

Kyushu Branch

Construction of a Production Building Annex for Hitachi High-Technologies Corporation

Enhanced Production of Medical Equipment

We are currently executing a project of constructing a production building annex as ordered by Hitachi High-Technologies Corporation in March, 2016. (Note: The Omuta area operation has been transferred to Hitachi High-Tech Kyushu Corporation newly established on Sept. 1, 2016.)

This annex building project is intended to enhance the medical equipment production as part of Hitachi High-Tech's BCP program and involves construction of a 5-storied, steel structured building of the total floor area of 8,000 m² and eaves height of more than 20 m. We, Mesco, have participated in the project since the very beginning of the basic design stage, by taking into account the significance of the need for saving the construction cost, providing environmental considerations, and improving the efficiency of the construction equipment.

The groundbreaking ceremony was held on June 1, 2016 and the piling work followed. Most of the main steel structural work was completed at the end of September.

The rainy season and the heavy rain in Kyushu that hit the area in the middle of our piling and foundation work caused stop of the construction process. A hard work followed to get the schedule back on track. Also, an extremely hot summer season hit the steel

structure construction period, but we took such measures to avoid the heat influence as adjusting the work schedule by starting the operation early in the morning, etc. to minimize the extent of delays to be caused to the work schedule.

The equipment installation and electrical work will start soon. We will proceed with the project by expediting the work schedule and by placing top priority on the safety aspects to make sure no accidents will result, as well as on the quality of the work to be achieved to the satisfaction of our customers, by joining our forces together toward the completion and handover of the project scheduled for the end of March.



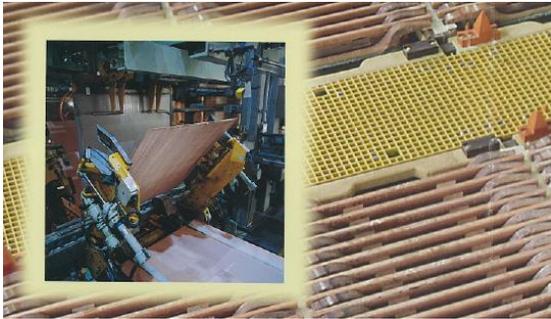
Production Building Annex Construction

International Conference “Copper 2016”

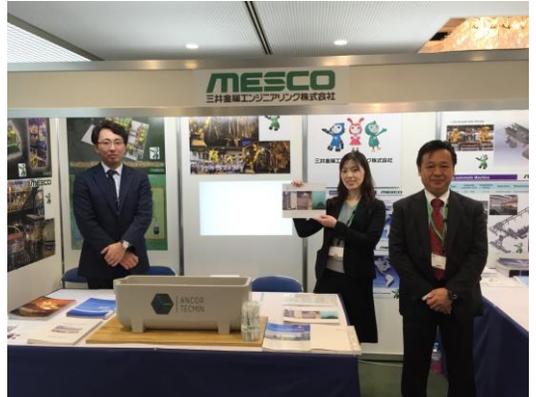
The First International Copper Conference Held in Asia Hosted in Kobe

The International Copper Conference was first held in Chile in 1987 and has been regularly held in different countries every 3 years. The 9th conference was held this year at Kobe International Conference Center in Japan as “Copper 2016”. The main host was the Mining and Minerals Processing Institute of Japan and the co-host was Japan Mining Industry Association.

It was the first International Copper Conference held in Asia and was open for 3 days from 14 through 16 of November. A total of so many as 720 people from 34 countries participated in the conference. The visitors included engineers and researchers both from the private industries and governmental organizations.



Mesco's Robotic Copper Stripping Machine



Mesco's Exhibition Booth

“Copper 2016” confirmed a good potential of development of the copper industry to continue through the 21st century, by demonstrating that the environmentally sustainable development of copper, an indispensable material for our life, will contribute to the world economy.

The conference also offered an opportunity for industrial, academic, and governmental specialists to gather and exchange and share the latest opinions and information and also to enhance the bond of the communities.



Electrolytic Copper Cathode

At the general sessions, more than 300 papers were presented in 11 different categories covering geology, survey, mining, flotation, pyrometallurgy, hydrometallurgy, and so on, by the leaders of various industries of both Japan and overseas countries. Presentations by the Japanese leading parties included most advanced technologies on environment, recycling, and other areas.

35 companies of the related industries set up their booths at the exhibition hall. Mesco was one of them and proudly presented Mesco's activities. Our exhibits included illustrations of our plant construction experiences and automatic machine delivery references.

We would like to take this opportunity to thank you again for visiting our booth. We appreciated your attention and the responses received from you.

A Variety of Smelting & Refining Equipment Manufactured by **MESCO** and Operating throughout the World

Follow-up with Full After-Sales Services by Our Supervisors Dispatched to Site

Mesco's stripping machines for copper and zinc electrolytic plants have gained a good reputation for their unique technologies and high quality, and are being delivered constantly to the users not only in Japan but also overseas.

Our recent customers include Yunnan Copper in China, Kazzinc in Kazakhstan, Nord Resources in the USA, Zhuzhou Smelter Group and Bayannaor ZiJin Non-Ferrous Metal in China, and a number of other mining companies in Africa.

Our services do not end as the equipment is delivered. Our follow-up supervisory services for installation and commissioning as well as our training services for the local site staff are indispensable. To support our customers in the world, Mesco's engineers with abundant knowledge, skills, and experience are dispatched to all the corners of the world and are actively engaged in their missions.

Our service engineers have received high levels of appreciation from our customers not only for their



Copper Stripping Machine (China)

skills and expertise in carrying out the projects but also for their ready fitness to new customs and environments unique to those respective local sites.

We, Mesco, will continue to actively develop equipment that will meet our customers' demanding needs, with our such technological and engineering expertise.



Anode Reforming Machine (Kazakhstan)



Mesco's engineer serving in a harsh condition of -40 deg C



Our engineers are often mistaken for locals in China and talked to in Chinese



New Year's Greetings by Our President for 2017

A happy new year to our customers and partners !!!

I would like to take this opportunity to say a few words at the start of 2017.

First of all, please let me comment on our forecast for the fiscal year ending in March 2017. The result of our performance is expected to hit the best 5 since 2000, when we got listed in the Tokyo Stock Exchange II, but there are some indications showing departures from the originally set plans for this fiscal year, which leaves some issues to be settled to achieve the 3-year mid-term plans launched this year. We will see what best we can do during the remaining 3 months of this fiscal year so as to catch up with the targeted goal toward the next fiscal year.

Last year, a number of disasters and serious accidents hit our land. Those include the great earthquakes of Kumamoto, a cave-in of a road in Fukuoka, a large fire in Itoigawa, etc. Outside the country, there came in big news such as the changes in political scenes in the USA, Korea, the Philippines, and Myanmar, intensified conflicts in the Middle East, Brexit, and the Panama papers leak. "Gold" is what was selected as the Chinese character of the year 2016, symbolizing gold medals for the Olympics in Rio de Janeiro, but perhaps "Tension" (having the same sound in Japanese) should have been chosen



Jun'ichi Araki
President &
Managing Director

instead. A new regime by President Trump will soon start this year. The Chinese character for this year should be "Dynamism" rather than "Copper" (referring to bronze in Japanese symbolizing bronze medals and having the same sound in Japanese as "dynamism").

Under the circumstances as such, we, Mesco, will continue to provide our customers with the best of our technologies and services to assure implementation of their equipment investment plans at reasonable costs and within the times of delivery as contracted to make sure that no loss of their business opportunities will result, by placing one of our management philosophies "Putting our Customers First" as the basis.

Finally

As highlighted in this issue, the "Copper 2016" conference attracted a large number of visitors from the copper-industry and other related areas. Some of the papers presented at the conference cited a forecast of the LME copper price to increase. Many of Mesco's customers are in the copper industry. We anticipate that implementation of their equipment investment plans will follow. Meanwhile, Tokyo Olympics is to be held in 3 years. The domestic economy will thus be stimulated and we look forward to serving our customers in various fields with delivery of our equipment. We would appreciate your continued support and attention.

So'ichiro Kimura, GM
Domestic Marketing & Sales Dept.

Topic 2

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Meet Our New Colleague.



Hi, I'm Kentaro Kon. I joined the Domestic Marketing & Sales Dept. in Sep., 2016.

Before joining Mesco, I worked for a valve manufacturer. I trust that my experience there should help serve our customers better with our proposals worked out to best suit their applications.

Engineering

Quarterly

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