



Based on our Quality Management System (QMS) and the Industrial Standardization Act, the entire company is working together to promote quality control activities in order to reliably provide products trusted by all stakeholders.

### Quality control

We have established a quality management system in accordance with the “Guidelines for Enhancing Quality Assurance Systems” of the Japan Iron and Steel Federation and the “Guidelines for Manufacturing and Sales of Nonferrous Slag Products” of the Japan Mining Industry Association. In addition to meeting product quality standards, we conduct quality control activities to meet customer demands and always provide safe and high-quality products that are free from environmental pollution.

Main initiatives	Specific results
Measures to improve customer satisfaction	<p>Our customers give our ferronickel products high marks in various aspects such as stable quality, stable supply, and careful delivery.</p> <p>We confirm customer needs through daily communication and regularly-implemented customer satisfaction (CS) surveys, which are useful for enhancing our product production and services.</p> <p>We don't just listen to customer feedback, we strive to offer proposal-based sales so that we can deliver better services and products.</p> <p>We supply most of our ferronickel slag products to Aomori and Iwate Prefectures. These products have been evaluated as being easy to use because we strive daily to ensure they meet the particle size and composition (quality) required by our customers based on a high level of quality that does not exceed any of the standard values for elution volumes (No. 18) and contained volumes (No. 19) in the Ministry of the Environment's Ministerial Notification Pertaining to the Soil Contamination Countermeasures Act.</p> <p>We also manage our systems appropriately in accordance with the “Guidelines for Manufacturing and Sales of Nonferrous Slag Products” (Japan Mining Industry Association), and strive to clean up the roads we regularly use for transport so that there are no environmental impacts on our customers.</p>
Brush up of our analytical techniques to improve product quality reliability	<p>Transferring analytical and testing techniques, which contribute to product quality reliability, from veteran employees has become an issue. So we engage in activities for extracting tacit knowledge, such as intuitive techniques and knowhow, from our veteran employees, and then document that knowledge in skill tables that include figures and photos. And thus we promote technique transfer via on-the-job training (OJT) based on these skill tables. We are also working to expand the scope of work for, and improve the competence of, individual analysts, and to improve the base of their analytical techniques.</p>
Laboratory accreditation of certification standards for testing and calibration laboratories (ISO/IEC 17025)	<p>The prices of ferronickel products and nickel ore vary based on their nickel content, and thus it is important to ensure the reliability of nickel analysis values. We are ISO/IEC 17025 certified in “chemical analysis of components in ferronickel,” “fluorescence X-ray analysis of components in ferronickel,” and “chemical analysis of nickel in nickel ore,” and are focused on ensuring the international and objective reliability of product inspections and raw material acceptance inspection results.</p> <p>We transitioned to the 2017 version of ISO/IEC 17025 in the FY2019 transition audit, and plan to update the audit in FY2020.</p>



We strive to disclose appropriate and easy-to-understand information for our shareholders and investors. Briefing sessions are held mainly in conjunction with the publication of various IR information on the website.

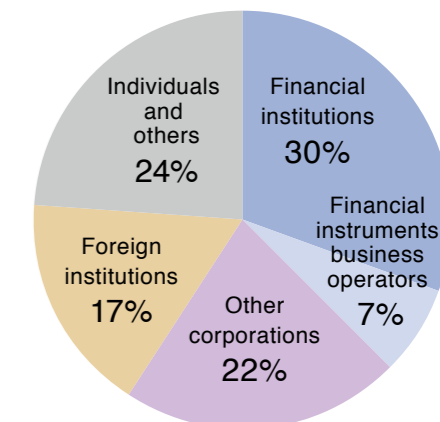
### IR activities

We have an IR Committee centered on directors responsible for investor relations and have established a system to promote constructive dialogue with all shareholders and investors.

An annual general meeting of shareholders is held in June every year, and a financial results briefing is held during the second quarter and term-end settlements, to explain business results, plans, and strategies of our business.

In addition, we work to return profits to shareholders through dividends while enhancing and strengthening our corporate structure.

Shareholder composition



### Communications with shareholders and investors

Briefing sessions for IR analysts and institutional investors are held twice a year.

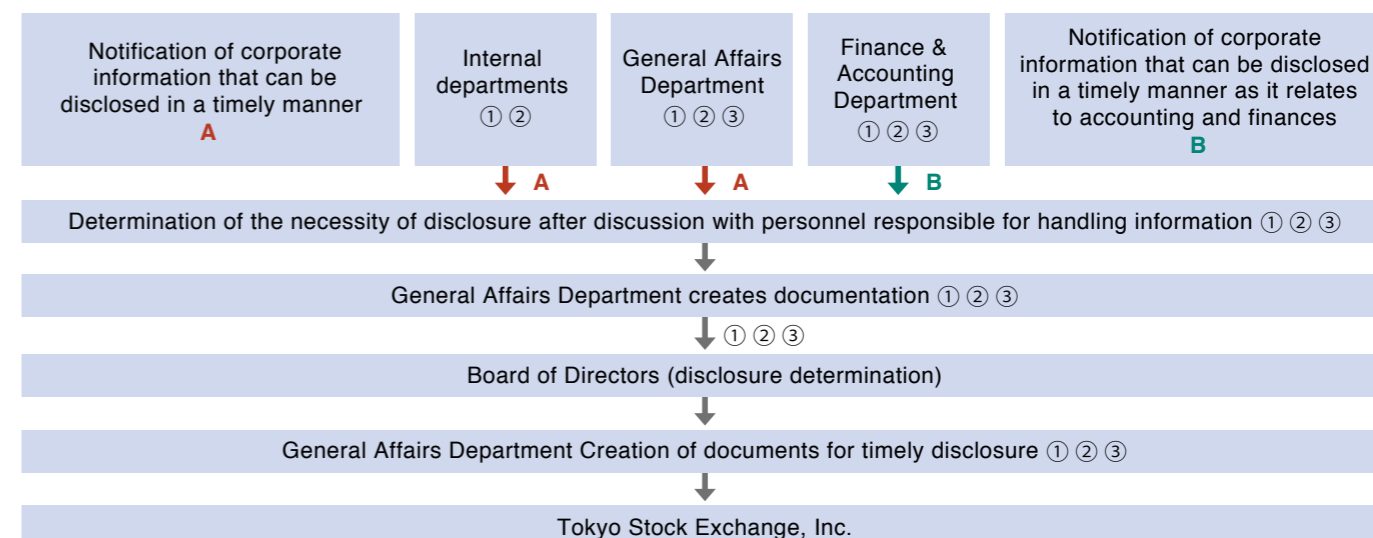
We endeavor to ensure that the opinions of shareholders are shared among the Board of Directors, centered on the Chairman of the Board of Directors. In addition, when conducting dialogue with shareholders, we carefully manage insider information and take great care not to create information gaps among shareholders.

### Information disclosure

Based on our information disclosure policy stipulated in the “Basic Policy on Corporate Governance,” information is disclosed in a timely and appropriate manner, primarily through our website.

We have established a disclosure system for information related to management decisions, facts about events that may affect investors' investment decisions, and information related to financial results. When important facts arise, our relevant departments consider whether disclosure is necessary, the Board of Directors makes determination as to disclosure, and if disclosure is to occur, it is made to the Tokyo Stock Exchange.

Information disclosure system



We send out the notice of the general meeting of shareholders at an early date so that shareholders can carefully examine the contents of the proposals and exercise their rights appropriately. In addition, disclosure is made to the Stock Exchange and on our website prior to the date on which the convocation notice is sent.

[Click here for IR materials](https://www.pacific-metals.co.jp/ir/index.html) https://www.pacific-metals.co.jp/ir/index.html



We value the connection with the local community, carry out clean-up activities, and endeavor to revitalize the community by sponsoring local organizations and participating in local events. We strive to communicate with all of our stakeholders through local initiatives.

### Factory tours

13 students of Lapérouse High School in New Caledonia, who had been visiting Hachinohe City as part of the Hachinohe City Youth Overseas Exchange Program, toured our Hachinohe Works in July 2019. The tour allowed the students to actually see our rotary kiln, electric furnaces, and ferronickel slag, and to gain a deeper understanding of the steel industry and of manufacturing. We will continue to make people learn about our company.



Students during the tour

### Cleanup activities around the plant and in the surrounding area

It has been 11 years since we started cleanup activities along the coastal roads around the plant with the aim of beautifying the local environment and contributing to society. In November 2019's clean up, 34 employees, including employees of affiliated companies and partners, performed cleaning activities across a four-block area. They collected six bags (12 kg) of combustible and seven bags (21 kg) of non-combustible garbage. This cleanup was carried out by registering it with the "Hachinohe Clean Partnership" through which Hachinohe City supports environment beautification activities.



Local cleanup activities

### Illegal dumping patrols

Businesses from the Sampachi region (Hachinohe, Sannohe, Gonohe, Takko, Nambu, Hashikami, and Shingo) gathered to carry out "monitoring patrols to prevent illegal dumping."



Illegal dumping patrol

### Lifesaving

The Hachinohe Fire Department presented a letter of appreciation to the employees of the Recycling Business Department for their achievements responding to emergency cases that occurred on company premises. The head of the Hachinohe Fire Department indicated that such coordinated and systematic lifesaving activities are rare, that they were the result of accumulated daily training, and that he was impressed by our company-wide attitude toward engaging in such training.



Presentation of letter of appreciation

### Sponsoring a local soccer club team

We created the "PAMCO Field" artificial turf soccer field on a final disposal site formerly used to bury ferronickel slag, and began renting it out to the local "Vanraure Hachinohe" soccer club in July 2019. In this way, we hope to contribute to the success of Vanraure Hachinohe, and to promote local sports.



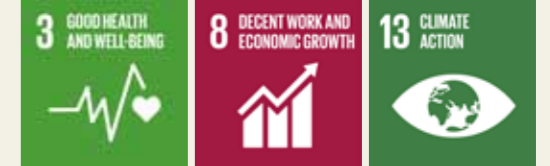
PAMCO Field

### Donating disinfectant solution

In the hope that it will prevent COVID-19 infections, we donated 150 cases (1,155 L) of alcohol disinfectant solution to Hachinohe City in July 2020 for which Hachinohe City awarded us a letter of appreciation.



Donation of disinfectant solution



We have been promoting voluntary work accident prevention activities under the slogan "Be Safety!" and working to prevent workplace accidents by raising safety awareness. We are also promoting health management activities so that employees can maintain a safe and healthy work environment.

### Occupational safety activities

Since 2018, we have divided accidents that are very serious when they occur into "pinching and entanglement accidents," "burn and electrocution accidents," and "explosions and fires," and have made efforts to set aside every fourth month as an accident prevention strengthening month.

During strengthening months, we conduct danger experience training based on past accidents and re-inspect safety devices. Simulating accidents that occurred in the past allows us to train employees to think about the background of accidents and what to do if they are ever involved in such accidents themselves. We also engage in small group activities led by group leaders in an effort to help groups identify new risks in the workplace and improve unsafe equipment. Going forward, we will strive to continue our safety efforts to prevent accidents and disasters.



Experience training to protect against pinching accidents

### Hygiene activities

In July 2019, with the goal of improving employee health, we invited a lecturer from medical examination institutions to host a nutritional guidance class based on the results of medical examinations. Furthermore, all employees are encouraged to set personal goals to walk or run or take alcohol-free days with the goal of improving their physical health. In October, we invited a lecturer from the Aomori Occupational Health Support Center to give a mental health seminar entitled "Lessons for Living a More Fulfilling Life." We will continue to make similar efforts to ensure our employees can work in good physical and mental health.



A nutrition counseling class

### Disaster prevention activities

During our comprehensive disaster prevention training, we provide training in evacuation, communication, reporting, rescuing, and providing aid in rehearsal for large-scale earthquakes. During firefighting training by our self-defense fire brigade in rehearsal for fires, we also provide training on how to extinguish the fire by using fire extinguishing water from sprinkler trucks that patrol company premises in rehearsal for cases where firefighting water supplies (firefighting water supply facilities) are not available.

To help prevent the spread of COVID-19, we changed our tsunami evacuation drills to desktop drills. This new training involves each employee writing down the actions they will personally take in the event of a tsunami in response to questions broadcast over PA equipment on company premises. Thanks to the results of training we've conducted in the past, employee responses about what they should do have steadily gotten better. To protect employee safety, we will continue to engage in training that includes infection prevention measures.



Firefighting training

### Improvement proposal activities

We engage in improvement proposal activities with the goal of creating employee habits that enhance their awareness of quality, the environment, and safety, and of making cost improvements. 1,257 improvements were proposed in FY2019 with the best being deployed across the company via improvement case collections and in-house seminars. A total of 28 improvements were nominated for presentation to the President's Improvement Proposal Awards Committee, which convenes twice a year, with 24 receiving the President's Improvement Proposal Award and 4 receiving the Integrated Management System (IMS) Manager's Award, the most awards ever given. Managers at sites being aware of current conditions and engaged in solving problems resulted in reductions in energy usage, production man hours, and the risk of occupational accident occurrence. These improvement proposal activities have greatly contributed to improving our profitability and achieving a disaster-free record.



Case presentations by recipients of the President's Improvement Proposal Award