

[Summary]

Securities identification code: 5706
June 3, 2016

To Shareholders:

Mitsui Mining and Smelting Co., Ltd.
1-11-1 Osaki, Shinagawa-ku,
Tokyo 141-8584, Japan

Keiji Nishida
President and
Representative Director

**Notice of Convocation of
the 91st Annual General Meeting of Shareholders**

Dear Shareholders:

You are hereby notified that the 91st Annual General Meeting of Shareholders will be held as stated below. Your attendance is respectfully requested.

In the event of your inability to attend, you may exercise your voting rights by either of the methods described below. You are requested to study the attached General Meeting of Shareholders' Reference Materials and exercise your voting rights before 5 p.m. on June 28, 2016 (Tuesday).

Method of Exercising Voting Rights by Paper Form

Please indicate your approval or disapproval of the agenda items on the enclosed voting rights exercise form and send in the form so that it arrives before the deadline specified above.

Method of Exercising Voting Rights Electronically (Internet, Etc.)

Please exercise your voting rights based on the "Method of Exercising Voting Rights Electronically (Internet, Etc.)" on pages 11-12.

Sincerely,

Meeting Particulars

1. Date and Time: 10:00 a.m. on Wednesday, June 29, 2016
2. Place: Gate City Hall, Underground Level 1,
Gate City Ohsaki-West Tower,
1-11-1 Osaki, Shinagawa-ku, Tokyo
3. Purpose of the Meeting:
Matters to be reported
 1. Business Report, Consolidated Financial Statements, and reports from the independent auditor and the Board of Auditors on consolidated financial statements for the 91st fiscal year (from April 1, 2015, to March 31, 2016)
 2. Reports on financial statements for the 91st fiscal year (from April 1, 2015, to March 31, 2016)

Matters to be resolved

Proposals by the Company: Items 1-3

First Item	Appropriation of Retained Earnings
Second Item	Election of one (1) Director
Third Item	Election of three (3) Corporate Auditors

Proposals by a Shareholder: Items 4-7

Fourth Item	Reversal of 19.0 billion yen from retained earnings to pay dividends
Fifth Item	Partial amendment of the Articles of Incorporation (disclosure of compensation of individual directors and corporate auditors in a notice of convocation)
Sixth Item	Partial Amendment of the Articles of Incorporation (treatment of blank votes on the voting rights exercise form)
Seventh Item	Purchase of 60 million shares of the Company's own stock and retirement of treasury stock

Proposals by a Shareholder (Items 4-7) are described in pages 8-10 of the General Meeting of Shareholders' Reference Materials hereafter.

4. Note of Caution in Exercising Voting Rights:

Proposals by one of the Shareholders have been presented for this Annual General Meeting of Shareholders as indicated above. While the details are provided hereafter under the Fourth, Fifth, Sixth and Seventh Items, the Board of Directors of the Company is opposed to these proposals.

Since the Fourth Item is in conflict with the First Item proposed by the Company, please note that you should not indicate your approval for both Items. If you vote in favor of both Items, your votes for both the First Item and the Fourth Item will be deemed invalid.

5. Other Items pertaining to the Convocation of the General Meeting of Shareholders:

In the case of exercising voting rights both by paper form and electronically (Internet, etc.), regardless of the timing of the voting rights submissions, the electronic (Internet, etc.) version will be considered effective.

In the case of exercising voting rights electronically (Internet, etc.) multiple times, the final exercise of voting rights will be considered effective.

- End -

1. When you attend the meeting in person, please submit the voting right exercise form enclosed herewith to the receptionist at the place of the meeting. In addition, please bring with you this Notice of Convocation to assist us in reducing the amount of paper used.
2. In connection with those documents that are required to be provided with this Notice of Convocation, the notes to both consolidated and non-consolidated financial statements are posted on the Company's website and are not attached to this Notice, in accordance with relevant laws, ordinances and the Articles of Incorporation. In addition to the items outlined in the attached documents, notes to both consolidated and non-consolidated financial statements are included in the consolidated and non-consolidated financial reports that corporate auditors and the independent auditing firm audited in order to prepare audit reports and independent auditors' reports, respectively.
3. If there arises the need to make revisions to the General Meeting of Shareholders' Reference Materials or the appended Business Report, Consolidated Financial Statements, and Nonconsolidated Financial Statements, revised items will be posted on the Company's website.

4. In accordance with the stipulations of the Company's Articles of Incorporation, shareholders seeking to exercise voting rights via a proxy will be requested to designate another shareholder with voting rights as the proxy. In addition, please note that only shareholders are eligible to attend the Annual General Meeting of Shareholders.

The Company's website (<http://www.mitsui-kinzoku.co.jp/>)

This is a summary translated from the Japanese-language Notice of Convocation distributed to shareholders in Japan.

General Meeting of Shareholders' Reference Materials

Matters to Be Resolved and Reference Items:

Proposals by the Company: Items 1-3

First Item

Appropriation of Retained Earnings

We propose that appropriation of retained earnings be performed as follows.

While ensuring that it retains sufficient internal reserves to fund measures for strengthening operations and promoting future business expansion, the Company has a fundamental policy of seeking to distribute dividends in line with its performance.

In accordance with this fundamental policy, the Company proposes that the year-end dividend applicable to the fiscal year under review be ¥6 per share as described below, unchanged from the previous period, based on consideration of the Company's financial condition, its performance in the fiscal year under review, and maintaining of the dividend payment.

Year-End Dividends

(1) Type of Dividend Asset	Money
(2) Allocation and Total Value of Dividend Assets	¥6 per share of common stock Total value of ¥3,426,664,614
(3) Effective Date of Retained Earnings Distribution	June 30, 2016

Second Item

Election of one (1) Director

Four (4) Directors, Sadao Senda, Mitsuhiko Hasuo, Toshiki Mori, and Hiromichi Shibata (Outside Director) will retire due to resignation at the conclusion of this Annual General Meeting of Shareholders. For the purpose of further vitalizing the Board of Directors, and accelerating the speed and ensuring transparency and fairness of decision-making, the Company proposes that one (1) candidate be appointed to the position of Director.

Please note that Mr. Morio Matsunaga is a candidate for Outside Director.

The candidate for the position of Director is as follows:

Name (Date of Birth)	Profile, Title, Positions and Important Positions Held Concurrently at Other Organizations	Number of Company's Shares in Possession
Morio Matsunaga (August 7, 1949)	August 1977 Postdoctoral fellow, The University of Tennessee October 1978 Lecturing Professor, Faculty of Engineering, Kyushu Institute of Technology	35,000
Newly Appointed Candidate for Outside Director / Independent Director	October 1980 Associate Professor, Faculty of Engineering, Kyushu Institute of Technology September 1996 Professor, Faculty of Engineering, Kyushu Institute of Technology	
Number of years served as Corporate Director: --	April 2003 Professor, Department of applied science for integrated system engineering, Kyushu Institute of Technology	
Attendance at the meetings of the Board of Directors: --	April 2004 Administration officer, Kyushu Institute of Technology April 2007 Vice president, Kyushu Institute of Technology April 2010 President, Kyushu Institute of Technology	
	Important Position Held Concurrently at Other Organizations --	
	Reason for the Nomination of the Candidate as Outside Director To reflect his specialized knowledge of engineering and wealth of experience gained through many years of involvement in university education in the Company's management	

Notes: 1. There are no special interests between Morio Matsunaga and the Company.

2. Although Mr. Morio Matsunaga has never been directly involved in corporate management, the Company believes that he is capable of performing duties as an Outside Director for the reason that he has specialized knowledge of engineering and wealth of experience gained through many years of involvement in university education.

3. If the appointment of Morio Matsunaga is approved, the Company will arrange a contract with him regarding liability as defined by Company Law Article 423-1 to limit total liability to the figure stipulated by Company Law Article 425-1, based on Company Law Article 427-1.

4. Morio Matsunaga has no interests with any particular party of the Company including its management, and therefore no possibility of causing conflicts of interest with general shareholders.

5. If the election of Morio Matsunaga is approved, the Company will notify the Tokyo Stock Exchange of his appointment as an Independent Director of the Company.

Third Item

Election of three (3) Corporate Auditors

The terms of office of Corporate Auditors Akira Osano, Takashi Kadowaki, and Ryuhei Wakasugi will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes three (3) candidates be appointed to the position of Corporate Auditor.

Please note that Tetsuhiro Hosono is a candidate for Outside Corporate Auditor.

The Board of Auditors' approval of this proposal has already been obtained.

The candidates for the position of Corporate Auditors are as follows:

Candidate Number Name (Date of Birth)	Profile, Title and Important Positions Held Concurrently at Other Organizations	Number of Company's Shares in Possession
1. Toshiki Mori (August 5, 1955) Newly Appointed	April 1978 Entered the Company June 2010 Executive Officer, Senior General Manager of Personnel Department June 2011 Executive Officer, President and Representative Director of Kamioka Mining & Smelting Co., Ltd. June 2012 Senior Executive Officer, CRO, Senior General Manager of Personnel Department and Legal & Administrative Department October 2012 Senior Executive Officer, CRO, Senior General Manager of Legal & Administrative Department June 2013 Director, Senior Executive Officer, CRO, Senior General Manager of Legal & Administrative Department August 2013 Director, Senior Executive Officer, CRO January 2016 Director (current position)	49,000
Number of years served as Corporate Auditor: --		
Attendance at the meetings of the Board of Directors: --		
Attendance at the meetings of the Board of Auditors: --		
	Important Position Held Concurrently at Other Organizations --	
	Reason for the Nomination of the Candidate as Corporate Auditor To reflect his experience of involvement in management as a Director of the Company and his specialized knowledge of human resources and general affairs in auditing of the Company	

Notes: 1. There are no special interests between Toshiki Mori and the Company.

2. Attendance at the meetings of the Board of Directors: 100% (18/18)

Candidate Number Name (Date of Birth)	Profile, Title and Important Positions Held Concurrently at Other Organizations	Number of Company's Shares in Possession
2. Takashi Kadowaki (June 25, 1957) Reappointed	April 1981 June 2009 July 2010 June 2015	26,000
Number of years served as Corporate Auditor: One (1) year	Entered the Company General Manager of Strategy Planning, Corporate Management Division Managing Director of Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd. Corporate Auditor (current position)	
Attendance at the meetings of the Board of Directors: 100% (14/14)	Important Position Held Concurrently at Other Organizations Outside Auditor of Nakabohtech Co., Ltd.	
Attendance at the meetings of the Board of Auditors: 90% (9/10)	Reason for the Nomination of the Candidate as Corporate Auditor To reflect his specialized knowledge concerning accounting, insight about corporate planning, and experience of involvement in management as a Director of affiliate companies in auditing of the Company.	

Notes: 1. There are no special interests between Takashi Kadowaki and the Company.

2. The statuses of attendance at the meetings of the Board of Directors and the Board of Auditors indicated are only for those meetings held after assumption of office on June 26, 2015.

Candidate Number Name (Date of Birth)	Profile, Title and Important Positions Held Concurrently at Other Organizations	Number of Company's Shares in Possession
3. Tetsuhiro Hosono (December 14, 1952) Newly Appointed Candidate for Outside Auditor / Independent Auditor	April 1976 July 2006 July 2009 August 2010 May 2012 June 2013 June 2015	0
Number of years served as Corporate Auditor: --	Entered Ministry of International Trade and Industry (Presently Ministry of Economy, Trade and Industry) Director-general for Manufacturing Industries Policy, Ministry of Economy, Trade and Industry Commissioner, Japan Patent Office Director-general, Agency for Natural Resources and Energy Advisor, Mizuho Corporate Bank, Ltd. (Presently Mizuho Bank, Ltd.) (current position) Outside Director, IBJ Leasing Company, Limited	
Attendance at the meetings of the Board of Directors: --	Executive director, The Middle East Institute of Japan, Juridical Foundation (current position)	
Attendance at the meetings of the Board of Auditors: --	Important Position Held Concurrently at Other Organizations Advisor, Mizuho Bank, Ltd. Executive director, The Middle East Institute of Japan, Juridical Foundation Reason for the Nomination of the Candidate as Outside Auditor To reflect his wealth of experience in administration gained through involvement in formulation and implementation of policies for international trade and industry in auditing of the Company.	

Notes: 1. There are no special interests between Tetsuhiro Hosono and the Company.

2. Although Mr. Tetsuhiro Hosono has never been involved in corporate management other than serving as an outside director, the Company believes that he is capable of performing duties as an Outside Corporate Auditor for the reason that he has wealth of experience in administration gained through involvement in formulation and implementation of policies for international trade and industry.

3. If the appointment of Tetsuhiro Hosono is approved, the Company will arrange a contract with him regarding liability as defined by Company Law Article 423-1 to limit total liability to the figure stipulated by Company Law Article 425-1, based on Company Law Article 427-1.

4. Mr. Tetsuhiro Hosono has no interests with any particular party of the Company, including its management, and therefore no possibility of causing conflicts of interest with general shareholders. Mr. Hosono serves as an advisor of Mizuho Bank, Ltd., which holds 10,000 shares of the Company. However, Mizuho Bank, Ltd. is not a major shareholder of the Company pursuant to Article 163, Paragraph 1 of the Financial Instruments and Exchange Act. (The Company does not hold any shares of the said bank.) Although said bank is a lender to the Company, loans payable to the said bank amount to approximately 7.9 billion yen,

accounting for approximately 4.5% of the Company's outstanding interest-bearing debt of approximately 175.2 billion yen, and are therefore insignificant. Mr. Hosono's duties at the said bank are to provide advice to management and thus, he is not an executing person of the said bank. Therefore, the Company considers him to be an independent candidate for Outside Corporate Auditor.

5. If the election of Tetsuhiro Hosono is approved, the Company will notify the Tokyo Stock Exchange of his appointment as an Independent Auditor of the Company.

Proposals by a Shareholder: Items 4-7

Fourth, Fifth, Sixth and Seventh Items concern proposals made by a single shareholder (possessing 301 voting rights).

Fourth Item

Reversal of 19.0 billion yen from retained earnings to pay dividends

1. Details of Proposal

A loss on investment on mine development business amounting to 19.4 billion yen eventually means a loss to shareholders. As an apology for causing such a loss to shareholders, it is proposed to reverse 19.0 billion yen from retained earnings and appropriate this amount for the payment of dividends to shareholders.

2. Reasons for Proposal

The cumulative amount of impairment loss pertaining to the Caserones copper mine in Chile has already reached 42.0 billion yen in the past three years. As also mentioned previously, this is a result of absence of thorough simulation to ensure that the terms and conditions of the contract reflect the assumption of the worst scenarios and statuses. The contract requires immediate impairment of a valuation loss of future profitability of the Caserones copper mine owing to a decline in copper prices. The Company completely failed to appreciate the significance of this strict term. It was a great error on the part of then Representative Director Sadao Senzaki who was responsible for corporate management and his responsibility is great. What happened was attributable to a basic mistake but the mere assuming of responsibility by the president would not of itself ensure a bright future for Mitsui Mining & Smelting Co., Ltd. The Company should reverse a large amount of reserves for the sake of the future. It should also clarify how such a bold decision and serious mistake were made in management decision-making. For the management team, which will be involved in management far into the future, learning a lesson will lead to a prosperous future of Mitsui Mining & Smelting Co., Ltd.

Note by the Company: The above-stated reasons have been translated from the Japanese version of the document that is restated verbatim from the notification received by the Company from the shareholder making the proposal.

Opinion of the Board of Directors of the Company

The Board of Directors is opposed to this proposal, for the reasons given as follows.

With regard to dividends from surplus, the Company's fundamental policy is to seek to distribute dividends in line with its performance while ensuring that it retains sufficient internal reserves to fund measures for strengthening operations and promoting future business expansion. The Board of Directors of the Company believes that it is inappropriate to reverse 19.0 billion yen from retained earnings and appropriate it for dividend payment because it would have a significant impact on financial soundness of the Company.

The Company is participating in development of the Caserones copper mine in Chile via Pan Pacific Copper Co., Ltd., through a joint investment with JX Nippon Mining & Metals Corporation. Upon the participation, the Board of Directors made an appropriate management decision in view of the results of evaluation of economic factors, including exploration to check ore reserves and ore dressing tests.

Fifth Item

Partial amendment of the Articles of Incorporation (disclosure of compensation of individual directors and corporate auditors in a notice of convocation)

1. Details of Proposal

It is proposed to add the following provisions to the Articles of Incorporation.
"Amounts of compensation and bonuses to directors and corporate auditors for each fiscal year shall be

treated as follows. Regardless of the amount, the amount of compensation and bonuses paid to each director/corporate auditor shall be disclosed in the Reference Materials attached to a notice of convocation of the General Meeting of Shareholders for the relevant fiscal year.”

2. Reasons for Proposal

It is natural to disclose the amounts of compensation paid to directors and corporate auditors to whom management is entrusted by shareholders and transparent information disclosure will enhance reliability. Based on the recognition that there is an increasing understanding of the need to pay high compensation in Japan, it is crucially important for the Company to increase the amount of compensation paid to directors and corporate auditors in order to hire excellent managers. Vigorous disclosure of the information on compensation paid to directors and corporate auditors will pave the way for paying high compensation.

Note by the Company: The above-stated reasons have been translated from the Japanese version of the document that is restated verbatim from the notification received by the Company from the shareholder making the proposal.

Opinion of the Board of Directors of the Company

The Board of Directors is opposed to this proposal, for the reasons given as follows.

Regarding compensation etc. for directors and corporate auditors, within the limit approved at the Annual General Meeting of Shareholders, compensation for directors is determined by the Compensation Committee composed of the President, the Director in charge of Human Resources, the Outside Directors and the Outside Corporate Auditors as advisors and compensation for corporate auditors is determined through discussion among Corporate Auditors.

Regarding disclosure, the total amount of compensation for directors and that for corporate auditors as well as the number of recipients are disclosed appropriately in the Business Report, in accordance with laws and regulations. Procedures for determination and the method of disclosure are implemented appropriately and the Board of Directors believes it is unnecessary to include the provisions mentioned in this proposal in the Articles of Incorporation.

Sixth Item

Partial Amendment of the Articles of Incorporation (treatment of blank votes on the voting rights exercise form)

1. Details of Proposal

It is proposed to add the following provisions to the Articles of Incorporation.
“Blank votes that do not indicate approval or disapproval on the voting rights exercise form shall be treated fairly regardless of whether proposals are made by the Company or by shareholders.”

2. Reasons for Proposal

At the Company’s General Meeting of Shareholders, the criteria for judgment of voting rights exercise form that does not indicate approval or disapproval shall be as follows. Regardless of whether a proposal is made by the Company or by a shareholder, any blank votes corresponding to the proposal shall be abandoned.

Note by the Company: The above-stated reasons have been translated from the Japanese version of the document that is restated verbatim from the notification received by the Company from the shareholder making the proposal.

Opinion of the Board of Directors of the Company

The Board of Directors is opposed to this proposal, for the reasons given as follows.

It is permitted by laws and regulations for a company to determine the treatment of votes in the case that approval or disapproval of a proposal is not indicated on the voting rights exercise form. The method of treatment is explicitly indicated on the voting rights exercise form to ensure the understanding of shareholders. The Company’s treatment of the voting rights exercise form is a general and standard practice among listed companies. Therefore, the Board of Directors believes it is unnecessary to include the provisions mentioned by this proposal in the Articles of Incorporation.

Seventh Item

Purchase of 60 million shares of the Company's own stock and retirement of treasury stock

1. Details of Proposal

It is proposed that the Company repurchase 60 million shares of the Company's own stock in the market by reversing legal retained earnings and retire treasury stock. The Company should not treat shareholders as fools but treat them as precious partners.

2. Reasons for Proposal

Reducing the number of shares issued and outstanding will increase the asset value per share. A higher asset value will lead to a higher stock price. The Company's closing stock price was 880 yen in 2000 (closing price of the Nikkei Average was 19,869 yen then). The Company should continue to repurchase 60 million shares of its own stock every year, until the stock price exceeds ¥800 per share.

Note by the Company: The above-stated reasons have been translated from the Japanese version of the document that is restated verbatim from the notification received by the Company from the shareholder making the proposal.

Opinion of the Board of Directors of the Company

The Board of Directors is opposed to this proposal, for the reasons given as follows.

In order to compete internationally and prevail in a changing business environment, it is necessary to make capital investment and invest in R&D. The Board of Directors considers that raising the stock price through enhancement of the Company's corporate value and paying dividends will lead to shareholders' benefit and thus believes that is unnecessary to acquire 60 million shares of its own stock by reversing legal retained earnings at this point in time.

Guide to Exercising Voting Rights

In the event of your inability to attend, you may exercise your voting rights by either of the methods described below.

1. Method of Exercising Voting Rights by Paper Form

Please indicate your approval or disapproval of the agenda items on the enclosed voting rights exercise form and send in the form so that it arrives before the deadline.

Exercise deadline: To arrive no later than 5.00 p.m. (Japan Time) on Tuesday, June 28, 2016

2. Method of Exercising Voting Rights Electronically (Internet, Etc.)

(1) Exercise of Voting Rights Via the Internet

Please access the voting website at <http://www.web54.net> from a personal computer, follow the instructions shown on the screen, and by entering a new password (you may change your password if you wish) using the “voting rights exercise code” and “password” shown on the enclosed voting rights exercise form, you will be able to submit votes of approval or disapproval for each of the agenda items.

Please note that we do not have a designated website to exercise voting rights from mobile phones.

Exercise deadline: Until 5.00 p.m. (Japan Time) on Tuesday, June 28, 2016

Exercise of Voting Rights

1. You may exercise your voting rights until 5 p.m. (Japan Time) on June 28, 2016 (Tuesday).
2. In cases where voting rights are exercised both by paper form and electronically (Internet, etc.), the electronic (Internet, etc.) version will be considered effective.
3. In cases where voting rights are exercised electronically (Internet, etc.) multiple times, the final exercise of voting rights will be considered effective.

Handling of Passwords

1. Passwords are used to confirm that those voting are actually the shareholders with voting rights. Please be sure to keep your password secure. For security reasons, we cannot provide you with password information over the telephone or by other indirect means.
2. If you enter your password incorrectly more than a specified number of times, your account will be locked and become unusable. If you wish to have another password issued, please follow the instructions on the screen.
3. The passwords issued for exercising voting rights are effective for this year’s annual general shareholders’ meeting only.

Questions Regarding Personal Computer Operation, Etc.

If you have questions regarding the use of the voting rights exercise website, please contact the following unit.

Sumitomo Mitsui Trust Bank, Limited
Help Desk for Internet Voting
Phone Number: 0120 (652) 031
(Available from 9 a.m. to 9 p.m. (Japan Time))

Notes: System requirements to exercise your voting rights via the Internet are as follows:

1. Screen resolution of at least 800 dots x 600 dots (SVGA)
2. The following applications
 - a. Microsoft® Internet Explorer Ver. 5.01 SP 2 or higher
(Please be aware that even if this browser is used in accordance with other system requirements, shareholders’ personal computers may in some case be unable to access and/or use the voting right

exercise website due to the characteristics of the personal computer in question or other setting environments)

b. Adobe® Acrobat® Reader® Ver. 4.0 or higher, or Adobe® Reader® Ver. 6.0 or higher (In the case that you wish to read the convocation notice and reference materials online.)

* “Microsoft®” and “Internet Explorer” are registered trademarks and/or trademarks of Microsoft Corporation in the United States and other countries.

* “Adobe® Acrobat® Reader®” and “Adobe® Reader®” are registered trademarks and/or trademarks of Adobe Systems Incorporated in the United States and other countries.

* All of these products may be obtained free of charge from the websites of their manufacturers.

3. Shareholders must bear the burden of such expenses as the subscription payment to Internet providers of services enabling connections to the voting rights exercise website and payments to other communications companies associated with the accessing of the voting rights exercise website.

4. Internet connections may at times be restricted due to firewalls, etc.; so, please confirm this point with your system administrator.

5. Because the voting rights exercise website employs "pop-up window" functions, please be sure to temporarily turn off anti-pop-up window software settings if you have made such settings, before using the website.

(2) Exercising Voting Rights via the Voting Rights Exercise Platform

With regard to institutional investors, shareholders who have registered in advance to use the Voting Rights Exercise Platform may use this platform to exercise their voting rights.

Business Report

(From April 1, 2015, to March 31, 2016)

1. Current State of Group Operations

(1) Operating Environment

1. Business Operations and Results (consolidated)

Although the world economy was on a moderate recovery path during fiscal 2015 with the U.S. economy continuing to be robust led by private consumption, the pace of economic growth of China and other emerging markets generally slowed. Meanwhile, the Japanese economy remained on a moderate recovery path during the first-half period of fiscal 2015 as corporate earnings and the labor market continued to improve. However, in the second-half period, economic recovery stalled against the backdrop of rapid appreciation of the yen, weakening stock prices, and lackluster personal consumption. Because of concerns about downward risks to the world economy, including slowing of the Chinese economy and emerging economies, prospects for the Japanese economy were unclear.

In these economic circumstances, the business environment for Mitsui Mining & Smelting Co., Ltd. and its consolidated subsidiaries (the Mitsui Kinzoku Group) was as follows. During the first-half period of fiscal 2015, whereas demand in North America for automotive parts and components was robust, demand for battery materials and electrodeposited copper foil products was sluggish because of factors including production adjustment by major customers. Moreover, prices of nonferrous metals were on a downward trend. In the second-half period of fiscal 2015, prices of nonferrous metals further declined temporarily. Reflecting the rapid appreciation of the yen toward the end of fiscal 2015, zinc prices and indium prices in Japan remained soft.

In these circumstances, in the final year of the 2013 Medium-Term Management Plan, a three-year plan launched in fiscal 2013, the Group took various actions. They included expansion of the catalyst business in North America for manufacturing and sales of exhaust detoxifying catalysts for automobiles, a shift of the copper foil business to high-value-added products in overseas markets centering on Asia, a decision to carry out large-scale renovations of hydroelectric power stations of the Group, expansion of the recycling business in Asia, and establishment of a global production structure for the automotive parts and components business.

As a result, net sales in fiscal 2015 decreased by ¥22,721 million compared with the previous fiscal year, to ¥450,553 million. Operating income decreased by ¥20,698 million from the previous fiscal year, to ¥11,137 million. Ordinary loss amounted to ¥11,284 million, having deteriorated by ¥32,380 million from the previous fiscal year, affected by a fall in copper prices, investment losses on equity method amounting to ¥22,372 million was recorded, which included impairment losses amounting to ¥19,278 million for the Caserones copper mine in Chile. In extraordinary items, the Group recorded extraordinary profits, including a gain on sales of investment securities amounting to ¥1,487 million and extraordinary losses, including a ¥1,490 million loss on disposal of property, plant and equipment and loss from environmental countermeasures amounting to ¥646 million. After accounting for income taxes and profit attributable to non-controlling interests, a loss attributable to owners of the parent in fiscal 2015 amounted to ¥20,926 million, having deteriorated by ¥38,163 million from the previous fiscal year.

	2015	2014	Change from the Previous Year	
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Percentage)
Net sales	¥450,553	¥473,274	(¥22,721)	(4.8%)
Operating income	11,137	31,835	(20,698)	(65.0)
Ordinary income (loss)	(11,284)	21,096	(32,380)	--
Profit (loss) attributable to owners of parent	(20,926)	17,237	(38,163)	--

Note: Figures are rounded down to the nearest million yen.

2. Operating Environment and Results by Each Group

Engineered Materials Group

Sales volume of catalysts for detoxifying motorcycle exhaust emissions decreased, owing to slowdown of growth in emerging markets. Demand for high-end ultra-thin copper foil was sluggish. The Group strove to expand sales of indium tin oxide (ITO) for depositing transparent conductor films overseas, centering on China. However, the ITO sales price decreased due to a fall in the prices of indium, the principal material of ITO.

As a result, sales of the Engineered Materials Group decreased 6.0% year on year to ¥144,065 million. Ordinary income decreased 69.0% year on year to ¥3,771 million due to factors relating to inventories of thin-film materials in line with the fall of indium prices, despite improved profitability of electrodeposited foil.

Metals Group

Demand for zinc for steel sheets in Japan for use for construction materials and automobiles was lackluster. In addition, zinc prices on the London Metal Exchange were generally on a downward trend. Reflecting these trends, zinc prices in Japan were weak.

As a result, sales of the Metals Group decreased 7.4% year on year to ¥129,786 million. Ordinary loss amounted to ¥366 million, a deterioration of ¥13,135 million from the previous year.

Automotive Parts & Components Group

The North American market remained robust reflecting persisting low levels of gasoline prices and recovery of the U.S. economy

As a result, sales of the Automotive Parts & Components Group increased 9.5% year on year to ¥114,448 million. Ordinary income increased 7.4% year on year to ¥5,415 million, mainly owing to cost improvements as a result of cost reduction activities.

Affiliates Coordination Group

Demand for orders concerning industrial plant projects overseas was sluggish.

As a result, sales of the Affiliates Coordination Group decreased 9.5% year on year to ¥107,230 million. Ordinary income decreased 31.4% year on year to ¥3,324 million.

Net sales and ordinary income (loss) by each group are the following:

[Net Sales]

Group	2015	2014	Change from the Previous Year	
	Net Sales (Millions of Yen)	Net Sales (Millions of Yen)	Net Sales (Millions of Yen)	(Percentage)
Engineered Materials Group	¥144,065	¥153,203	(¥9,138)	(6.0%)
Metals Group	129,786	140,158	(10,371)	(7.4)
Automotive Parts & Components Group	114,448	104,500	9,948	9.5
Affiliates Coordination Group	107,230	118,528	(11,298)	(9.5)
Adjustment Amount	(44,977)	(43,116)	(1,861)	--
Total	¥450,553	¥473,274	(¥22,721)	(4.8%)

Notes: 1. Figures are rounded down to the nearest million yen.

2. Intersegment sales are deducted by means of Adjustment Amount items.

[Ordinary Income (Loss)]

Group	2015	2014	Change from the Previous Year	
	Ordinary Income (Loss) (Millions of Yen)	Ordinary Income (Loss) (Millions of Yen)	Ordinary Income (Loss) (Millions of Yen)	(Percentage)
Engineered Materials Group	¥3,771	¥12,184	(¥8,413)	(69.0%)
Metals Group	(366)	12,769	(13,135)	--
Automotive Parts & Components Group	5,415	5,044	370	7.4
Affiliates Coordination Group	3,324	4,849	(1,524)	(31.4)
Adjustment Amount	(23,429)	(13,751)	(9,677)	--
Total	(¥11,284)	¥21,096	(¥32,380)	--

Notes: 1. Figures are rounded down to the nearest million yen.

2. Intersegment transactions are deducted by means of Adjustment Amount items.

3. Capital Investment

The Mitsui Kinzoku Group invested a total of ¥28,446 million, mainly for the following purposes by each group:

Group	Capital Investment (Millions of Yen)	Contents and Purposes
Engineered Materials Group	¥6,865	Expanding copper foil manufacturing facilities, etc.
Metals Group	11,022	Maintaining and renovating facilities, boosting efficiency, conserving energy, etc.
Automotive Parts & Components Group	4,976	Boosting functional automotive parts manufacturing productivity, conserving energy, etc.
Affiliates Coordination Group	2,418	Maintaining and renovating facilities, boosting efficiency, conserving energy, etc.
Other Group	3,164	Maintaining and renovating facilities, etc.
Total	¥28,446	

Notes: 1. Figures are rounded down to the nearest million yen.

2. Unrealized profit on intersegment transactions is deducted by means of Other Group item.

4. Funding

For the purpose of redeeming No.9 issuance of unsecured domestic straight bonds, the Company issued its No.15 issuance of unsecured domestic straight bonds amounting to ¥10.0 billion in December 2015.

5. Research & Development and Resource Development

Research and Development

The Group is focusing on development of products by applying its core technologies, namely, electrochemistry, powder processing, and separation and purification. In fiscal 2015, the Group mainly carried out R&D of next-generation energy conversion materials and electronic device related materials, such as fuel-cell materials for vehicles, solid electrolytes for solid state lithium batteries, and fine metal powders.

Resource Development

In the Republic of Peru, the Group explored mining possibilities in the eastern part of Pallca mine and in the vicinity of Huanzala mine.

(2) Operating Performance and Financial Position of the Mitsui Kinzoku Group and the Company

1. Changes in performance and assets for the Mitsui Kinzoku Group are as follows:

Year ended March 31		88th (2012)	89th (2013)	90th (2014)	91st (2015)
Net sales	(Millions of yen)	¥417,219	¥441,046	¥473,274	¥450,553
Ordinary income (loss)	(Millions of yen)	16,194	13,656	21,096	(11,284)
Profit (loss) attributable to owners of parent	(Millions of yen)	9,910	3,662	17,237	(20,926)
Earnings (losses) per share	(Yen)	17.35	6.41	30.18	(36.64)
Total assets	(Millions of yen)	438,072	503,825	538,646	484,800
Total net assets	(Millions of yen)	155,049	169,867	207,106	179,566
Total net assets per share	(Yen)	256.56	281.67	344.91	296.85

Notes: 1. Figures are rounded down to the nearest million yen, except earnings or loss per share and total net assets per share.

2. Earnings (loss) per share is calculated based on the average number of issued and outstanding shares during the term.

2. Changes in performance and assets for the Company are as follows:

Year ended March 31		88th (2012)	89th (2013)	90th (2014)	91st (2015)
Net sales	(Millions of yen)	¥199,081	¥207,951	¥225,292	¥198,351
Ordinary income (loss)	(Millions of yen)	4,545	11,013	22,717	(1,231)
Net income (loss)	(Millions of yen)	3,274	9,090	25,753	(1,931)
Earnings (losses) per share	(Yen)	5.73	15.92	45.09	(3.38)
Total assets	(Millions of yen)	303,332	353,449	368,961	353,263
Total net assets	(Millions of yen)	82,610	90,687	113,029	110,744
Total net assets per share	(Yen)	144.64	158.78	197.91	193.91

Notes: 1. Figures are rounded down to the nearest millions yen, except earnings (losses) per share and total net assets per share.

2. Earnings (losses) per share is calculated based on the average number of issued and outstanding shares during the term.

(3) Important Challenges Ahead

There are concerns about the possibility of a recession of the world economy in fiscal 2016 in view of the decline in prices of oil and other resources, slowing growth of China's economy, and weakened prospects for a U.S. Federal Reserve rate rise. The outlook of the Japanese economy is unclear, owing to deterioration of the export environment and sluggish personal consumption and weak stock prices.

Despite lower energy costs as a result of the decline in oil prices, the business environment of the Group is expected to be challenging, in view of such factors as shorter product lifecycles and intensifying price competition in addition to yen appreciation and the lackluster nonferrous metal market.

Fiscal 2015 was the final year of the 2013 Medium-Term Management Plan. The results fell far short of the targets because of factors including a delay in starting full-scale operation at the Caserones copper mine and the fall of copper prices. In terms of implementation, however, under the principle of establishing business segments with large demarcations that work independently toward growth, while exploring new business seeds of growth, the Group implemented various measures to expand the exhaust detoxifying catalyst business through overseas business development, to strengthen competitiveness of ultrathin copper foil and reinforce its production capabilities, to transform the smelting business model into one that centers on nonferrous metal recycling, and to enable the automotive parts & components business to respond to automotive manufacturers' globalization of production systems centering on emerging markets.

On this basis, the Group formulated the 2016 Medium-Term Management Plan, a three-year plan from fiscal 2016, and launched it in April 2016. The basic policy of the 2016 Medium-Term Management Plan is "to establish a structure that will continue to create growth products and businesses based on the three core businesses: engineered materials, metals and automotive parts and components." . Based on this policy, in view of the ideal configuration of the Group 10 years ahead, each business segment will tackle key measures, namely, producing results for measures implemented in the 2013 Medium-Term Management Plan, reinforcing the basic structure of the existing businesses, and taking strategic steps for the future, so as to further strengthen the management foundation.

Key measures of each segment in the 2016 Medium-Term Management Plan are as described below.

In the engineered materials business segment, the exhaust detoxifying catalyst business will strive to ensure that investment in increased production of catalysts for automotive applications contributes to profit and the copper foil business will work to achieve further expansion of sales of ultra-thin copper foil. Moreover, by strengthening the planning unit and through integration of R&D organizations, we intend to facilitate creation of growth products and businesses while promoting transformation into a Market Co-creation business entity (for creating products and services in cooperation with customers).

In the metals business, to increase profit, we intend to reinforce our mainstay smelting plants network by increasing the volumes of nonferrous metal recycling materials collected and processed, and will also promote development of recovery process technology to boost the volume of recovery of metals with value. Regarding the Caserones copper mine in Chile, in order to establish a structure for full-scale operation as soon as possible, we will strengthen the monitoring function and precisely understand the status of operation through Pan Pacific Copper Co., Ltd.

In the automotive parts & components business, with door locks as the mainstay products, we will take necessary measures so that the new overseas sites that were founded in accordance with the 2013 Medium-Term Management Plan will contribute to the Company's earnings, and vigorously promote sales expansion in North America and China to lay the foundation for 2019 onward. We will also continuously strive to reduce costs with a view to expanding the business.

In addition to these measures, the Group intends to accord emphasis to cash flows and aims to strengthen the financial position. At the same time, by ensuring greater decisiveness in decision-making, the Group is determined to transform itself into a fast-moving, highly competitive enterprise to enhance corporate value.

(4) Mitsui Kinzoku Group's Principal Business (As of March 31, 2016)

Group	Principal Products/Services
Engineered Materials Group	Battery materials (Hydrogen storage alloy, Lithium manganese oxide, and Battery-use zinc powder), Catalysts, Engineered powders (Magnetite), Metal powders, Rare metal compounds (Cerium oxide based polishing powders, Tantalum pentoxide, Niobium pentoxide), Rare earths, Electrodeposited copper foil, Thin-film materials (Sputtering targets), Ceramics products (Liquid aluminum filtration materials, Alumina, Silicon-carbon ceramics), Single crystals
Metals Group	Zinc, Copper, Lead, Gold, Silver, Sulfuric acid, Zinc alloy, Industrial waste material processing, Soil contamination surveys, Geothermal steam
Automotive Parts & Components Group	Functional automotive parts
Affiliates Coordination Group	Zinc oxide, Litharge, Aluminum/magnesium die-cast products, Perlite (Construction materials, Wet type filter aids, Heat insulators, Dry type filter aids, Soil improvement materials), Expanded shale lightweight aggregate, Powdered metallurgical products, Nondestructive inspection systems, Grinding wheels, Marketing of nonferrous metals, electronics materials etc., Rolled copper products (Copper sheet and strip, Brass sheet and strip), Rolled zinc products (Zinc sheet for printing, Zinc anodes for protection, Zinc sheet for building materials applications), Engineering services for diverse manufacturing plants, environmental protection equipment, and automation equipment, Design and implementation services for construction, civil engineering and other projects, Polyethylene composite pipes, Information processing systems

(5) Principal Business Offices, Plants, and Laboratories (As of March 31, 2016)

1. Mitsui Kinzoku

Head office	1-11-1, Osaki, Shinagawa-ku, Tokyo
Plants	Kamioka Catalyst Plant (Hida-shi, Gifu), Miike Rare Metals Plant (Omuta-shi, Fukuoka), Ageo Copper Foil Plant (Ageo-shi, Saitama), Miike Thin-film Materials Plant (Omuta-shi, Fukuoka), Omuta Ceramics Plant (Omuta-shi, Fukuoka), Takehara Refinery (Takehara-shi, Hiroshima), Hibi Smelter (Tamano-shi, Okayama), Kitakata Perlite Plant (Kitakata-shi, Fukushima), Osaka Perlite Plant (Kaizuka-shi, Osaka)
Laboratory	R&D Center (Ageo-shi, Saitama) Materials Analysis & Exploration Center (Ageo-shi, Saitama)

Note: Osaka Branch was abolished on June 30, 2015 and sales activities in Osaka are carried out by an organization that directly reports to the head office.

2. Consolidated Subsidiaries

Japan	Kamioka Mining & Smelting Co., Ltd. (Hida-shi, Gifu), Hachinohe Smelting Co., Ltd. (Shinagawa-ku, Tokyo), Hikoshima Smelting Co., Ltd. (Shimonoseki-shi, Yamaguchi), Okuazu Geothermal Co., Ltd. (Yanaizu-cho, Fukushima), Mitsui Kinzoku ACT Corporation (Yokohama-shi, Kanagawa), Mitsui Kinzoku Trading Co., Ltd. (Sumida-ku, Tokyo), MESCO, Inc. (Sumida-ku, Tokyo),
Overseas	Taiwan Copper Foil Co., Ltd. (Taiwan), Mitsui Copper Foil (Malaysia) Sdn. Bhd. (Malaysia), Mitsui Electronic Materials Co., Ltd. (Taiwan), GECOM Corp. (U.S.A.), Mitsui Siam Components Co., Ltd. (Thailand), Mitsui Components Guangdong Limited (China)

Note: Mitsui Components Guangdong Limited is listed because its importance increased as a result of expansion of the scale of the business.

(6) Employees (As of March 31, 2016)

1. Number of Mitsui Kinzoku Group Employees

Group	Number of Employees	
Engineered Materials Group	3,060	(592)
Metals Group	1,556	(386)
Automotive Parts & Components Group	4,736	(125)
Affiliates Coordination Group	1,578	(167)
Other Group	202	(28)
Total	11,132	(1,298)

Note: The numbers of employees represent the numbers of employees actually working, and the numbers of temporary employees are shown separately in parentheses. Temporary employee figures include temporary laborers, part-time employees, and temporary contract employees but exclude temporary employees dispatched by personnel agencies.

2. Number of the Company Employees

Number of Employees	Average Age (Years)	Average Length of Employment (Years)
1,663 (303)	42.6	17.0

Note: The number of employees represents the number of full-time employees. The number of temporary employees is shown separately in parentheses, and these temporary employees are not considered when calculating figures for average age or average length of employment.

(7) Major Lenders (As of March 31, 2016)

	Amount of Borrowings (Millions of Yen)
Sumitomo Mitsui Banking Corporation	¥18,357
Sumitomo Mitsui Trust Bank, Ltd.	12,938
Mizuho Bank, Ltd.	7,944
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,411
The Norinchukin Bank	3,959

Note: Figures are rounded down to the nearest million yen.

(8) Condition of Principal Subsidiaries of Mitsui Kinzoku (As of March 31, 2016)

	Paid-in Capital (Millions)	Equity Stake of the Company (%)	Principal Operations
Taiwan Copper Foil Co., Ltd.	NT\$800	95.0	Production and sale of copper foil for printed circuit boards
Mitsui Copper Foil (Malaysia) Sdn. Bhd.	RM330	100.0	Production and sale of copper foil for printed circuit boards
Mitsui Electronic Materials Co., Ltd.	NT\$600	100.0	Production and sale of thin-film materials (Sputtering targets)
Kamioka Mining & Smelting Co., Ltd.	¥4,600	100.0	Smelting of zinc and lead and production of metal powders and others
Hachinohe Smelting Co., Ltd.	¥4,795	85.5	Smelting of zinc and lead
Hikoshima Smelting Co., Ltd.	¥460	100.0	Smelting of zinc and production of metal powders, battery materials, and others
Okuaizu Geothermal Co., Ltd.	¥100	100.0	Sale of geothermal steam for power generation
Mitsui Kinzoku ACT Corporation	¥3,000	100.0	Production and sale of functional automotive parts
GECOM Corp.	US\$15.75	100.0	Production and sale of functional automotive parts
Mitsui Siam Components Co., Ltd.	Bh210	100.0	Production and sale of functional automotive parts and catalysts
Mitsui Components Guangdong Limited	RMB71.212	100.0	Production and sale of functional automotive parts and catalysts
Mitsui Kinzoku Trading Co., Ltd.	¥240	100.0	Sale of nonferrous metals and electronic materials, etc.
MESCO, Inc.	¥1,085	63.4	Engineering services for production plants, environmental equipment, automated machinery, and other facilities as well as the production, sale, and construction of polyethylene compound pipes

Note: Mitsui Components Guangdong Limited is listed because its importance increased as a result of expansion of the scale of the business.

2. Mitsui Kinzoku Group and the Company Outline

(1) Common Stock (As of March 31, 2016)

1. Authorized: 1,944,000 thousand
2. Issued and outstanding: 572,966,166
3. Number of shareholders: 48,286 (up 1,684 from the previous fiscal year)
4. Major shareholders (Top 10):

	Number of Shares Held (Thousands)	Percentage of Shares Held (%)
CBNY – ORBIS SICAV	31,959	5.59
The Master Trust Bank of Japan, Ltd. (Held in trust account)	31,764	5.56
Japan Trustee Services Bank, Ltd. (Held in trust account)	28,977	5.07
National Mutual Insurance Federation of Agricultural Cooperatives	13,729	2.40
The Employees' Shareholding Association	12,422	2.17
CBNY – ORBIS FUNDS	10,176	1.78
J.P. MORGAN WHITEFRIARS INC. LONDON BRANCH	10,048	1.75
GOLDMAN SACHS INTERNATIONAL	6,949	1.21
Japan Trustee Services Bank, Ltd. (Held in trust account 4)	6,902	1.20
Trust & Custody Services Bank, Ltd. (Held in securities investment trust account)	6,656	1.16

Notes: 1. Percentages of shares held are calculated based on the total number of shares issued and outstanding (excluding 1,855,397 shares in treasury).

2. Figures are rounded down to the nearest thousand shares.

Distribution of shares by type of shareholder (Reference)

Classification	Number of shares held (Thousands)	Composition of shareholders (%)
Financial institutions	157,633	27.51
Securities firms	17,928	3.13
Other Japanese corporations	23,018	4.02
Overseas corporations, etc.	154,926	27.04
Individuals and others	217,603	37.98
Treasury stock	1,855	0.32

Note: Figures are rounded down to the nearest thousand shares.

(2) Directors and Corporate Auditors

1. Directors and Corporate Auditors (As of March 31, 2016)

Position	Name	Duties and Major Occupation	Important Positions Held Concurrently at Other Organizations
President Representative Director	Sadao Senda	CEO (Chief Executive Officer), COO (Chief Operating Officer)	
Vice President Representative Director	Mitsuhiko Hasuo	Executive Vice President, Senior General Manager of Metals Sector	
Representative Director Senior Managing Director	Keiji Nishida	Senior Managing Executive Officer, CFO (Chief Financial Officer)	
Director	Isshi Hisaoka	Senior Executive Officer, Deputy Senior General Manager of Metals Sector	Outside Auditor of Powdertech Co., Ltd.
Director	Takashi Oshima	Senior Executive Officer, CRO (Chief Risk Management Officer), Senior General Manager of Corporate Planning & Control Sector, Senior General Manager of Corporate Planning Department	Outside Director of Nakabohtec Co., Ltd.
Director	Takeshi Nou	Senior Executive Officer, Senior General Manager of Engineered Materials Sector, Senior General Manager of Business Planning Group, Engineered Materials Sector	
Director	Toshiki Mori	Responsible for a taskforce of the President	
Outside Director	Hiromichi Shibata		Professor, Graduate School of International Social Sciences, Yokohama National University
Outside Director	Junya Sato		Lawyer Outside Director of Nikki Co., Ltd. Outside Auditor of Sapporo Holdings Limited Outside Audit & Supervisory Board Member of Taisho Pharmaceutical Holdings Co., Ltd. Member of External Evaluation Committee, Chuo University
Corporate Auditor	Akira Osano		
Corporate Auditor	Takashi Kadowaki		Outside Auditor of Nakabohtec Co., Ltd.

Position	Name	Duties and Major Occupation	Important Positions Held Concurrently at Other Organizations
Outside Corporate Auditor	Masaharu Miura		Lawyer Outside Auditor of Miyasaka Construction Corporation Professor, Division of Law, Multimedia Master's Course, Graduate School of Integrated Science and Art, University of East Asia Special Councillor Asia Crime Prevention Foundation Outside Director of OUG Holdings Inc.

Notes: 1. Corporate Auditors Akira Osano and Takashi Kadowaki have for many years been responsible for the Company's bookkeeping operations and have considerable knowledge regarding finance and accounting.

2. Personal Changes for Director and Corporate Auditor Positions on June 26, 2015.

(1) Three directors Harufumi Sakai, Masahisa Morita and Yutaka Hirabayashi resigned.

(2) Corporate Auditor Tatsuhiko Takai resigned.

(3) Takeshi Nou was appointed to a new director position.

(4) Takashi Kadowaki was appointed to a new corporate auditor position.

3. Changes in the Position, and Duties and Major Occupation of Directors after the Current Fiscal Year (As of April 1, 2016)

Position	Name	Duties and Major Occupation	Important Positions Held Concurrently at Other Organizations
President Representative Director	Keiji Nishida		
Representative Director Managing Director	Takeshi Nou	Senior Executive Officer Senior General Manager of Engineered Materials Sector	
Director	Isshi Hisaoka	Senior Executive Officer Senior General Manager of Metals Sector	Outside Auditor of Powdertech Co., Ltd.
Director	Takashi Oshima	Senior Executive Officer Senior General Manager of Corporate Planning & Control Sector, Senior General Manager of Corporate Planning Department	Outside Director of Nakabohtec Co., Ltd.
Director	Sadao Senda	Responsible for a taskforce of the President	
Director	Mitsuhiko Hasuo	Responsible for a taskforce of the President	

4. Important positions held concurrently at other organizations by Outside Directors and Outside Corporate Auditors

1) Outside Corporate Director Junya Sato assumed the position of Outside Auditor & Supervisory Board Member of Taisho Pharmaceutical Holdings Co., Ltd. on June 26, 2015,

2) Outside Corporate Director Junya Sato assumed the post of Member of External Evaluation Committee Chuo University on October 1, 2015.

3) Outside Corporate Director Junya Sato assumed the post of Governor of the Japan Federation of Bar Associations on April 1, 2016.

2. Summary of Contracts for Limitation of Liability

Based on Company Law Article 427-1, the Company has concluded contracts with Outside Directors and Outside Corporate Auditors regarding liability as defined by Company Law Article 423-1 to limit total liability to the figure stipulated by Company Law Article 425-1.

3. Total Compensation Paid to Directors and Corporate Auditors

Classification	Number	Total Compensation (Millions of Yen)
Directors	13	¥419
Corporate Auditors	5	90
Total	18	¥509

- Notes: 1. At the 80th Annual General Meeting of Shareholders held on June 29, 2005, shareholders approved a limit on compensation paid to Directors of ¥60 million per month (not including compensation for their services as employees).
2. At the 80th Annual General Meeting of Shareholders held on June 29, 2005, shareholders approved a limit on compensation paid to Corporate Auditors of ¥15 million per month.
3. At the meeting of the Board of Directors held on April 22, 2014, it was resolved to discontinue the system of bonuses for Directors and to calculate the Directors' compensation by adding performance payments linked to results in addition to a fixed base compensation. This does not apply to the Outside Directors to whom the Company will pay the base compensation only, without the addition of a performance payment. The total volume of Directors' compensation would be within the limit already approved at the 80th Annual General Meeting of Shareholders held on June 29, 2005. As in the past, the total amount of Directors' compensation will be determined by the Compensation Committee composed of the President, the Director in charge of Human Resources, the Outside Directors and the Outside Corporate Auditors as advisors.
4. Listed monetary amounts are rounded down to the nearest million yen.

4. Matters Related to Outside Directors and Outside Corporate Auditors

(a) Important Positions Held Concurrently at Other Organizations

Please refer to "1. Directors and Corporate Auditors." The Company has no special relationship with any of the entities.

(b) Principal Activities during the Fiscal Year under Review

Position	Name	Principal Activities
Director	Hikomichi Shibata	Attended all 18 meetings of the Board of Directors during the fiscal year. From his perspective as an outstanding academic expert in the field of management, made appropriate and necessary comments on proposals and discussions
Director	Junya Sato	Attended 16 out of 18 meetings of the Board of Directors during the fiscal year. Primarily from his perspective as a lawyer, made comments regarding the Company's compliance systems as well as appropriate and necessary comments on proposals and discussions
Corporate Auditor	Ryuhei Wakasugi	Attended all 18 meetings of the Board of Directors and all 13 meetings of the Board of Auditors during the fiscal year. From his perspective as a person with experience in government administration and as an outstanding academic expert in the field of economics, made appropriate and necessary comments on proposals and discussions
Corporate Auditor	Masaharu Miura	Attended all 18 meetings of the Board of Directors and all 13 meetings of the Board of Auditors. From his perspective as a person with experience and expertise in legal circles as a public prosecutor and a lawyer, made appropriate and necessary comments on proposals and discussions

(c) Total Compensation Paid to Outside Directors and Outside Corporate Auditors

	Number	Total Compensation, Etc. (Millions of Yen)
Total amount of compensation, etc., paid to Outside Directors and Outside Corporate Auditors	4	¥60

Note: Listed monetary amounts are rounded down to the nearest million yen.

(d) Notification of Independent Directors

Though none of the Company's Outside Directors and Outside Corporate Auditors have interests with any particular party from the Company, including its management, and have conflicts of interest with general shareholders, the Company has notified the Tokyo Stock Exchange that its Outside Director Hiromichi Shibata and Outside Director Junya Sato are the Independent Directors of the Company, and has judged them capable of monitoring management through a business execution process.

(3) Matters Related to the Independent Auditing Firm

1. Name of the firm: KPMG AZSA LLC

2. Total compensation, etc., paid to the firm

	Amount
Total amount of compensation, etc., paid to the Independent Auditing Firm during the fiscal year under review	¥100 million
Total monetary amount and value of other assets paid to the firm by the Company and its subsidiaries	¥157 million

Notes: 1. Since the contract between the Company and the auditing firm does not distinguish between the audit required under Japan's Company Law and the audit required under the Financial Instruments and Exchange Law, the above figures also include the cost of the audit required under the Financial Instruments and Exchange Law.

2. In accordance with the Practical Guidelines for Cooperation with Accounting Auditors released by the Japan Audit & Supervisory Board Members Association, the Board of Auditors reviewed the independent auditing firm's audit plan for fiscal 2015, the status of performance of duties in fiscal 2014, the basis of calculation of the estimated amount of compensation, etc. by means of necessary documents obtained from the independent auditing firm and relevant internal departments as well as interviews. As a result, the Board of Auditors gave consent pursuant to Article 399, Paragraphs 1 of the Companies Act with regard to compensation, etc. for the independent auditing firm for fiscal 2015.

3. Among the Company's material subsidiaries, the following were legally audited by a certified public accountant or accounting firm, other than the Company's audit firm, with the corresponding qualifications in a foreign country: Taiwan Copper Foil Co., Ltd.; Mitsui Copper Foil (Malaysia) Sdn. Bhd.; Mitsui Electronic Materials Co., Ltd.; GECOM Corp.; and Mitsui Siam Components Co., Ltd.

4. Figures are rounded down to the nearest million yen.

3. Details of Non-audit Services

The Company entrusts the independent auditing firm with "the preparation of a comfort letter associated with the issuance of corporate bonds," which is a service outside the professional responsibilities provided under Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit service).

4. Policy regarding decisions related to dismissal and non-renewal of contract with the independent auditing firm

When the provisions of Article 340-1 of Company Law are deemed to be applicable to the auditing firm, the Board of Auditors may dismiss the firm with the consent of all the Corporate Auditors. The Board of Auditors determines the content of a proposal to be submitted to a General Meeting of Shareholders concerning non-renewal of the contract with the auditing firm at the Company's convenience. In addition, when it is deemed that the Company cannot continue the contract with the auditing firm for reasons attributable to the auditing firm, the Board of Auditors determines the

content of a proposal to be submitted to a General meeting of Shareholders concerning dismissal or non-reappointment of the auditing firm.

In either case, the Board of Auditors determines the content of a proposal to be submitted to a General Meeting of Shareholders concerning selection of a new independent auditing firm.

(4) Systems for Ensuring Appropriate Business Operations and Overview of the Status of Operation of Such Systems

The decisions as to the Company's systems for ensuring that the execution of duties by the Directors is in compliance with relevant laws and regulations and the Company's Articles of Incorporation and other systems for ensuring the proper conduct of the Group's activities and the status of operation of such systems are outlined below.

1. Systems for ensuring that the execution of duties by the Directors and employees of the Company and its subsidiaries is in compliance with relevant laws and regulations and the Company's Articles of Incorporation

- 1) To ensure that the conduct of business activities by the Directors and employees of the Company and its subsidiaries is in compliance with relevant laws and regulations and the Company's Articles of Incorporation, the Company clarifies and promotes its compliance system by instituting its "Code of Behavior," which Directors and employees are required to observe, and internal regulations.
- 2) The Company clearly defines the authority of the Directors through the issuance of internal regulations, including "Regulations for the Board of Directors (Torishimariyaku-kai kisoku)." Also, by appointing Outside Directors who have a high degree of independence, the Company increases transparency and creates a framework to ensure that the Directors execute their duties appropriately.
- 3) In addition, to maintain the soundness of financial processing, the Company conducts periodic internal audits.

[Overview of the status of operation]

In view of the purpose of the Code of Behavior, which consists of action guidelines for Directors and employees of the Company and its subsidiaries, we conduct internal training on a continuous basis using a compliance guidebook and other materials. The Code of Behavior is translated into various languages and we are striving to raise awareness and ensure that it is observed throughout the Group's sites, including overseas sites.

Each Executive Director reports important matters at the meetings of the Board of Directors, which includes two highly independent Outside Directors.

The Internal Audit Committee chaired by the Director responsible for finance determines an annual plan for internal audits, and the status of internal audits is briefed at meetings of the Internal Audit Committee.

2. Systems for storing and safekeeping of information related to the execution of the duties of the Directors

For information related to the execution of the duties of the Directors, the Company has prepared, stores, and keeps in custody such information according to laws and regulations, the "Regulations for the Board of Directors (Torishimariyaku-kai kisoku)," "Regulations Regarding Documentation (Bunsho kisoku)," and other internal regulations.

[Overview of the status of operation]

Information materials on agenda of meetings of the Board of Directors and their minutes are retained permanently, whereas the statutory retention period for such documents is 10 years. Documents of important meetings related to business execution are retained for 10 years or permanently by the meeting bodies.

3. Regulations and systems concerning the management of losses and hazards of the Company and its subsidiaries

To prevent the materialization of risks related to the execution of business activities of the Company and its subsidiaries and to respond to risks that have already materialized, based on its "Risk Management Regulations (Risk management kisoku)," the Company designates organizational units in charge of each type of risk to monitor and evaluate the risks that may arise in the business

activities of the Company and subsidiaries, decides on policies for risk management, and implements measures to deal with risks when they materialize.

The Company establishes “Regulations for Emergency Responses (Kinkyu-jitai hasseiji no taiou ni kansuru kisoku)” to protect human lives and assets and to swiftly recover and continue business in the event of a large disaster.

[Overview of the status of operation]

In fiscal 2015, the Company conducted risk surveys of Group’s sites in accordance with the “Risk Management Regulations.” In order to establish systems to protect human lives and assets and to swiftly recover and continue business in the event of a major disaster, the Company formulated a Business Continuity Plan in accordance with the “Regulations for Emergency Responses” and conducted emergency drills at various sites.

4. Systems to ensure that the Directors of the Company and its subsidiaries execute their duties efficiently

As the basis for systems that ensure the Directors execute their duties efficiently, the Board of Directors holds a regular meeting once a month, and at other times as necessary. In addition, the Company determines assignment of responsibilities for management and clarifies the approving authorities including those of subsidiaries to enhance the efficiency of decision-making. Also, through the introduction of the Executive Officer system, the Company endeavors to accelerate the execution of business activities.

[Overview of the status of operation]

In fiscal 2015, ordinary meetings of the Board of Directors were held once every month and six extraordinary meetings of the Board of Directors were held in May, June, August and November 2015 and in February and March 2016. In accordance with the approving authorities that stipulate the assignment of responsibilities for management, the Board of Directors deliberated and made decision on necessary important matters. Also, monitoring of the status of business execution by Executive Officers was conducted via Executive Directors.

5. Systems for reporting to the Company of matters related to the execution of duties by Directors of the Company’s subsidiaries

Directors, Corporate Auditors, and the responsible department shall receive reports on the status of execution of duties by Directors of the Company’s subsidiaries in accordance with the “Regulations for the Management of Subsidiaries and Affiliates (Kankei-gaisha kanri kisoku)” etc.

[Overview of the status of operation]

Directors of the Company’s subsidiaries reported the status of execution of their duties in accordance with the “Regulations for the Management of Subsidiaries and Affiliates” at periodic meetings of business units held by Executive Directors.

Units of the head office reported to Corporate Auditors, as necessary, about the information they obtained on the status of execution of duties by Directors of the Company’s subsidiaries.

6. Matters concerning employees who are to assist the duties of Corporate Auditors when Corporate Auditors request assignment of such employees and matters related to ensuring the independence of such employees from Directors and effectiveness of instructions given by Corporate Auditors to such employees

- 1) Under the Company’s “Regulations for Company Work Systems (Kaisha shokusei kisoku),” the Company establishes an Auditor Office and assigns employees to assist the Corporate Auditors in the execution of their duties. In addition, the selection of these employees is made with reference to the opinions of the Corporate Auditors.
- 2) The employees who are assigned to assist the duties of Corporate Auditors shall assist Corporate Auditors in accordance with the “Regulations for Company Work Systems.” At the meetings of the Board of Auditors, such employees shall receive instructions from Corporate Auditors, and also shall report on the progress of matters that they were instructed to address, and provide information.

[Overview of the status of operation]

Staff of the Auditor Office are selected from head office organizations in reference to the opinions of the Corporate Auditors. Auditor Office Liaison Meetings were held monthly where the employees selected to assist Corporate Auditors received instructions from Corporate Auditors, reported on the

progress of matters that they were instructed to address, and provided information.

7. Systems for Directors and employees to report to the Corporate Auditors; systems for Directors, Corporate Auditors, and employees of the Company's subsidiaries and for persons who received reporting from such persons to report to the Corporate Auditors; and other systems regarding reporting to the Corporate Auditors

- 1) When the Directors and employees of the Company and Directors, Corporate Auditors, and employees of the Company's subsidiaries discover facts that may cause serious losses to the Company, or when other events occur concerning the matters requiring reporting specified by the Board of Auditors, they shall report to Corporate Auditors.
- 2) Upon auditing of subsidiaries by the Corporate Auditors, Directors, Corporate Auditors, and employees of the Company's subsidiaries shall report the status of operations and other matters required by the Corporate Auditors.
- 3) Details of the reporting made via the whistleblowing system shall be periodically reported to the Corporate Auditors.

[Overview of the status of operation]

For full-time Corporate Auditors, in addition to their attendance at the meetings of the Board of Directors, opportunities were ensured for them to attend important meetings related to business execution. Through these meetings, matters were reported and information was provided to Corporate Auditors. Full-time Corporate Auditors and Outside Corporate Auditors also visited the Company's subsidiaries to conduct auditing whenever necessary, and received reports on the status of operation as well as matters requested by the Corporate Auditors.

Details of the reporting made via the whistleblowing system were periodically reported to the Corporate Auditors and briefed at the meetings of the Board of Directors, after taking necessary measures so that the person who made the report and the related worksites are not identified.

8. Systems to ensure that persons who reported to the Corporate Auditors will not receive detrimental treatment because of the reporting

The Company shall prohibit detrimental treatment of the Directors and employees of the Company and Directors, Corporate Auditors, and employees of the Company's subsidiaries who reported to the Corporate Auditors because of the reporting.

[Overview of the status of operation]

The Company's policy to prohibit detrimental treatment of the Directors and employees of the Company and Directors, Corporate Auditors, and employees of the Company's subsidiaries who reported to the Corporate Auditors because of the reporting is posted on the Company's website to communicate it thoroughly.

9. Matters concerning procedures for advance payment or reimbursement of fees arising in connection with the execution of duties by the Corporate Auditors and other policies regarding handling costs or obligations arising in connection with the execution of such duties

When the Corporate Auditors request advance payment or reimbursement of expenses for their execution of duties, based on deliberation by the responsible department the Company shall make advance payment of or reimburse such expenses swiftly except in the case that such expenses or obligations are proved to be unnecessary for the execution of duties by such Corporate Auditors.

[Overview of the status of operation]

At the beginning of each fiscal year, the Company sets aside a budget for expenses to be incurred based on the action plan of the Corporate Auditors for the year. The Company has established a rule that allows the Corporate Auditors to request additional budget if expenditures exceeding the predetermined budget for expenses are necessary.

10. Other systems to ensure that audits by the Corporate Auditors are performed effectively

The Representative Directors and Corporate Auditors meet periodically to exchange opinions. The Corporate Auditors may attend important meetings to exchange information with Directors and employees thoroughly.

[Overview of the status of operation]

During fiscal 2015 the Representative Directors and the Corporate Auditors held the meeting twice to exchange information and Executive Directors and Executive Officers held the meeting seven times to exchange information.

Consolidated Balance Sheet

(As of March 31, 2016)

	Millions of yen	
	2015	2014 (Reference)
Assets		
Current assets:		
Cash and time deposits	¥16,983	¥16,404
Notes and accounts receivable	78,034	92,359
Merchandise and finished goods	24,517	27,035
Work in process	24,551	30,754
Raw materials and supplies	31,941	34,683
Deferred tax assets	2,475	5,451
Others	16,543	14,627
Allowance for doubtful accounts	(125)	(162)
Total current assets	194,923	221,153
Fixed assets:		
Tangible fixed assets:		
Buildings and structures	166,513	162,995
Machinery and automotive equipment	334,815	329,644
Land	33,998	34,256
Lease assets	4,999	5,184
Construction in progress	7,288	9,383
Others	51,886	51,013
Accumulated depreciation	(436,569)	(428,420)
Total tangible fixed assets	162,931	164,058
Intangible fixed assets	4,185	4,467
Investments and other assets:		
Investment securities	112,113	136,679
Long-term loans	543	550
Net defined benefit asset	3,298	4,071
Deferred tax assets	2,183	2,268
Others	4,979	5,814
Allowance for doubtful accounts	(359)	(416)
Total investments and other assets	122,759	148,967
Total fixed assets	289,876	317,492
Total assets	¥484,800	¥538,646

English Translation of Financial Statements Originally Issued in the Japanese Language

	Millions of yen	
	2015	2014 (Reference)
Liabilities and Net Assets		
Current liabilities:		
Notes and accounts payable	¥38,394	¥45,382
Short-term debt	51,289	57,896
Commercial paper	3,000	4,000
Current portion of straight bonds	10,000	10,000
Current portion of lease liability	541	996
Accrued income taxes	2,329	3,322
Consumption taxes payable	774	1,881
Deferred tax liabilities	–	24
Provision for bonus	4,569	4,701
Provision for Directors' bonus	32	40
Provision for product warranties	1,098	1,308
Provision for loss on construction contracts	27	33
Business structure improvement expenses	121	77
Provision for loss on disposal of inventories	269	399
Others	25,996	25,567
Total current liabilities	138,442	155,631
Long-term liabilities:		
Straight bonds	50,000	50,000
Long-term debt	77,444	88,494
Lease liability	1,574	1,920
Deferred tax liabilities	5,261	5,917
Directors' and corporate auditors' retirement benefits	581	558
Provision for environmental countermeasures	1,354	997
Provision for preventing environmental pollution in mineral, mining, and other operations	835	894
Provision for loss on litigation	470	–
Net defined benefit liability	25,470	23,234
Asset retirement obligations	3,015	3,018
Others	783	872
Total long-term liabilities	166,791	175,907
Total Liabilities	305,233	331,539
Net assets		
Common stock	42,129	42,129
Capital surplus	22,557	22,557
Retained earnings	82,385	106,908
Treasury stock	(603)	(601)
Shareholders' equity	146,469	170,994
Net unrealized gains on securities, net of tax	1,705	2,613
Unrealized gains (losses) on hedging derivatives, net of tax	2,489	(1,032)
Foreign currency translation adjustments	19,434	24,719
Remeasurements of defined benefit plans	(561)	(308)
Accumulated other comprehensive income	23,067	25,992
Non-controlling interests	10,029	10,120
Total net assets	179,566	207,106
Total liabilities and net assets	¥484,800	¥538,646

Note: Figures are rounded down to the nearest million yen.

Consolidated Statement of Operations

(April 1, 2015 to March 31, 2016)

	Millions of yen	
	2015	2014 (Reference)
Net sales	¥450,553	¥473,274
Cost of sales	388,546	395,695
Gross profit	62,007	77,578
Selling, general and administrative expenses	50,869	45,742
Operating income	11,137	31,835
Non-operating income:		
Interest income	266	205
Dividend income	1,399	2,377
Other income	1,725	1,819
	3,391	4,402
Non-operating expenses:		
Interest expense	1,799	1,990
Investment losses on equity method	22,372	10,550
Other expenses	1,640	2,599
	25,812	15,141
Ordinary income (loss)	(11,284)	21,096
Extraordinary profits:		
Gain on sales of property, plant and equipment	99	257
Gain on sales of investment securities	1,487	372
Gain on change in equity	408	3,596
Others	876	1,753
	2,873	5,979
Extraordinary losses:		
Loss on sales of property, plant and equipment	113	31
Loss on disposal of property, plant and equipment	1,490	1,161
Loss on impairment of fixed assets	305	93
Environmental expenses	646	68
Business structure improvement expenses	336	537
Compensation for damage	83	63
Provision for loss on litigation	470	-
Others	701	585
	4,147	2,541
Profit (loss) before income taxes	(12,558)	24,534
Income taxes:		
Current	6,053	6,763
Deferred	1,631	(368)
Net income (loss)	(20,244)	18,139
Profit attributable to non-controlling interests	681	902
Profit (loss) attributable to owners of parent	(¥20,926)	¥17,237

Note: Figures are rounded down to the nearest million yen.

Consolidated Statement of Changes in Net Assets

(April 1, 2015 to March 31, 2016)

Millions of yen

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at beginning of period	42,129	22,557	106,908	(601)	170,994
Changes of items during period					
Dividends from surplus			(3,426)		(3,426)
Loss attributable to owners of parent			(20,926)		(20,926)
Change of scope of consolidation			(169)		(169)
Purchase of treasury stock				(2)	(2)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(0)			(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(0)	(24,522)	(2)	(24,525)
Balance at end of period	42,129	22,557	82,385	(603)	146,469

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains on securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total of accumulated other comprehensive income		
Balance at beginning of period	2,613	(1,032)	24,719	(308)	25,992	10,120	207,106
Changes of items during period							
Dividends from surplus							(3,426)
Loss attributable to owners of parent							(20,926)
Change of scope of consolidation							(169)
Purchase of treasury stock							(2)
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(0)
Net changes of items other than shareholders' equity	(908)	3,522	(5,285)	(252)	(2,924)	(90)	(3,014)
Total changes of items during period	(908)	3,522	(5,285)	(252)	(2,924)	(90)	(27,539)
Balance at end of period	1,705	2,489	19,434	(561)	23,067	10,029	179,566

Note: Figures are rounded down to the nearest million yen.

Balance Sheet

(As of March 31, 2016)

	Millions of yen	
	2015	2014 (Reference)
Assets		
Current assets:		
Cash and time deposits	¥1,437	¥2,099
Notes receivable	1,010	885
Accounts receivable	25,761	33,725
Merchandise and finished goods	13,297	13,882
Work in process	10,267	15,255
Raw materials and supplies	17,325	19,130
Advances payments	459	954
Prepaid expenses	389	397
Short-term loans	17,894	14,059
Other accounts receivable	4,872	4,728
Payment for others	2,598	2,653
Deferred tax assets	495	2,845
Derivative assets	3,601	695
Others	4	20
Allowance for doubtful accounts	(38)	(153)
Total current assets	99,377	111,181
Fixed assets:		
Tangible fixed assets:		
Buildings	39,608	39,142
Structures	12,007	11,135
Machinery and equipment	106,186	104,430
Automotive equipment	436	387
Tools, equipment and furniture	7,513	7,044
Land used for mining operations	175	307
Land	15,682	15,504
Lease assets	1,537	1,493
Construction in progress	1,111	1,244
Accumulated depreciation	(137,772)	(133,307)
Total tangible fixed assets	46,485	47,381
Intangible fixed assets:		
Rights of utilization	1,117	1,317
Total intangible fixed assets	1,117	1,317
Investments and other assets:		
Investment securities	9,678	9,771
Stock of subsidiaries and affiliates	127,429	129,426
Investments in other securities of subsidiaries and affiliates	35,512	35,511
Investments in capital of subsidiaries and affiliates	2,862	2,862
Long-term loans	29,383	29,192
Claims provable in bankruptcy, claims provable in rehabilitation and other	0	0
Others	2,713	3,627
Allowance for doubtful accounts	(1,298)	(1,311)
Total investments and other assets	206,281	209,080
Total fixed assets	253,885	257,779
Total assets	¥353,263	¥368,961

English Translation of Financial Statements Originally Issued in the Japanese Language

	Millions of yen	
	2015	2014 (Reference)
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	¥15,424	¥17,838
Short-term debt	19,134	32,960
Commercial paper	3,000	4,000
Current portion of long-term loans payable	17,177	8,886
Current portion of straight bonds	10,000	10,000
Current portion of lease liability	136	188
Accrued payments	6,094	6,233
Accrued expenses	728	753
Accrued consumption taxes	–	374
Accrued income taxes	146	286
Advances received	174	103
Deposits received	24,969	20,822
Provision for bonus	1,748	1,782
Provision for product warranties	5	8
Derivative liabilities	163	1,975
Total current liabilities	98,905	106,214
Long-term liabilities:		
Straight bonds	50,000	50,000
Long-term debt	75,927	84,230
Lease obligations	225	279
Deferred tax liabilities	1,087	1,616
Employees' retirement benefits	14,269	12,283
Provision for preventing environmental pollution in mineral, mining, and other operations	220	219
Provision for environmental countermeasures	1,171	793
Provision for loss on litigation	434	–
Asset retirement obligations	125	124
Others	152	168
Total long-term liabilities	143,613	149,716
Total liabilities	242,518	255,931
Net assets		
Shareholders' equity:		
Common stock		
Common stock	42,129	42,129
Capital surplus:		
Capital surplus	22,557	22,557
Total capital surplus	22,557	22,557
Retained earnings:		
Legal retained earnings	2,406	2,406
Other retained earnings	40,494	45,853
General reserve	7,000	6,000
Retained earnings brought forward	33,494	39,853
Total retained earnings	42,901	48,259
Treasury stock	(603)	(599)
Total shareholders' equity	106,984	112,346
Valuation and translation adjustments		
Net unrealized gains on securities, net of tax	1,426	2,189
Unrealized gains (losses) on hedging derivatives, net of tax	2,333	(1,506)
Total net assets	110,744	113,029
Total liabilities and net assets	¥353,263	¥368,961

Note: Figures are rounded down to the nearest million yen.

Statement of Operations

(April 1, 2015 to March 31, 2016)

	Millions of yen	
	2015	2014 (Reference)
Net sales	¥198,351	¥225,292
Cost of sales	182,616	193,896
Gross profit	15,735	31,395
Selling, general and administrative expenses	24,527	21,277
Operating income (loss)	(8,791)	10,118
Non-operating income:		
Interest and dividend income	8,792	14,020
Other income	1,073	1,116
	9,866	15,136
Non-operating expenses:		
Interest expense	1,447	1,629
Other expenses	858	908
	2,305	2,537
Ordinary income (loss)	(1,231)	22,717
Extraordinary profits:		
Gain on sales of investment securities	1,169	366
Gain on sales of stock of affiliated companies	317	-
Other profits	191	1,601
	1,678	1,967
Extraordinary expenses:		
Loss on sales and disposal of property, plant and equipment	228	101
Loss on impairment of fixed assets	132	27
Loss from environmental countermeasures	419	38
Compensation for damage	83	69
Provision for loss on litigation	434	-
Other expenses	264	267
	1,562	504
Profit (loss) before income taxes	(1,115)	24,180
Income taxes:		
Current	(368)	(287)
Deferred	1,184	(1,285)
Net income (loss)	(¥1,931)	¥25,753

Note: Figures are rounded down to the nearest million yen.

Statement of Changes in Net Assets

(April 1, 2015 to March 31, 2016)

Millions of yen

	Shareholders' equity								
	Common stock	Capital surplus		Legal retained earnings	Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Total capital surplus		Other retained earnings		Total retained earnings		
				General reserve	Retained earnings brought forward				
Balance at beginning of period	42,129	22,557	22,557	2,406	6,000	39,853	48,259	(599)	112,346
Changes of items during period									
Dividends from surplus						(3,426)	(3,426)		(3,426)
Net loss						(1,931)	(1,931)		(1,931)
Provision of general reserve					1,000	(1,000)	–		–
Purchase of treasury stock								(3)	(3)
Net changes of items other than shareholders' equity									
Total changes of items during period	–	–	–	–	1,000	(6,358)	(5,358)	(3)	(5,362)
Balance at end of period	42,129	22,557	22,557	2,406	7,000	33,494	42,901	(603)	106,984

	Valuation and translation adjustments			Total net assets
	Net unrealized gains on securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Total valuation and translation adjustments	
Balance at beginning of period	2,189	(1,506)	682	113,029
Changes of items during period				
Dividends from surplus				(3,426)
Net loss				(1,931)
Provision of general reserve				-
Purchase of treasury stock				(3)
Net changes of items other than shareholders' equity	(763)	3,840	3,077	3,077
Total changes of items during period	(763)	3,840	3,077	(2,284)
Balance at end of period	1,426	2,333	3,760	110,744

Note: Figures are rounded down to the nearest million yen.