

Message from the President



It was my honor to take office as the new President and Representative Director of Pacific Metals Co., Ltd. on June 25, 2020. I will work on resolving various management issues toward achieving the medium-term management plan PAMCO-2021 (hereinafter, PAMCO-2021) to realize continuous growth and development, and to enhance our corporate value.

Toward sustainable development

Pacific Metals has chosen a long-term vision of “Becoming a ferronickel manufacturer of world-class comprehensive strength.” As the first stage in achieving this long-term vision, we formulated our previous medium-term management plan PAMCO-30, and then “solidified the platform in response to rapid changes in the environment.” As the second stage beginning in FY2019 until FY2021, we formulated PAMCO-2021 and engaged in activities for “refining strategies toward continuous growth” and “growing into a company that takes sustainability of society into consideration.” We will realize our long-term vision in the third stage beyond FY2022 by evolving the growth strategies up to that point.

When formulating PAMCO-2021, we identified the

risks in business environment, and opportunities we assumed we would face in the targeted period. The risks in business environment, include “expanded impacts of global risks on commodities markets,” “the expansion of resource nationalism,” and “changes in the electric power environment,” while opportunities include “the expectation that demand for stainless steel will grow steadily” and “increased demand for nickel in conjunction with the expansion of the electric vehicle (EV) and other markets” To respond to rapid changes in world affairs, we must predict circumstances in advance and navigate through those circumstances quickly.

The basic policies under PAMCO-2021 are “strengthening and redeveloping the management platform, and refining strategies toward continuous growth” and “creating social and economic value.” We believe we can overcome

expected risks by embodying those policies in seven items, and establishing priority policies for each item. We are also implementing organizational restructuring to realize the key measures.

That said, new risks of the global COVID-19 epidemic have been added and become our top priority. There are also concerns that the number of people infected in Japan will increase. We have worked to grasp infection conditions domestically and overseas, have temporarily brought expatriates and their families back to Japan, temporarily closed our Tokyo Head Office, restricted movement across prefectures. We have also created behavioral guidelines based on national and local government responses, and are making appropriate business continuation efforts while implementing various infection prevention measures, such as using remote meetings, working from home, and limiting the number of people in waiting areas.

COVID-19 infections are expected to spread over the long term and so, to minimize the impact on our business, we will continue to take rapid measures in response to conditions.

Business activities and initiatives for ESG

Ferronickel, which is our main product, is used as a raw material for stainless steel, and stainless steel containing nickel is used broadly to support our lives.

Since stainless steel containing nickel is very strong, has superior corrosion resistance, can easily be processed into a variety of shapes, and is beautiful, it is often used as a building material for skyscrapers in large cities, inside subway stations, and in train cars. It is also very useful to society as it is used in various applications for everyday families in kitchen sinks, cookware, and bathtubs, and for medical care in surgical instruments and medical implants.

In recent years, emphasis has been placed on initiatives designed to achieve the Sustainable Development Goals (SDGs) adopted by the General Assembly of the United Nations, and we believe our initiatives for sustainable development are also very important in terms of enhancing our corporate value and strengthening our relationships with stakeholders. As initiatives for environmental, social, and governance (ESG), we have a history of engaging in a variety of activities such as contributing to the creation of a recycling society through our work toward full recycling of ferronickel slag, which is a by-product, preventing water pollution via wastewater treatment facilities, and sponsoring local soccer club

teams. Of particular note, we have collaborated with neighboring companies in the prefecture to effectively use ferronickel slag as a roadbed material on freeways. We also recognize that the effective use of resources and the reduction of waste are the areas we can contribute to by, for example, recycling incineration ash from waste generated in prefectural municipalities and scallop shells into aggregates for secondary concrete products. Going forward, we will look for specific ways we can contribute to and actively engage in initiatives targeting sustainable development goals for the planet, which is the foundation of our economy and society.

Aiming to improve corporate value and become a more meaningful company

We created a long-term vision and are actively formulating PAMCO-2021 so we can achieve that long-term vision. To honor the trust placed in us by all of our stakeholders, we aim to create new value and realize a sustainable society as we do our part to resolve social and global issues through our business activities.

We will actively use this report as information dissemination material on our website and in financial results briefings to help our stakeholders understand, and express their opinions about, our initiatives. We will also gradually migrate it to a corporate social responsibility (CSR) report and continue using it as a further information dissemination method.

We have also implemented a new human resource system that will help all of our employees feel that their jobs are rewarding. Since the system provides ample opportunities to interface with evaluators and ensures transparent and fair evaluations, we hope all our employees use it so they can grow. Having young people send their own messages can help revitalize workplaces. We expect that all of our employees will do their jobs with an awareness of their goals and thus work hard to achieve the goals they set themselves.

Finally, we will contribute to sustaining a healthy social environment by continuing stable delivery of the stainless steel raw materials essential to maintaining a modern social infrastructure. I hope this report helps you to understand our activities, and I invite your frank opinions and look forward to your continued support.

Masayuki Aoyama,
President and Representative Director