

# The Long-Term Vision

## Setting our Long-Term Vision

Since our company was founded as "Nisso Steel Co., Ltd." in December 1949, we have overcome various crises and have been operating until today, supported by the efforts of many seniors.

In May 2016, we set a long-term vision of "Aiming to be a world-class ferronickel manufacturer with comprehensive power," and set four pillar themes based on our strengths. To achieve this long-term vision, we set specific goals and policies for each theme and promote activities.

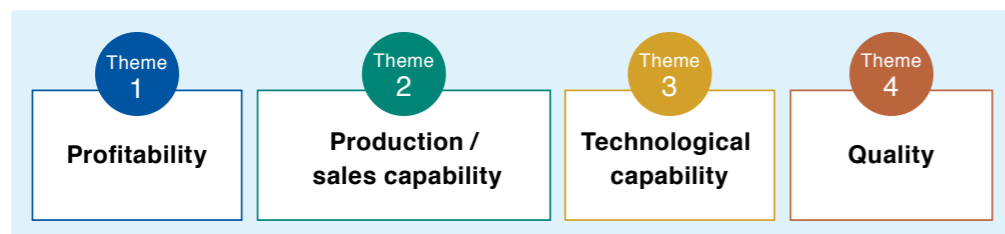
## Company philosophy

Utilizing human power, providing the resources of the earth as more useful, contributing to the well-being of human society

## Our strengths



## Key themes



## The long-term vision

**Aiming to be a world-class ferronickel manufacturer with comprehensive power\***

\* "Comprehensive power" means having world-class superiority in all themes.

## Company Policy

1. Integrate the management strategies of the entire Group to maximize the synergy effects of each Group company.
2. Focus on the development and quality improvement of world-class smelting technology, and establish the world-leading platform for management efficiency and competitiveness.
3. Promote compliance.
4. Secure appropriate profits through fair, transparent and free competition.
5. Actively tackle all environmental problems to protect the irreplaceable earth.
6. To develop the individuality of employees and fully demonstrate their creativity, pursue a sense of comfort and affluence both physically and mentally, and realize a rewarding workplace.
7. Promote wide-ranging exchanges with society and actively disclose fair corporate information.

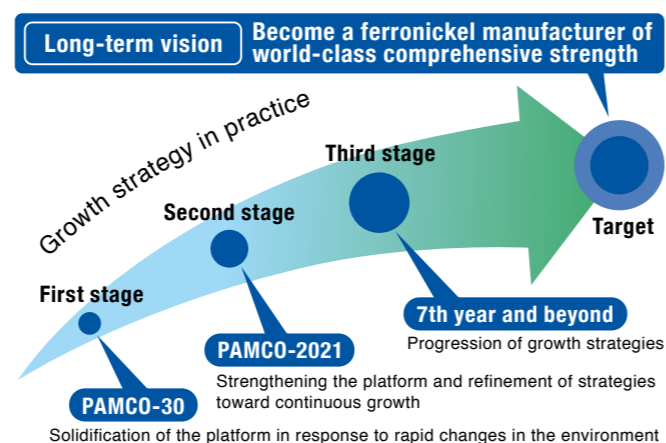
## Corporate Code of Ethics

1. **Compliance with rules, laws, and social norms**
  - Conduct corporate activities based on compliance, social norms, and social decency.
  - Insulate the company from antisocial forces that threaten social order and safety, and carry out sound corporate activities.
  - In international business activities, comply with international rules and local laws, respect local culture and customs, and carry out corporate activities that contribute to the development of the country.
2. **Conservation of the global environment**
  - Recognizing that tackling environmental problems is an essential requirement for corporate survival, so proactively engage in corporate activities that contribute to environmental improvement.
3. **Coexistence with local communities**
  - Engage in corporate activities that contribute to the development of local communities by coordinating and cooperating with local communities.
4. **Ensuring customer trust**
  - Provide good quality, safe products that meet consumer needs.
5. **Maintaining good relationships with stakeholders**
  - Meet shareholder and creditor expectations and engage in corporate activities that earn their trust and support by ensuring fair and transparent management.
  - Strive to maintain good, sound relationships with a wide range of societal entities, including consumers, business partners, employees, and shareholders.
6. **Creating a work environment where employees can work together and express themselves**
  - Foster a corporate culture that values employee independence and creativity.
  - Create equal opportunities with no discrimination in employment.
  - Ensure workplace safety and employee health.
  - Respect basic human rights and create a fair work environment with no discrimination.
7. **Communicating with society**
  - Gather social demands required of corporate activities and disclose corporate information as positively and fairly as necessary.

# Activities Performance for PAMCO-2021

PAMCO-2021 is a medium-term management plan we formulated in FY2018 as the second step toward achieving our long-term vision. We are engaging in corporate activities that strengthen the platform developed in the first stage, refine strategies toward continuous growth, and that will help us grow into a company that takes sustainability of society into consideration.

Although we responded to national and local government policies designed to prevent the spread of COVID-19 by closing some of our places of business in FY2019, we were able to achieve the goals we set at the beginning of the fiscal year because our employees came together to advance them ahead of schedule.



## Response to COVID-19

To combat COVID-19, the impacts of which are being felt in Japan and abroad, we formulated “Behavioral Guidelines for Preventing the Spread of Infections” with the safety of our partners and employees foremost in our minds, and under those guidelines have worked to prevent infections by curtailing business trips, working from home, utilizing web meetings, and thoroughly taking the temperatures of and disinfecting visitors. We are also working to reduce the impact of infectious diseases on our business activities, etc., while keeping in close communication with the countries where our sales and procurement sources reside. In addition, we are taking other measures such as dispersing employees by moving seats in business offices and limiting the number of people in work waiting areas.

Interviews conducted with employees who are working from home and holding web meetings as infection prevention measures reveal that they have an appropriate understanding of infectious diseases, and that most of them do not feel inconvenienced in their work and communications despite the changes in workstyle. On the other hand, they have raised issues relating to networks and voucher processing. Our employees will come together in responding to COVID-19 by, for example, promoting the consideration of proposals for improving our current infection prevention measures.

Item	Basic policies	Priority policies	State of completion	Activities performance for FY2019	Policies for future activities
◇Refinement of the strategies toward strengthening and redeveloping the management platform, and toward growth					
①	Strengthening of facilities and stable procurement of ore to develop the optimal production system	◇Optimal production of ferronickel and development of sales system ●Production system: Development of an optimal production system for the company as a whole, including expansion of overseas smelting, and further strengthening of the management platform ●Sales system: Strengthening of stable sales for existing customers, and in addition, acquisition of new customers	○	◇Optimal production of ferronickel and development of sales system ●Planned renovation on aging equipment ●To promote commercialization and feasibility studies by accelerating discussions with candidate overseas partners ●Maintained a long-term agreement ratio with domestic and overseas customers	◇Optimal production of ferronickel and development of sales system ●Promote capital investments that contribute to energy savings ●Form plans for renewing aging equipment ●Implement business feasibility evaluations of overseas business
②	Initiatives with view to expanding overseas business	◇Long-term stabilization in the procurement of nickel resources ●Long-term stable procurement, with view to expansion of the source based on renewal of existing agreements ●Initiatives toward resource interest acquisition, overseas smelting, etc.	○	◇Long-term stabilization in the procurement of nickel resources ●Launched initiatives for developing new mines and acquiring mine interests	◇Long-term stabilization in the procurement of nickel resources ●Dispatch engineers with the aim of developing new mines and acquiring mine interests
③	Diversification of business in Japan	●Aim for diversification of businesses that contribute to reducing fluctuation in revenue and strengthening the future revenue base	○	●Began studying the manufacture of products other than Fe-Ni using hydrometallurgical technology ●Accelerated multiple-perspective investigations into expanding the recycling business	●Continue studying the manufacture of products other than Fe-Ni using hydrometallurgical technology ●Launch specific initiatives for expanding the recycling business
④	Strengthening profitability	●Press forward with cost reductions, and pursue an optimal production system with high profitability	○	●Responded to the risk of fluctuations in London Metal Exchange (LME) nickel prices ●Continued reducing all costs (reduction effect: approximately 400 million yen) ●Launched business reform initiatives by building processes based on various issues and promoting enterprise resource planning (ERP) introduction ●To make efforts to improve profitability in recycling business by expanding sales activities and making the process more efficient	●Continue responding to the risk of fluctuations in LME nickel prices ●Continue reducing all costs ●Continue business reform initiatives for building processes based on various issues ●Improve recycling business profits/losses
⑤	Strengthening of organization and human resources in anticipation of changes in the business environment	●Building a flexible and optimal organization toward achieving the objectives ●Strengthening of human resources to raise the standard	◎	●Restructured organizations to achieve goals ●Created a hierarchical, company-wide common training program	●Implement various training programs
⑥	Management focused on cash flow	●Stability of management is improved by maintaining the appropriate asset status and ascertaining efficient cash flow	◎	●To reduce risk by anticipated asset management	●To reduce risk by appropriate asset management
◇Creation of social and economic value					
⑦	Contribution toward achieving a sustainable society	●Pursue measures to help prevent global warming, and contribute to the development of Hachinohe and Tohoku Region also resource-rich countries ●All employees working as one toward zero accidents ●Strengthening of the compliance and governance systems	◎	●Contributed to a recycling-oriented society through full recycling of ferronickel slag ●All employees worked as one toward zero accidents ●Complied with laws and regulations through the use of an Integrated Management System (IMS)	●Continue full recycling of ferronickel slag ●All employees continue working as one toward zero accidents ●Strengthen compliance and governance systems

State of completion ◎: Achieved ○: Mostly achieved △: Not achieved