Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2017

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 08/31/2018

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ___

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 09/01/1957

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
GOUGLER INDUSTRIES, INC.

705 LAKE ST
KENT, OH 44240-2738

2b Employer Identification Number (EIN)
34-1656244

2c Plan Sponsor's telephone number
330-673-5826

2d Business code (see instructions)
331200

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	05/29/2019	CAROLINE BRICHFORD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☐ Same as Plan Sponsor

GOUGLER INDUSTRIES, INC.

PO BOX 807
705 LAKE STREET
KENT, OH 44240-0017

3b Administrator's EIN: 34-1656244

3c Administrator's telephone number: 330-673-5821

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
a Sponsor's name
c Plan Name

4b EIN

4d PN

5 Total number of participants at the beginning of the plan year	**5**	283
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	27
a(2) Total number of active participants at the end of the plan year	**6a(2)**	27
b Retired or separated participants receiving benefits	**6b**	149
c Other retired or separated participants entitled to future benefits	**6c**	42
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	218
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	60
f Total. Add lines **6d** and **6e**.	**6f**	278
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1B

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	☐ Insurance	**(1)**	☐ Insurance
(2)	☐ Code section 412(e)(3) insurance contracts	**(2)**	☐ Code section 412(e)(3) insurance contracts
(3)	☒ Trust	**(3)**	☒ Trust
(4)	☐ General assets of the sponsor	**(4)**	☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** ☒ **R** (Retirement Plan Information)
- **(2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** ☒ **H** (Financial Information)
- **(2)** ☐ **I** (Financial Information – Small Plan)
- **(3)** ☐ 0 **A** (Insurance Information)
- **(4)** ☒ **C** (Service Provider Information)
- **(5)** ☐ **D** (DFE/Participating Plan Information)
- **(6)** ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2017

This Form is Open to Public Inspection

For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 08/31/2018

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
GOUGLER INDUSTRIES, INC.

D Employer Identification Number (EIN)
34-1656244

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 09 Day 01 Year 2017

2 Assets:

a Market value	**2a**	17431141
b Actuarial value	**2b**	16621167

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	205	10043803	10043803
b For terminated vested participants	51	904649	904649
c For active participants	27	1026878	1114582
d Total	283	11975330	12063034

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	5.70 %
6 Target normal cost	**6**	49193

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

	05/29/2018
Signature of actuary	Date
NOEL D. JOHNSON, EA, FSA, MAAA	17-07394
Type or print name of actuary	Most recent enrollment number
GALLAGHER BENEFIT SERVICES, INC.	952-356-3860
Firm name	Telephone number (including area code)
3600 AMERICAN BLVD, WEST, SUITE 500 BLOOMINGTON, MN 55431	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	982033	2345057
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	982033	2345057
10	Interest on line 9 using prior year's actual return of 11.32 %	111166	265460
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		299436
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.89%		17637
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		317073
	d Portion of (c) to be added to prefunding balance		317073
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	1093199	2927590

Part III Funding Percentages

14	Funding target attainment percentage	14	104.45%
15	Adjusted funding target attainment percentage	15	137.78%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	113.68%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.16%	5.72%	6.48%	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	62

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	49193
b Excess assets, if applicable, but not greater than line 31a	**31b**	49193

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2017** **This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 08/31/2018

A Name of plan
FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
GOUGLER INDUSTRIES, INC.

D Employer Identification Number (EIN)
34-1656244

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2017

This Form is Open to Public Inspection

For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 08/31/2018

A Name of plan
FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
GOUGLER INDUSTRIES, INC.

D Employer Identification Number (EIN)
34-1656244

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	7114	912
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	17424027	16763330
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	17431141	16764242
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	17431141	16764242

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	0	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		0
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	416859	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		416859
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		115457
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		532316
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1199215	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		1199215
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1199215
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-666899
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MARTINET RECCHIA INC **(2)** EIN: 34-1331802

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4127068. (See instructions.)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2017

This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 08/31/2018

A Name of plan
FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
GOUGLER INDUSTRIES, INC.

D Employer Identification Number (EIN)
34-1656244

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 34-6509682

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 0.0% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

THE FURUKAWA ROCK DRILL USA
DEFINED BENEFITS PLAN
Financial Statements
and Supplemental Information
For the Years Ended August 31, 2018 and 2017

MARTINET RECCHIA

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
The Furukawa Rock Drill USA
Defined Benefits Plan
Kent, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Furukawa Rock Drill USA Defined Benefits Plan, which comprise the statements of net assets available for benefits as of August 31, 2018 and 2017 and statement of accumulated plan benefits as of September 1, 2017 and 2016, and the related statements of changes in net assets available for benefits and of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended August 31, 2018 and 2017, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of assets held and reportable transactions as of August 31, 2018 and 2017, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

Report on the Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

MARTINET RECCHIA INC
WILLOUGHBY, OHIO

April 1, 2019

THE FURUKAWA ROCK DRILL USA
DEFINED BENEFITS PLAN
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

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THE FURUKAWA ROCK DRILL USA
DEFINED BENEFITS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
August 31, 2018 and 2017

	2018	2017
ASSETS		
Investments, at fair value		
Mutual funds	$ 15,509,335	$ 17,424,027
Pooled Separate Accounts	1,253,995	-
Total investments	16,763,330	17,424,027
Receivable		
Accrued interest	912	7,114
Total receivable	912	7,114
NET ASSETS AVAILABLE FOR BENEFITS	$ 16,764,242	$ 17,431,141

See independent auditors' report and notes to the financial statements

THE FURUKAWA ROCK DRILL USA
DEFINED BENEFITS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended August 31, 2018 and 2017

	2018	2017
ADDITIONS TO NET ASSETS		
Investment income:		
Interest	$ -	$ 87,392
Dividends	416,859	329,421
Other	-	8,320
Net appreciation (depreciation) in fair value of investments	115,457	1,413,999
Employer contributions	-	300,000
Total additions to net assets	532,316	2,139,132
DEDUCTIONS FROM NET ASSETS		
Trustee Fees	-	21,628
Benefits paid directly to participants	1,199,215	1,240,583
Total deductions from net assets	1,199,215	1,262,211
TOTAL INCREASE IN NET ASSETS	(666,899)	876,921
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of Year	17,431,141	16,554,220
End of Year	$ 16,764,242	$ 17,431,141

See independent auditors' report and notes to the financial statements

THE FURUKAWA ROCK DRILL USA
DEFINED BENEFITS PLAN
STATEMENT OF ACCUMULATED PLAN BENEFITS
September 1, 2017 and 2016

	2017	2016
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
Vested benefits:		
Participants currently receiving payments	$ 9,222,465	$ 9,661,425
Other participants	1,589,972	1,542,954
	10,812,437	11,204,379
Nonvested benefits	67,606	64,245
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	$ 10,880,043	$ 11,268,624

See independent auditors' report and notes to the financial statements

THE FURUKAWA ROCK DRILL USA
DEFINED BENEFITS PLAN
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
For the Year Ended August 31, 2017

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT BEGINNING OF YEAR	$ 11,268,624
Increase (decrease) during the year attributed to:	
Benefits accumulated and actuarial gains and losses	(16,298)
Change in actuarial assumptions and plan amendments	11,967
Increase for interest due to the decrease in the discount period	852,954
Benefits paid, current year	(1,237,204)
Net decrease	(388,581)
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT END OF YEAR	$ 10,880,043

See independent auditors' report and notes to the financial statements

1. DESCRIPTION OF PLAN

The following brief description of The Furukawa Rock Drill USA Defined Benefits Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan is a defined benefits plan covering substantially all employees of Furukawa Rock Drill USA. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Participation was closed to new entrants effective September 15, 2014.

Pension Benefits

Employees are entitled to annual pension benefits beginning at normal retirement age (65) equal to the number of years of credited service earned as of the date the employee ceased to accumulate credited years of service, multiplied by the dollar amount in effect at the time the employee ceased to accumulate credited years of service. The Plan permits early retirement at the age of (55) provided such participant has both attained the age of (55) and has completed ten years of service. If an employee terminates with a least five years of credited service, accrued benefits with respect to the date of termination are fully vested.

Death and Disability Benefits

Following are the types of benefits paid for death and disability:

Disability Retirements – Upon earning ten years of service, and becoming eligible for total and permanent disability, the unreduced accrued benefit is payable.

Pre-Retirement Survivor Benefits (After the Age of 55) – Upon the death of an employee that meets the eligibility requirements for early retirement, the employee's spouse receives the same benefit as if the employee had retired the day before death under the survivor option.

Pre-Retirement Survivor Benefits (Before the Age of 55) – Upon the death of an employee that has earned five years of service, the employee's spouse is eligible for 50% of the benefit that would have been payable, if the participant had lived to early retirement eligibility and elected 50% qualified joint and survivor annuity. The benefit is payable upon the participant's early retirement eligibility date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on accrual basis of accounting.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Adoption of New Pronouncements

In May 2015, the FASB issued ASU 2015-07, "Fair Value Measurement (ASC Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its equivalent)" ("ASU 2015-07"), which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. In addition, the standard limits certain disclosures to investments for which the entity has elected to measure the fair value using the practical expedient, rather than for all investments that are eligible to be measured at fair value using the net asset value per share.

The provisions of ASU 2015-07 were adopted by the Plan, retrospectively, on September 1, 2016, and the Fair Market Value disclosures have been updated. The adoption had no effect on the Plan's Statements of Net Assets Available for Benefits or Statement of Changes in Net Assets Available for Benefits.

Future Adoption of Accounting Pronouncements

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments-Overall (ASC Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"), which requires:

- Equity investments (except those consolidated or accounted for under the equity method) to be measured at fair value with changes in fair value recognized in net income.
- Elimination of the disclosure of methods and significant assumptions used to estimate the fair value for financial instruments measured at amortized cost.
- The use of the exit price notion when measuring the fair value of financial instruments for disclosure purposes
- Separate presentation in other comprehensive income of the portion of the total change in fair value of a liability resulting from a change in own credit risk if the liability is measured at fair value under the fair value option.
- Separate presentation on the balance sheet or financial statement notes of financial assets and financial liabilities by measurement category and form of financial asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Future Adoption of Accounting Pronouncements - continued
The provisions of ASU 2016-01 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption only permitted for certain provisions. Initial adoption of ASU 2016-01 is required to be reported on a modified retrospective basis, with a cumulative-effect adjustment to the balance sheet as of the beginning of the year of adoption, except for certain provisions that are required to be applied prospectively. The Plan is determining the impact of adoption of the provisions of ASU 2016-01.

Actuarial Present Value of Accumulated Plan Benefits
Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present vested employees or their beneficiaries. Benefits under the Plan are based on employees' number of years of credited service. The accumulated plan benefits for active employees are based on their number of years of credited service ending on the date which the benefit information is presented (the valuation date). Benefits payable under all circumstances, including retirement, death, disability, and termination of employment, are included to the extent they are deemed attributable to employee years of service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary from the Arthur J. Gallagher & Co. and is that amount that results when applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts from interest) and the probability of payments (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant assumptions used in the valuation as of September 1, 2017 and 2016 were (a) life expectancy of participants (Unisex Pension 1984 Mortality Table was used), (b) retirement age assumptions (the assumed age of retirement is 65) or completion of five years of service if later, but no later than age 65, and (c) investment return. The assumed average rate of return is 3.16% and 11.32% for the actuarial period ended September 1, 2017 and 2016. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Payment of Benefits
Benefit payments to participants are recorded upon distribution.

Administrative Expenses
The Plan Sponsor provides certain administrative and accounting services to the Plan at no cost. Most administrative expenses are paid directly by the Plan Sponsor and include audit and legal fees. Administrative expenses incurred by the Plan include investment management fees that are netted against investment returns.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Subsequent Events

Subsequent events were evaluated through April 1, 2019, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

3. FUNDING POLICY

The Company's funding policy is to make contributions to the Plan as it determines based on the recommendations provided by the actuary, that are required to maintain the Plan on a sound actuarial basis in accordance with the minimum funding requirements of ERISA. The Plan has met the minimum funding requirements as set forth by ERISA for the Plan years ended August 31, 2018 and 2017.

Although it has not expressed to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

4. PLAN TERMINATION

In the event the Plan terminates, the Plan Administrator shall direct the Trustee to allocate and distribute the assets of the Trust Fund to satisfy the liabilities to participants and their beneficiaries in the priorities and according to the categories required by applicable law; provided, however, that any assets remaining in the Trust Fund after such allocation and distribution pursuant to the priorities and categories required by law shall revert to the Company.

Certain benefits under the Plan are insured by the PBGC if the Plan should terminate. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor benefits. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

5. TAX STATUS

The Plan obtained its latest determination letter on June 29, 2012, in which the Internal Revenue Service states that the plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2015.

6. FAIR VALUE MEASUREMENT

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other matters.

Level 3: Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimizes the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2018 and 2017.

Registered Investment Funds: are mutual funds for which quoted market price on the active market on which the individual securities are traded.

Pooled Separate Accounts: are valued at net asset value ("NAV") using pricing models maximizing the use of observable inputs for similar securities. This includes basing values on yields currently available on comparable securities of issues with similar credit ratings When quoted prices are not available for identical or similar funds, the fund is valued under a discounted cash flow approach that maximizes observable inputs, such as fund yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or broker prices, if available.

Accounting Standard Codification ("820") allows NAV per share to serve as a practical expedient to estimate the fair value of pooled separate accounts as long as certain requirements are met. It is the trustee's assessment that the pooled separate accounts meet those requirements. For non-public business entities, effective for fiscal years beginning after December 15, 2016 ASU 2015-7 removes the requirement to categorize within the fair value hierarchy all investment for which fair value is measured using NAV.

6. FAIR VALUE MEASUREMENT – continued

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of August 31, 2018 and 2017:

August 31, 2018

Description	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 15,509,335	$ -	$ -	$ 15,509,335
Total	$ 15,509,335	$ -	$ -	15,509,335
Investments measured using net asset value:				
Pooled Separate Accounts				1,253,995
Total Assets at Fair Value				$ 16,763,330

August 31, 2017

Description	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 4,466,755	$ -	$ -	$ 4,466,755
Total	$ 4,466,755	$ -	$ -	4,466,755
Investments measured using net asset value:				
Pooled Separate Accounts				12,957,272
Total Assets at Fair Value				$ 17,424,027

7. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and, that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

8. PARTY-IN-INTEREST TRANSACTIONS

The plan sponsor, Furukawa Rock Drill USA, provides the Plan with accounting and administrative services for which no fees are charged. Huntington National Bank was the custodian of the Plan's assets until August 25, 2017; the Plan's assets were then transferred to Principal Life Insurance Company. The transactions executed by the custodians qualify as party-in-interest transactions. Fees incurred by the Plan are paid directly by the Plan Sponsor. For the years ended August 31, 2018 and 2017, plan administration fees were $21,818 and $21,628, respectively.

Members of the management team are currently participants in the Plan, and one member serves as plan administrator. Additionally, two officers serve as trustees of the Plan.

All of these party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

9. INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The Plan management has elected the method of compliance permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted under such election, the following investment information was certified by the trustee and was not subject to any auditing procedures performed by the auditors:

- Total investments shown in the accompanying Statements of Net Assets Available for Benefits of $16,763,330 and $17,424,027 as of August 31, 2018 and 2017, respectively.
- Net investment earnings shown in the accompanying Statements of Changes in Net Assets Available for Benefits of $532,316 and $2,139,132 for the years ended August 31, 2018 and 2017, respectively.
- All investment-related information in the accompanying supplemental information; Schedule H, Line 4i Schedule of Assets (Held at end of Year) as of August 31, 2018.

10. RECONCILIATION OF FINANCIAL STATEMENT TO SCHEDULE H OF THE FORM 5500

The Plan reports net assets available for benefits and changes in net assets available for benefits on the same basis for both financial statements and Schedule H of Form 5500; therefore there were no reconciling items for the years ended August 31, 2018 and 2017.

SUPPLEMENTAL FINANCIAL INFORMATION

THE FURUKAWA ROCK DRILL USA
DEFINED BENEFITS PLAN
EIN: 34-1656244
Plan Number: 002
Schedule H, Line 4i Schedule of Assets Held at August 31, 2018

(a)	Identity of Issue (b)	Description of Investment (c)	Cost (d)	Current Value (e)
	The American Funds	Registered Investment Company AN FDS GRTH FD OF AM R6 FUND	$ 666,796	$ 779,513
	The American Funds	Registered Investment Company AMERICAN FDS WSHMUT INV R6 FD	1,049,089	1,128,206
	The American Funds	Registered Investment Company AMERUCAB FUNDS NEWWORLD R6	322,532	327,256
	Dimensional Funds Advisors	Registered Investment Company DFA SHRT-TERM EXTEND QUAL I FD	714,682	714,693
	BlackRock Advisors LLC	Registered Investment Company ISHARES MSCI EAFE INT IDX K FD	732,609	748,801
	PIMCO Funds	Registered Investment Company PIMCO INV GD CREDI BD INSTL FD	6,608,469	6,511,761
*	Principal Life Insurance Company	Pooled Separate Accounts PRINC LDI INTRM DUR SEP ACCT FD	26,759	26,495
*	Principal Life Insurance Company	Pooled Separate Accounts PRINC LGCP S&P 500 INDEX SA-Z	658,057	796,231
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN LIQUID ASSETS SEP ACCT-Z	430,254	431,269
	Vanguard Group	Registered Investment Company VANGUARD RE INDEX ADM FUND	512,992	516,533
	Vanguard Group	Registered Investment Company VANGUARD SM CAP INDEX ADM FUND	704,039	874,987
	Vanguard Group	Registered Investment Company VGD LT INV-GRADE BOND ADM FUND	3,983,892	3,907,585
			$ 16,410,170	$ 16,763,330

* Indicates a party-in-interst to the Plan

THE FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

EIN/PN: 34-1656244/002

Schedule SB, Line 26 – Schedule of Active Participant Data

	Completed Years of Service										
Age	0-1	2-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Below 25	-	-	-	-	-	-	-	-	-	-	0
25-29	-	-	-	-	-	-	-	-	-	-	0
30-34	-	-	4	1	-	-	-	-	-	-	5
35-39	-	2	1	1	-	-	-	-	-	-	4
40-44	-	1	-	1	-	-	-	-	-	-	2
45-49	-	1	1	1	-	-	-	-	-	-	3
50-54	-	-	1	1	-	-	-	2	-	-	4
55-59	-	-	1	-	-	-	-	-	-	-	1
60-64	-	1	-	-	-	1	1	-	-	1	4
65-69	-	-	1	-	-	-	2	-	-	1	4
70+	-	-	-	-	-	-	-	-	-	-	0
Total	0	5	9	5	0	1	3	2	0	2	27

THE FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

EIN/PN: 34-1656244/002

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Actuarial Assumptions

1. Funding Interest Rates — HATFA Adjusted Segment Rates
   - Segment 1: 4.16%
   - Segment 2: 5.72%
   - Segment 3: 6.48%

   Unadjusted Segment Rates – May 2017
   - Segment 1: 1.68%
   - Segment 2: 3.83%
   - Segment 3: 4.77%

2. ASC 960 Interest Rate — 8.00%

3. Salary increase rate — None

4. Mortality
   - Funding: IRS 2017 Small Plan Combined Static Mortality (dynamic)
   - Accounting: RP-2014 Mortality table fully projected using Scale MP-2015

5. Retirement age — Earlier of Age 62 with 10 years of Service or Age 65 with 5 years of Service

6. Termination rates — Sarason's T-4 Table less GA51M. Sample rates below:

Age	Rate
20	5.4384%
25	5.2917%
30	5.0672%
35	4.6984%
40	4.1878%
45	3.5372%
50	2.4773%
55	0.9394%
60	0.0901%

7. Form of payment
   - Retirees: Based on optional form elected
   - All others: Participants are assumed to elect the normal form

8. Marital status
   - Percent married: Males: 80% Females: 50%
   - Age difference: Males assumed to be 3 years older than females

9. Loading for expenses — Based on prior year's expenses paid from plan assets (for 2017, this amount is $21,628)

THE FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

EIN/PN: 34-1656244/002

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

10. Disability incidence

Male rates from Hallman & Lorber Disability Table. Sample rates below:

Age	Rate
20	0.0300%
25	0.0300%
30	0.0300%
35	0.0400%
40	0.0800%
45	0.1600%
50	0.3300%
55	0.6900%
60	1.1500%

Actuarial Value of Assets

Market Value of Assets with gains and losses smoothed over a two-year period. The Actuarial Value of Assets shall not exceed 110% of the Market Value of Assets nor be less than 90% of the Market Value of Assets.

Actuarial Cost Method

Unit Credit

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2017

This Form is Open to Public Inspection

For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 08/31/2018

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
Gougler Industries, Inc.

D Employer Identification Number (EIN)
34-1656244

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 09 Day 01 Year 2017

2 Assets:

a Market value	**2a**	17,431,141
b Actuarial value	**2b**	16,621,167

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	205	10,043,803	10,043,803
b For terminated vested participants	51	904,649	904,649
c For active participants	27	1,026,878	1,114,582
d Total	283	11,975,330	12,063,034

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	5.70%
6 Target normal cost	**6**	49,193

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE Noel D. Johnson — 05/29/2018

Signature of actuary — Date

NOEL D. JOHNSON, EA, FSA, MAAA — 1707394

Type or print name of actuary — Most recent enrollment number

GALLAGHER BENEFIT SERVICES, INC. — 952-356-3860

Firm name — Telephone number (including area code)

3600 AMERICAN BLVD, WEST, SUITE 500

BLOOMINGTON MN 55431

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	982,033	2,345,057
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	982,033	2,345,057
10	Interest on line 9 using prior year's actual return of 11.32%	111,166	265,460
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		299,436
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.89%		17,637
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		317,073
	d Portion of (c) to be added to prefunding balance		317,073
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	1,093,199	2,927,590

Part III Funding Percentages

14	Funding target attainment percentage	14	104.45%
15	Adjusted funding target attainment percentage	15	137.78%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	113.68%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.16 %	5.72 %	6.48%	

b Applicable month (enter code) — **21b**: 4

22 Weighted average retirement age — **22**: 62

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	49,193
b Excess assets, if applicable, but not greater than line 31a	**31b**	49,193

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

THE FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

EIN/PN: 34-1656244/002

Schedule SB, line 22 – Description of Weighted Average Retirement Age

100% of participants are assumed to retire at age 62.

THE FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

EIN/PN: 34-1656244/002

Schedule SB, Part V – Summary of Plan Provisions

This summary has been prepared for valuation purposes only. It summarizes the Plan Provisions necessary to perform the actuarial valuation.

UNION BENEFIT PROVISIONS

Definitions

Accrued Benefit

Rate of $28.00 per month per year of service (increased from $27.50 effective August 15, 2017).

Actuarial Equivalence

In determining the actuarial equivalence of benefits, the interest rate assumption is 6.0% and the mortality assumption is based on the Unisex Pension 1984 Mortality Table.

Disability Eligibility

Total and permanent disability for at least 6 months after 10 years of service.

Early Retirement Date

A Participant may retire any time after completing 10 Years of Vesting Service and attaining age 55.

Effective Date

September 1, 1957 (Last Amended August 15, 2017)

Normal Form of Benefit

For who have been married for at least one year, an actuarially equivalent 55% Joint & Survivor annuity. For all other participants, a straight-life annuity.

Normal Retirement Date

The first day of the month coinciding with or next following the Participant's 65th birthday.

Plan Year

September 1st through August 31st

Pre-Retirement Death Benefit Eligibility

Five years of Vesting Service.

Year of Credited Service

1/10 year for each 170 hours worked; one year for 1,700 hours in a Plan Year.

Year of Vesting Service

One year for 1,000 hours in a Plan Year.

Vesting Schedule

100% vested after five years of Vesting Service.

THE FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

EIN/PN: 34-1656244/002

Schedule SB, Part V – Summary of Plan Provisions

Plan Definitions

Eligibility

Any Employee, except leased employees, will become a Participant as of hire date. Participation was closed to new entrants effective September 15, 2014.

Disability Retirement Benefit

The unreduced Accrued Benefit payable immediately.

Early Retirement Benefit

A monthly income for life equal to the Accrued Benefit, reduced 0.5% for each month a Participant's Early Retirement Date precedes age 62.

Normal Retirement Benefit

A monthly income for life equal to $28.00 multiplied by a Participant's Years of Credited Service (increased from $27.50 effective August 15, 2017).

Pre-Retirement Death Benefit

A monthly annuity equal to 50% of the pension the participant would have received upon retirement at the later of attained age and the earliest date at which the participant would have satisfied the requirements for early retirement and elected a 50% Joint and Survivor annuity.

THE FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

EIN/PN: 34-1656244/002

Schedule SB, Part V – Summary of Plan Provisions

This summary has been prepared for valuation purposes only. It summarizes the Plan Provisions necessary to perform the actuarial valuation.

NON-UNION BENEFIT PROVISIONS

Definitions

Accrued Benefit

Rate of $28.00 per month per year of service (increased from $27.50 effective August 15, 2017).

Actuarial Equivalence

In determining the actuarial equivalence of benefits, the interest rate assumption is 6.0% and the mortality assumption is based on the Unisex Pension 1984 Mortality Table.

Disability Eligibility

Total and permanent disability for at least 6 months after 10 years of service.

Early Retirement Date

A Participant may retire any time after completing 10 Years of Vesting Service and attaining age 55.

Effective Date

July 1, 1958 (Last Amended August 15, 2017)

Normal Form of Benefit

For who have been married for at least one year, an actuarially equivalent 55% Joint & Survivor annuity. For all other participants, a straight-life annuity.

Normal Retirement Date

The first day of the month coinciding with or next following the Participant's 65th birthday.

Plan Year

September 1st through August 31st

Pre-Retirement Death Benefit Eligibility

Five years of Vesting Service.

Year of Credited Service

Elapsed Time Method

Year of Vesting Service

Elapsed Time Method

Vesting Schedule

100% vested after five years of Vesting Service.

THE FURUKAWA ROCK DRILL USA DEFINED BENEFIT PLAN

EIN/PN: 34-1656244/002

Schedule SB, Part V – Summary of Plan Provisions

Plan Definitions

Eligibility

Any Employee not covered by a collective bargaining agreement and completion of one hour of service. Participation was closed to new entrants effective August 31, 2013.

Disability Retirement Benefit

The unreduced Accrued Benefit payable immediately.

Early Retirement Benefit

A monthly income for life equal to the Accrued Benefit, reduced 0.5% for each month for each year a Participant's Early Retirement Date precedes age 62.

Normal Retirement Benefit

A monthly income for life equal to $28.00 multiplied by a Participant's Years of Credited Service (increased from $27.50 effective August 15, 2017).

Pre-Retirement Death Benefit

A monthly annuity equal to 50% of the pension the participant would have received upon retirement at the later of attained age and the earliest date at which the participant would have satisfied the requirements for early retirement and elected a 50% Joint and Survivor annuity.

THE FURUKAWA ROCK DRILL USA
DEFINED BENEFITS PLAN
EIN: 34-1656244
Plan Number: 002
Schedule H, Line 4i Schedule of Assets Held at August 31, 2018

(a)	Identity of Issue (b)	Description of Investment (c)	Cost (d)	Current Value (e)
	The American Funds	Registered Investment Company AN FDS GRTH FD OF AM R6 FUND	$ 666,796	$ 779,513
	The American Funds	Registered Investment Company AMERICAN FDS WSHMUT INV R6 FD	1,049,089	1,128,206
	The American Funds	Registered Investment Company AMERUCAB FUNDS NEWWORLD R6	322,532	327,256
	Dimensional Funds Advisors	Registered Investment Company DFA SHRT-TERM EXTEND QUAL I FD	714,682	714,693
	BlackRock Advisors LLC	Registered Investment Company ISHARES MSCI EAFE INT IDX K FD	732,609	748,801
	PIMCO Funds	Registered Investment Company PIMCO INV GD CREDI BD INSTL FD	6,608,469	6,511,761
*	Principal Life Insurance Company	Pooled Separate Accounts PRINC LDI INTRM DUR SEP ACCT FD	26,759	26,495
*	Principal Life Insurance Company	Pooled Separate Accounts PRINC LGCP S&P 500 INDEX SA-Z	658,057	796,231
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN LIQUID ASSETS SEP ACCT-Z	430,254	431,269
	Vanguard Group	Registered Investment Company VANGUARD RE INDEX ADM FUND	512,992	516,533
	Vanguard Group	Registered Investment Company VANGUARD SM CAP INDEX ADM FUND	704,039	874,987
	Vanguard Group	Registered Investment Company VGD LT INV-GRADE BOND ADM FUND	3,983,892	3,907,585
			$ 16,410,170	$ 16,763,330

* Indicates a party-in-interst to the Plan