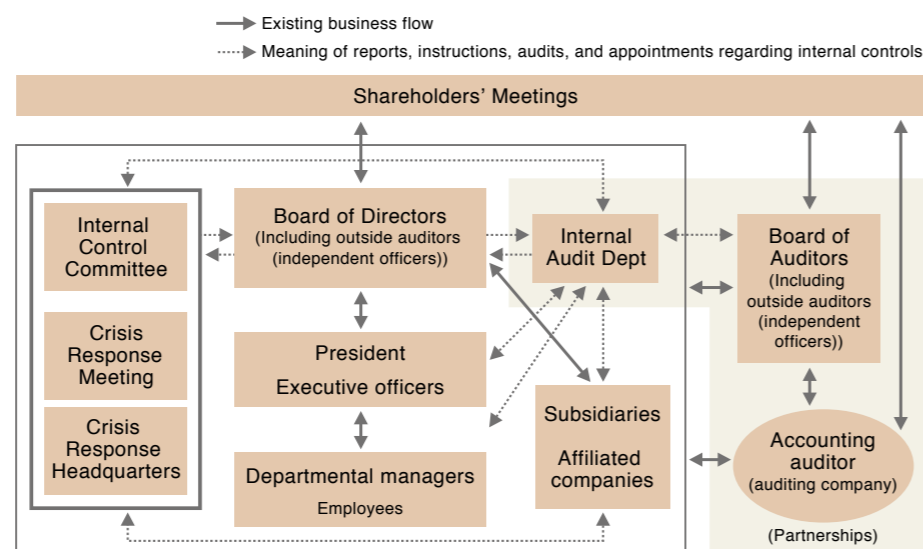




Aiming to improve corporate value, we strive to strengthen and enhance corporate governance through rapid decision making and management efficiency, and through ensuring transparency and soundness of management by strengthening supervisory functions. In doing so, we are also taking appropriate measures related to risk management and compliance.

Corporate governance system

Our basic principle is to enhance corporate governance centered on the director/auditor system and to build a fair and transparent management structure. Since June 2019, our management structure has been composed of nine directors, including two outside directors, and four auditors, including three outside auditors.



Risk management

In response to large-scale accidents, disasters, and scandals, "Crisis Management Rules" have been established. During normal times, we hold "Crisis Response Meetings" to take countermeasures for accidents and disasters. In order to take emergency measures, we have established a "Crisis Response Headquarters" and designated that the president be the head of this headquarters.

With regard to business management risks, the Board of Directors takes action and decides how to respond. In addition, we manage risk in daily business by developing management rules and business manuals.

Compliance

Our Board of Directors has established the "Management Policy," "Corporate Code of Ethics," and "Corporate Code of Conduct" to ensure compliance with laws and regulations. In order to ensure the execution of operations based on these policies and norms, we have established an Internal Control Committee to manage compliance.

We have set forth the following regarding compliance with and adherence to social norms, and all officers and employees, including directors, are aware of this in the performance of their duties.

1. Conduct corporate activities based on compliance, social norms, and common sense.
2. Insulate us from anti-social forces that threaten the social order and safety, and conduct sound corporate activities.
3. In international business activities, comply with international rules and local laws, respect local cultures and customs, and conduct corporate activities that contribute to the development of that country.

Efforts to eliminate anti-social forces

We stipulate that we have no relationships with anti-social forces or similar organizations, that threaten the order and safety of civil society, and that we firmly reject requests from them.

We cooperate with the police, the Association of Special Violence Prevention Measures, and external bureaus by setting up points of contact and managing information centrally.

Our basic policies on corporate governance and our Corporate Governance Report are posted on the "Corporate Governance" page of our website.

[Click here for information on Corporate Governance https://www.pacific-metals.co.jp/ir/governance.php](https://www.pacific-metals.co.jp/ir/governance.php)

1949	Separated from Nippon Soda Co., Ltd.'s steel department and established as Nisso Steel Co., Ltd.
1952	Listed on the Tokyo Stock Exchange and Osaka Stock Exchange.
1954	Converted the pig iron smelting facilities facility at the Shibata Plant to a ferronickel smelting facility.
1957	Completed construction of the Hachinohe Plant, production of pig iron from iron sand started.
1959	Divested the Shibata Plant with the establishment of Pacific Nickel Co., Ltd., which specializes in ferronickel smelting.
1965	Converted part of the Hachinohe Plant's pig iron production facility to alloy iron and ferronickel smelting. Following production start ferromanganese, production of ferronickel began in 1966 and stainless steel in 1968. Installed two large electric furnaces, one 25,000 KVA in 1969 and one 40,000 KVA in 1970 to increase production of ferronickel.
1970	Absorbed Pacific Nickel Co., Ltd. and changed company name to Pacific Metals Co., Ltd. Established the foundation as a top ferronickel manufacturer. Opens Philippines Office
1972	Signed technical assistance contract for construction of ferronickel smelting plant of Aneka Tambang, Indonesia (Antam Project).
1973	Invested in the Rio Tuba Nickel Mining Corporation in the Philippines and developed nickel mine.
1974	Concluded a telemeter system agreement.
1978	Concluded a pollution control agreement.
1980	Acquired industrial waste disposal business permit.
1983	Divested the Iwase Plant, and transferred the grinding material department to Pacific Rundum Co., Ltd.
1984	Spun off the Naoetsu, Toyama, and Narashino Plants, and the cast steel, forged steel, and machinery departments were transferred to Pacific Special Alloy Castings Co., Ltd., Pacific Steel Mfg. Co., Ltd., and Pacific Machinery & Engineering Co., Ltd., respectively.
1985	Renamed Hachinohe Plant to Hachinohe Works.
1988	Developed a nickel mine by taking an equity stake in Taganito Mining Corporation in the Philippines.
1995	Installed 60,000 KVA ferronickel smelting electric furnace at Hachinohe Works and established 3 furnaces.
1996	Completed Hachinohe Port Kawaragi No. 2 Pier (public).
1997	Completed raw material transport conveyor line equipment (Kawaragi).
1998	Acquired ISO 9002 certification.
1999	Moved the head office organization to Hachinohe to become a specialized manufacturer of ferronickel.
2003	Completed the "Incineration Ash and Scallop Shell Recycling Facility" for the recycling business. Transited to ISO 9001:2000.
2005	Achieved 1 million tons of ferronickel production. Conducted environmental assessment in accordance with the Aomori Prefecture Environmental Impact Assessment Ordinance. Acquired special management industrial waste disposal business permit.
2006	Completed ferronickel production line expansion work. Installed the second power plant denitration equipment.
2007	Installed drainage monitors in all drains. Installed a small-scale wastewater treatment device at a part of the drainage port.
2008	Opened Jakarta Office.
2009	Acquired ISO 14001:2004. Completed ferronickel production line expansion work.
2010	Installed a dust monitor in the ore yard.
2011	Launched webpage for waste disposal status. Installed drainage port and chimney monitoring cameras.
2012	Acquired OHSAS 18001:2007.
2013	Started operations of wastewater treatment facility.
2014	Started integrated management system operation.
2015	Established basic policy on corporate governance code.
2016	Formulated new "Long-term Vision."
2017	Awarded "Excellent Workplace" from the Aomori Industrial Waste Association. Participated in Hachinohe Kojyo Daigaku Art Project.
2018	Received the "Mottainai Aomori Award" on the 10th Anniversary of the Mottainai Aomori Prefectural Movement Promotion Council.
2019	Acquired naming rights for "PAMCO Field," a soccer field exclusively for Vanraure Hachinohe.