Environmental Engineering Group

Net sales of the Machinery & Environmental Engineering Group increased 1.8%, or ¥171 million, over the previous fiscal year to ¥9,937 million because of strong sales of water treatment agents, a mainstay product of the Environmental Engineering Division. However, operating profit dropped 4.5%, or ¥46 million, to ¥971 million owing to weaker sales at certain machinery-related subsidiaries.

Real Estate Group

Net sales of the Real Estate Group decreased 34.4%, or ¥1,414 million, over the previous fiscal year to ¥2,701 million due to a lack of sales of real estate for sale, despite the generally strong occupancy rates of leased properties. Operating profit also fell 46.3%, or ¥1,323 million, to ¥1,532 million.

Renewable Energy Group

Net sales of the Renewable Energy Group increased a slight 0.6%, or ¥11 million, over the previous fiscal year to ¥1,895 million reflecting the new operation of solar power plants. Operating profit rose 28.1%, or ¥88 million, to ¥402 million, driven by a decline in depreciation and amortization costs.

Capital Expenditures, Financing and Other Related Matters

Capital expenditures of the Nittetsu Mining Group totaled ¥6,465 million during the fiscal year under review, up 3.6% from the previous fiscal year. Major outlays were as follows.

Major facility acquired in the fiscal year under review:

Nittetsu Mining Kamaishi Nakanosawa Mega Solar Power Plant (Renewable Energy Group)

Challenges Facing the Group

The future outlook indicates that the operating environment facing the Nittetsu Mining Group will continue to require caution. While there are expectations of a gradual economic recovery, clarity is still lacking regarding the future of the global economy, due to geopolitical risk in the Middle East and the Korean peninsula, uncertainty over policies to be implemented by the President of the United States, and the direction of Brexit negotiations, 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 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, enhance medium- to long-term corporate value, and improve 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 maintain its commitment to pursuing eco-friendly business activities. These include compliance with ISO 14001, greenery initiatives at mined sites, obtaining of certification for company-owned forests, and generation of power from natural energy.

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

June 2017

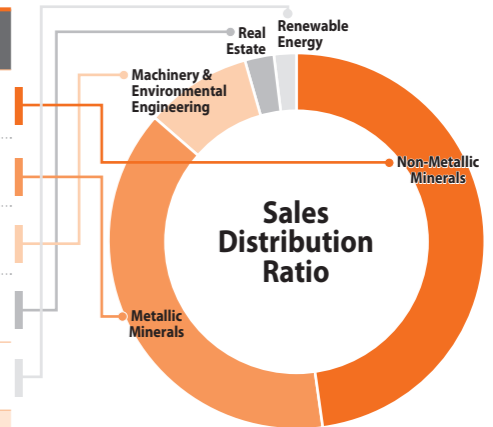
Kimio Sato

Representative Director and President

Net Sales by Business Segment

(Year ended March 31, 2017)

Business segment	Net sales (Millions of yen)	% change from previous fiscal year	% of total net sales
Non-Metallic Minerals	¥ 51,564	(6.5)	48.0
Metallic Minerals	¥ 41,226	(4.4)	38.4
Machinery & Environmental Engineering	¥ 9,937	1.8	9.3
Real Estate	¥ 2,701	(34.4)	2.5
Renewable Energy	¥ 1,895	0.6	1.8
Total	¥ 107,325	(5.9)	100.0



Breakdown of Net Sales

(Years ended March 31)

(Millions of yen)

Business segment	Major products	2017		2016		Increase (decrease)	
		Net sales	% of total net sales	Net sales	% of total net sales		
Mineral Resources	Limestone	¥ 26,309	24.5	¥ 27,500	24.1	¥ (1,191)	
	Crushed stone	5,909	5.5	6,401	5.6	(491)	
	Non-Metallic Minerals	Calcium carbonate	3,645	3.4	3,631	3.2	14
		Ancillary products and others	15,699	14.6	17,643	15.5	(1,943)
		Sub-total	51,564	48.0	55,176	48.4	(3,612)
	Metallic Minerals	Electrolytic copper	25,699	23.9	28,314	24.8	(2,614)
Copper concentrate		9,724	9.1	9,248	8.1	476	
Others		5,802	5.4	5,582	4.8	220	
Sub-total		41,226	38.4	43,145	37.7	(1,918)	
	Total	¥ 92,791	86.4	¥ 98,321	86.1	¥ (5,530)	
Machinery & Environmental Engineering	Machinery engineering	4,799	4.5	4,747	4.2	52	
	Environmental engineering	5,137	4.8	5,018	4.4	118	
	Total	¥ 9,937	9.3	¥ 9,766	8.6	¥ 171	
Real Estate	Real estate rentals and sales	2,701	2.5	4,116	3.6	(1,414)	
Renewable Energy	Geothermal steam supply, solar power, hydroelectric power	1,895	1.8	1,883	1.7	11	
	Total	¥ 107,325	100.0	¥ 114,088	100.0	¥ (6,762)	

Consolidated Financial Information

Nittetsu Mining Co., Ltd. and Consolidated Subsidiaries

Balance Sheets

As of March 31, 2017 and 2016

Assets

	Millions of yen		Thousands of US dollars
	2017	2016	2017
Current Assets			
Cash and deposits	¥ 26,297	¥ 26,648	\$ 234,403
Notes and accounts receivable—trade	24,499	25,223	218,374
Lease investment assets	3,910	4,128	34,854
Merchandise and finished goods	3,857	4,659	34,385
Work in process	5,535	7,975	49,338
Raw materials and supplies	3,526	2,041	31,431
Deferred tax assets	444	421	3,963
Other	3,965	3,084	35,348
Allowance for doubtful accounts	(430)	(408)	(3,834)
	71,607	73,774	638,265
Non-Current Assets			
Property, plant and equipment:			
Buildings and structures	24,025	24,214	214,146
Machinery, equipment and vehicles	11,261	11,220	100,374
Land used for mining operations	3,809	3,883	33,959
Land for general use	16,888	16,685	150,533
Construction in progress	766	711	6,834
Other	489	526	4,361
	57,240	57,242	510,210
Intangible assets	2,510	1,418	22,374
Investments and Other Assets			
Investment securities	31,334	25,169	279,296
Deferred tax assets	1,142	969	10,183
Other	4,054	4,202	36,137
Allowance for doubtful accounts	(386)	(397)	(3,449)
Allowance for investment loss	(5)	—	(52)
	36,138	29,943	322,116
Total Assets	¥ 167,496	¥ 162,379	\$ 1,492,967

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
	2017	2016	2017
Current Liabilities			
Notes and accounts payable—trade	¥ 8,621	¥ 10,174	\$ 76,851
Short-term loans payable	11,655	8,725	103,893
Lease obligations	761	768	6,783
Accounts payable—other	4,743	5,480	42,280
Income taxes payable	743	1,254	6,627
Provision for bonuses	956	943	8,525
Provision for directors' bonuses	23	23	212
Provision for shareholder benefit program	10	11	96
Provision for environmental safety measures	6	—	57
Provision for product warranties	14	—	127
Other	4,117	3,653	36,701
	31,655	31,035	282,157
Non-Current Liabilities			
Long-term loans payable	12,158	18,103	108,375
Lease obligations	1,128	1,376	10,057
Deferred tax liabilities	5,166	5,242	46,051
Provision for directors' retirement benefits	70	119	624
Provision for environmental safety measures	126	150	1,127
Provision for special repairs	179	102	1,597
Net defined benefit liability	3,315	4,060	29,549
Asset retirement obligations	4,410	4,371	39,313
Other	6,885	6,967	61,377
	33,440	40,493	298,074
Total Liabilities	65,096	71,528	580,232
Net Assets			
Capital stock	4,176	4,176	37,223
Capital surplus	5,248	6,149	46,783
Retained earnings	76,127	69,545	678,557
Treasury shares	(150)	(144)	(1,340)
Shareholders' equity	85,401	79,726	761,223
Accumulated Other Comprehensive Income:			
Valuation difference on available-for-sale securities	13,328	8,929	118,798
Deferred gains or losses on hedges	(40)	(51)	(362)
Foreign currency translation adjustment	859	927	7,663
Remeasurements of defined benefit plans	(1,505)	(2,060)	(13,422)
Total Accumulated Other Comprehensive Income	12,641	7,745	112,677
Non-controlling interests	4,356	3,378	38,834
Total Net Assets	102,399	90,850	912,735
Total Liabilities and Net Assets	¥ 167,496	¥ 162,379	\$ 1,492,967

Consolidated Financial Information

Nittetsu Mining Co., Ltd. and Consolidated Subsidiaries

Statements of Income

Years ended March 31, 2017 and 2016

	Millions of yen		Thousands of US dollars
	2017	2016	2017
Net Sales	¥ 107,325	¥ 114,088	\$ 956,643
Cost of Sales	80,858	84,901	720,728
Selling, General and Administrative Expenses	18,441	19,095	164,374
Operating Profit	8,026	10,090	71,540
Non-Operating Income:			
Interest income	52	39	470
Dividend income	549	765	4,902
Share of profit of entities accounted for using equity method	—	257	—
Other	159	172	1,421
	762	1,234	6,794
Non-Operating Expenses:			
Interest expenses	303	356	2,707
Share of loss of entities accounted for using equity method	122	—	1,093
Other	887	1,245	7,910
	1,313	1,601	11,711
Ordinary Profit	7,474	9,723	66,623
Extraordinary Income:			
Gain on sales of non-current assets	310	86	2,763
Gain on sales of investment securities	—	50	—
Compensation income	251	115	2,241
Other	37	5	334
	599	257	5,339
Extraordinary Losses:			
Loss on sales and retirement of non-current assets	311	271	2,772
Impairment loss	123	1,727	1,097
Loss on valuation of investment securities	—	425	—
Other	22	31	203
	456	2,455	4,073
Profit before Income Taxes	7,616	7,525	67,889
Income Taxes:			
Income taxes—current	2,124	2,855	18,935
Income taxes—deferred	(2,455)	(367)	(21,883)
	(330)	2,488	(2,947)
Profit Attributable to Non-Controlling Interests	658	553	5,866
Profit Attributable to Owners of Parent	7,289	4,483	64,970
Profit	¥ 7,947	¥ 5,037	\$ 70,837

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, 2017 and 2016

	Millions of yen		Thousands of US dollars
	2017	2016	2017
Profit	¥ 7,947	¥ 5,037	\$ 70,837
Other comprehensive income:			
Valuation difference on available-for-sale securities	4,399	(4,576)	39,212
Deferred gains or losses on hedges	13	201	116
Foreign currency translation adjustment	(52)	39	(470)
Remeasurements of defined benefit plans, net of tax	555	(1,293)	4,947
Share of other comprehensive income of entities accounted for using equity method	(2)	(1)	(23)
Total other comprehensive income	4,912	(5,631)	43,783
Comprehensive income	12,859	(594)	114,620
Comprehensive income attributable to owners of parent	12,184	(1,159)	108,608
Comprehensive income attributable to non-controlling interests	¥ 674	¥ 564	\$ 6,012

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, 2017 and 2016

	Millions of yen		Thousands of US dollars
	2017	2016	2017
Net cash provided by operating activities	¥ 12,079	¥ 11,070	\$ 107,668
Net cash used in investing activities	(6,070)	(4,993)	(54,113)
Net cash used in financing activities	(6,194)	(3,675)	(55,211)
Effect of exchange rate change on cash and cash equivalents	(101)	(145)	(904)
Net increase (decrease) in cash and cash equivalents	(287)	2,255	(2,560)
Cash and cash equivalents at beginning of period	25,973	23,717	231,515
Cash and cash equivalents at end of period	¥ 25,686	¥ 25,973	\$ 228,955

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 affiliated companies (POLYTETSU-KOREA Co., LTD. and others) 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 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

Available-for-sale 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. 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: 4–25 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 its usable period in the company (5 years).

(c) Lease assets

Leased property under finance leases that do not transfer ownership 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 shareholder benefit program

The Company sets aside a reasonable reserve to cover payments for expenses of the shareholder benefit 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 inspection and repair of ships requiring regular inspections under the Ship Safety Act, and for regular repairs to steam production and transport facilities.

(i) Provision for product warranties

The Company sets aside a provision based on the past implementation rate to prepare for expenses involving free repair costs within the warranty period for products that have been sold.

(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 phase 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

Revenue from financial lease transactions and associated costs are recognized at the time of receipt of lease fees.

(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 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. Translation differences are included in Foreign currency translation adjustment and Non-controlling interests under the Net Assets 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 and currency swap transactions are carried out to avoid risk associated with loan interest rate fluctuations and exchange rate fluctuations.

In addition, the Company carries out commodity futures transactions to avoid commodity price fluctuation risk for non-ferrous metals inventories and for non-ferrous metals future contracts that the Company concludes with customers.

(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, market fluctuations of the hedged commodity and the hedged instrument are compared to determine effectiveness. 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. Notes Concerning Changes to Accounting Policy

The Company and its domestic consolidated subsidiaries have applied Practical Solution on a Change in Depreciation Method due to Tax Reform 2016 (ASBJ Practical Solution No. 32; June 17, 2016) from the consolidated fiscal year under review following amendments to the Income Tax Act. As a result, the depreciation method used for the facilities of buildings and structures acquired on or after April 1, 2016 has been changed from the declining balance method to the

straight-line method.

These changes had no material impact on operating profit, ordinary profit, or profit before income taxes in the fiscal year under review.

6. Notes Concerning Changes to Accounting Estimates

Property, plant and equipment and intangible assets owned by S.C.M. Atacama Kozan, a consolidated subsidiary of the Company, have been depreciated or amortized based on the mine's operational life.

Exploration activities have detected ore deposits around the vicinity of the area that has already been mined, resulting in an extension of the mine's operational life. Therefore, the service life of major facilities has been changed. In addition, the average remaining years of service related to retirement benefit obligations and expected period until the expenditure of asset retirement obligations have been changed from the fiscal year under review and for the future.

These changes reduced depreciation and amortization costs for the fiscal year under review compared to the conventional method, resulting in an increase of ¥597 million in operating profit, ordinary profit, and profit before income taxes.

7. Notes to the Consolidated Balance Sheets

(1) Collateral assets (Millions of yen)

Foundation mortgage	
Property, plant and equipment	¥ 5,136
Debt collateralized by the above	
Current portion of long-term loans payable	20
Long-term loans payable	30
Total	50

(Others)	
Property, plant and equipment	¥ 590
Debt collateralized by the above	
Current portion of long-term loans payable	32
Long-term loans payable	267
Guarantee deposits received	10
Total	309

(2) Accumulated depreciation of property, plant and equipment

¥157,398 million

(3) Guaranteed liabilities (Millions of yen)

	Total guarantee	Consolidated company debt
Hibi Kyodo Smelting Co., Ltd.	¥ 25,000	¥ 5,070
Iwaki Kyodo Tancal Co., Ltd.	105	19
HAKODATE NAMA CONCRETE CO., LTD.	10	0
Total	25,115	5,090

8. Segment Information

	Millions of yen						
	2017						
	Non-Metallic Minerals	Metallic Minerals	Machinery & Environmental Engineering	Real Estate	Renewable Energy	Eliminations and Corporate	Total
Sales to external customers	¥ 51,564	¥ 41,226	¥ 9,937	¥ 2,701	¥ 1,895	¥ —	¥ 107,325
Inter-segment sales	1,911	—	1,298	8	—	(3,219)	—
Segment Revenue	53,476	41,226	11,235	2,710	1,895	(3,219)	107,325
Segment Profits	6,444	1,339	971	1,532	402	(2,663)	8,026

	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

	Thousands of US dollars						
	2017						
	Non-Metallic Minerals	Metallic Minerals	Machinery & Environmental Engineering	Real Estate	Renewable Energy	Eliminations and Corporate	Total
Sales to external customers	\$ 459,619	\$ 367,470	\$ 88,573	\$ 24,082	\$ 16,897	\$ —	\$ 956,643
Inter-segment sales	17,039	—	11,576	79	—	(28,695)	—
Segment Revenue	476,658	367,470	100,150	24,162	16,897	(28,695)	956,643
Segment Profits	57,440	11,937	8,663	13,657	3,585	(23,743)	71,540

Outline

As of March 31, 2017

Date of Establishment	May 20, 1939
Common Stock	
Authorized	20,000,000 shares
Issued and Outstanding	8,352,319 shares (including 30,594 shares of treasury stock)
Number of Shareholders	4,338

Note: The Company initiated a reverse stock split in which 10 shares of common stock were exchanged for one share effective October 1, 2016, following approval of the 102nd Annual General Meeting of Shareholders held on June 29, 2016. As a result, the total number of shares issued and outstanding decreased by 75,170,876 shares to 8,352,319 shares. In addition, the Company's authorized shares decreased by 180,000,000 shares to 20,000,000 shares.

Major Shareholders	% of total
Nippon Steel & Sumitomo Metal Corporation	14.88
Nittetsu Kogyo Shogakukai*	7.70
The Master Trust Bank of Japan, Ltd. (trust account)	4.78
Japan Trustee Services Bank, Ltd. (trust account)	3.54
Mizuho Bank, Ltd.	3.53
Sumitomo Mitsui Banking Corporation	3.49
DFA INTL SMALL CAP VALUE PORTFOLIO	2.38
Nittetsu Kogyo Shareholding Association	1.93
GOVERNMENT OF NORWAY	1.91
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.68

*Non-profit corporation

Number of Employees (Consolidated)	
Mineral Resources	
Non-Metallic Minerals	1,162
Metallic Minerals	244
Machinery & Environmental Engineering	255
Real Estate	3
Renewable Energy	10
Corporate (shared)	97
Total	1,771
Number of Employees (Non-Consolidated)	
	663

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

Primary Businesses

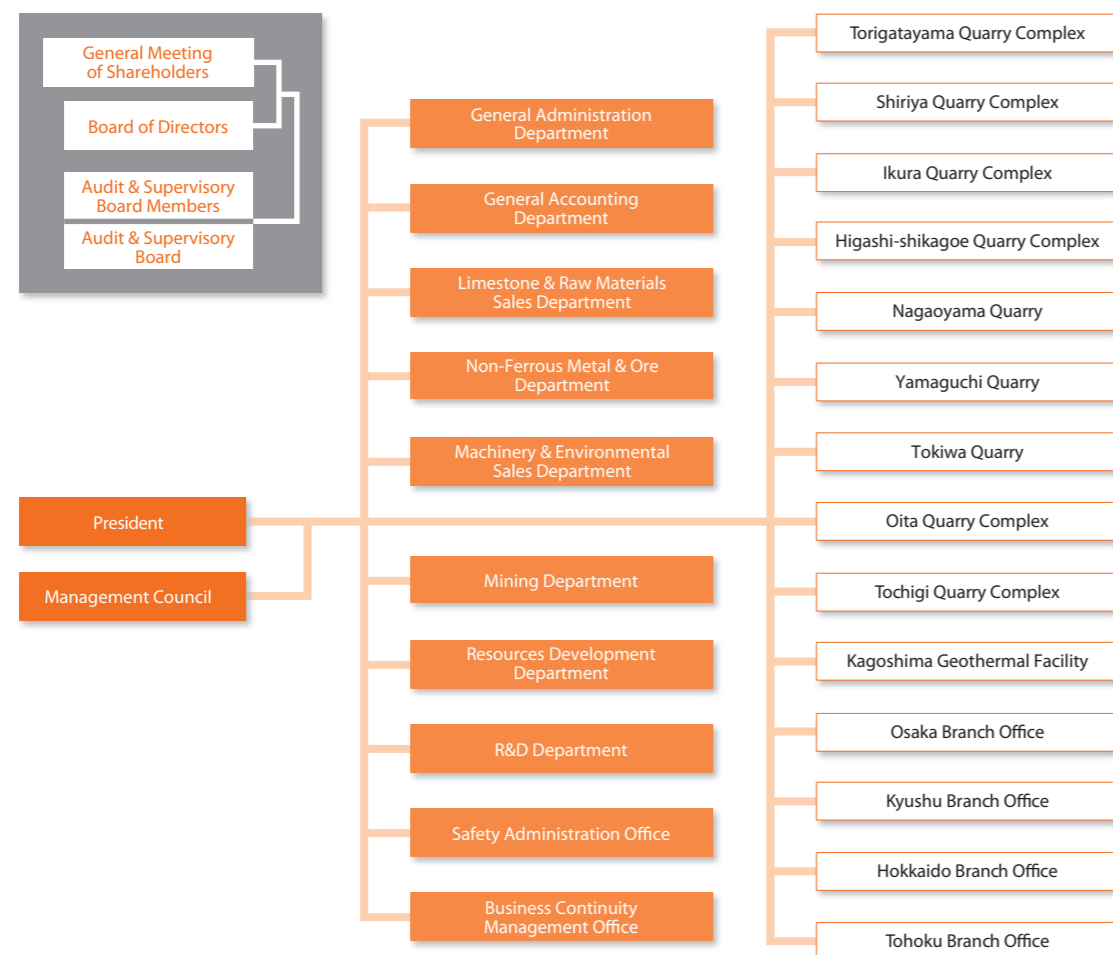
As of March 31, 2017

Group	Major Products and Services
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, 2017



Directors and Audit & Supervisory Board Members

As of June 29, 2017

Representative Director and President

Kimio Sato

Managing Directors

Hiroshi Koyama

Jun Matsunaga

Directors

Shinya Yamasaki

(Supervision of Machinery & Environmental Sales Department, R&D Department)

Yuji Somatsu

(Supervision of Mining Department, Safety Administration Office)

Reiichi Morikawa

(Supervision of Non-Ferrous Metal & Ore Department; General Manager of Limestone & Raw Materials 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

Yoshiro Wakayanagi

Eiki Hotta

Corporate Executives

Hideaki Kido

(General Manager of Torigatayama Quarry Complex)

Yukihiko Hagigami

(General Manager of Resources Development Department)

Kenji Otakara

(General Manager of General Accounting Department)

Hirofumi Fujimoto

(General Manager of General Administration Department)

Offices

As of March 31, 2017

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 Office	Suite 5.04, Level 5, 20 Hunter St, Sydney, NSW 2000, Australia Tel: +61-2-9238-0477 Fax: +61-2-8065-4174
Taiwan Office	No. 46, Section 2, Zhongshan N Rd, Zhongshan District, Taipei City 104, Taiwan Tel: +886-2-2521-7316 Fax: +886-2-2521-7756

Major Subsidiaries

As of March 31, 2017

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
Nittetsukouzenzai 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

Note: No subsidiaries fall under the category of specified wholly owned subsidiary.

Subsidiary	Capital (Thousands of US dollars)	Company holdings (%)	Primary businesses
Sociedad Contractual Minera Atacama Kozan	16,750	60.0	Mining and sales of copper and other minerals

Note: The paid-in capital of S.C.M. Atacama Kozan increased due to an increase in capital executed on September 6, 2016.