

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.

Donations of disinfectants to the city of Hachinohe

We recently donated alcohol-based disinfectants to the City of Hachinohe in the hope that it would be useful in preventing the spread of COVID-19, and received a letter of appreciation from the city in return. In addition, Director Inomata handed a list of the donated disinfectants to Mayor Kobayashi at the Hachinohe City Hall. We will continue to contribute to regional society, beginning with the City of Hachinohe, into the future.

Donated products			
• Hand Squish EX	4.5 ℓ × 3 bottles/case	50 cases	
• Hand Squish EX/with nozzle	0.8 ℓ × 6 bottles/case	30 cases	
• Hand Squish EX/refills	0.8 ℓ × 6 bottles/case	70 cases	



Photo of donation ceremony and awarding of letter of appreciation



Letter of appreciation

Ways of interacting with partners under the new normal

Because the safety of our business partners and employees is our top concern, our group formulated “behavioral guidelines to stop the spread of infections” and has been working hard to combat the spread of COVID-19, the impacts of which are being felt in Japan and overseas, by avoiding business trips, and encouraging working from home, utilization of web conferencing, hand washing, and gargling, etc. We are also working to reduce the impact infections impose on our business activities, etc. while remaining in communication with our customers and suppliers in countries around the world.

Tohoku house sponsorship

In response to a request from Tohoku Economic Federation, we used the opportunity of the Tokyo Olympics and Paralympics to sponsor a “Tohoku House” event designed to broadcast the charm of Tohoku and Niigata.

The “Tohoku House” is an information dissemination base set up for a limited time on the 10th anniversary of the Great East Japan Earthquake to express thanks for the support received from around the world, convey that the Tohoku region is energetic, secure, and making steady strides toward reconstruction, and to invite people from around the world to enjoy the charm of “Tohoku and Niigata” not found in other parts of Japan. The events we sponsored are posted on the “Tohoku House” home page venue panels.

Cleanup activities on factory premises and in the region

It’s been 12 years now since we started cleanup activities along harbor-facing roads around our factory to support regional beautification efforts and make contributions to society. In November 2020, a total of 30 employees, including our employees and employees from affiliates and partner companies, donned masks and practiced social distancing as they participated in cleanup activities in the City of Hachinohe’s Toyosu District and First Industrial Port. They collected a total of 10 kg of combustible and non-combustible garbage.

The City of Hachinohe recorded this cleanup activity in its “Hachinohe Green System,” which supports environmental beautification activities.



Regional cleanup activities



Sponsorship of local soccer teams

We started loaning the artificial turf “PAMCO Field” soccer field, prepared on a final disposal site where we used to bury ferronickel slag, to the local “Vanraure Hachinohe” soccer club in July 2019.

We continued our official partnership with Vanraure Hachinohe into FY2020 as well. We very much hope to remain an active part of “Vanraure Hachinohe,” and continue our contributions to the promotion of regional sports.

We also held the PAMCO Cup, which we sponsor, for the U-10 age group in FY2021. The plan is to hold league matches involving a total of eight teams. We hope the cup will be held at PAMCO Field as a venue where players can gain match experience and find growth opportunities.



PAMCO Field



Photo of soccer match at PAMCO Field

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

We have been actively engaged in small group activities lead by team leader class managers since FY2019. In FY2020, 40 internal teams engaged in initiatives listing 65 themes they could apply to problems and issues in their own departments by themselves in the form of “Equipment Improvement Countermeasures,” “Workplace Environment Countermeasures,” and “Emergency Response Training,” etc. Awareness of health and safety is steadily improving thanks to the voluntary actions being taken by workplace teams via small group activities.

For the three years from 2018 through 2020, we, and our contractor partner companies, were evaluated on overall safety performance by the Japan Iron and Steel Federation, and given “Outstanding Performance Awards” under the federation’s Steel Safety Awards. We will continue to actively engage in initiatives relating to health and safety management activities that include our contractor partner companies.



Award certificate



Plaque

Hygiene activities

We have listed “strengthening physical and mental health management” as a company-wide goal. In addition to encouraging employees to engage in voluntary activities under our “individual health goals” designed to reduce the number of findings in regular medical examinations by one, we have, in support of mental health, implemented personal interviews for high-stress and overworked workers with occupational physicians in an effort to prevent mental disorders. We carry out weekly workplace patrols by Health Supervisors as workplace labor environment improvement activities during which supervisors check for work environments that could impact worker health and point out defects, which we then correct.

Disaster prevention Activities

During Comprehensive Disaster Prevention Training, employees are trained to carry out evacuations, report damage, and confirm safety in preparation for large earthquakes with seismic intensities of 5 or higher. It also involves teaching new employees how to fight fires using fire extinguishers and the importance of extinguishing fires quickly.

Our tsunami evacuation training conducted each year on March 11 assumes the issuance of a tsunami warning following a major earthquake, and provides training to enable evacuation to a tsunami evacuation location, matching of evacuees to the employment management system, and reliable identification of evacuated personnel.

We also increased the number of AEDs installed on the premises of our Hachinohe Headquarters by 10 in FY2020. We now have a total of 14 AEDs on the premises. By holding lifesaving training sessions for about 70 team leader class managers, we are focused on establishing a system that enables prompt first aid using AEDs during emergencies.



workplace patrol



Firefighting training

Employee initiatives for preventing the spread of COVID-19

We formulated a “Workplace Disinfection Manual for COVID-19, etc.” under which all employees disinfect facilities and nearby surroundings under their care at all times, with the following in mind.

- ① Focus on disinfecting areas that are likely to be touched by an unspecified number of people at least once a day. In the case of work conducted on shifts, disinfect the operation rooms, and break rooms, etc. at least once every shift.
- ② Disinfect your desk, chair, keyboard, and telephone, etc. every day before leaving the office.

We also distribute masks to employees, thoroughly inform them about disinfection, hold distributed in-house training, and promote at homework and web meetings.

We also ask visitors to fill out check sheets before arriving, submit the check sheets on arrival, agree to having their temperatures taken, and adhere to strict hand washing regimes. We continue to implement thorough measures to prevent the spread of COVID-19.



Contactless thermometers



Hand sanitizer



Installation of acrylic panels

Improvement proposal activities

We engage in improvement proposal activities for the purpose of creating habits among employees that improve their awareness of quality, the environment, and safety. There were 1,084 proposals in FY2020, and all participating employees achieved their annual target of at least two proposals. About half of the proposals were related to health and safety, and the best were given awards; 15 winning the President’s Improvement Proposal Award and seven receiving the IMS Management Supervisor’s Award. The quality of improvement proposals has been improving each year, and we are seeing more cases where employees find problems, approach them from multiple perspectives, and produce results that resolve the problems.

Furthermore, each department has also been proposing ideas for COVID-19 countermeasures since the end of FY2019. A production site submitted an improvement measure for preventing contact and splashes by utilizing the materials on hand. We are continuously engaged in improving infection control measures in response to new findings and seasonal changes.

We also hold in-house seminars on improvement proposals for those who evaluate the content of improvement proposals and those who are evaluated. We hold the seminars through a combination of group attendance in conference rooms and remote attendance to avoid crowded conditions.



President's improvement proposal award certificate

Supply chain management

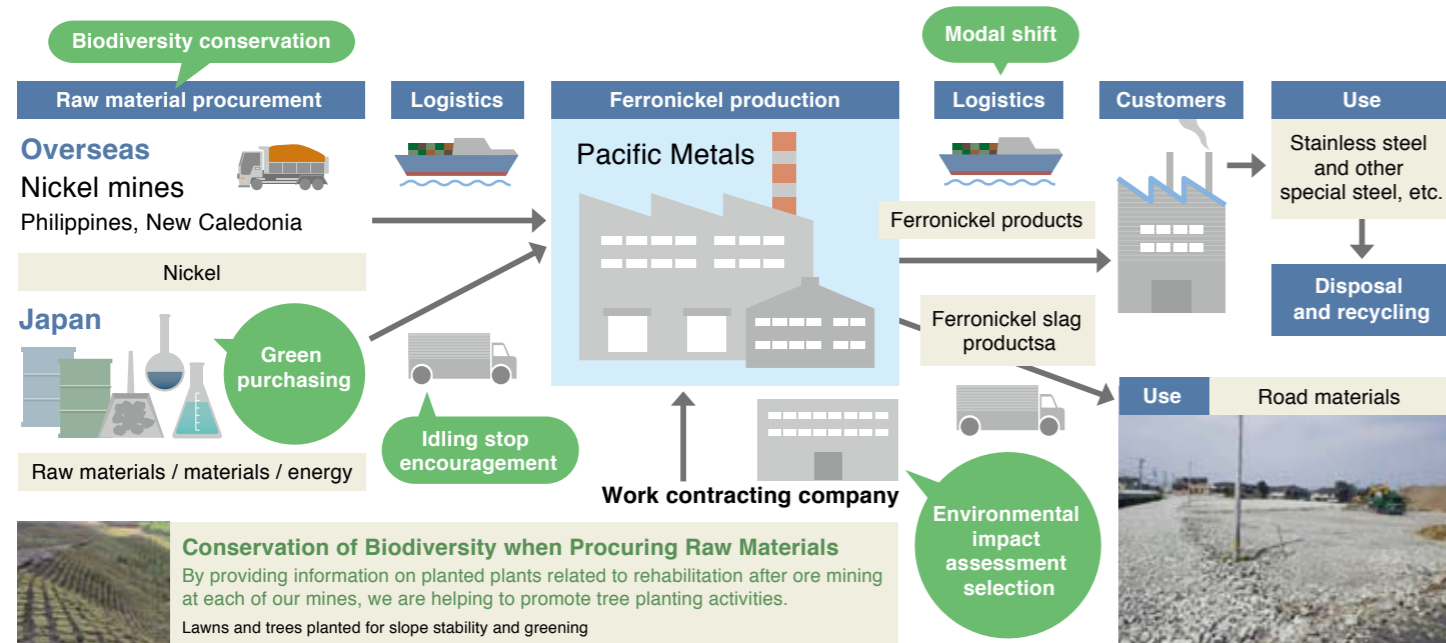


We conduct a variety of activities that take harmony with the environment into consideration at each stage in the supply chain, not just at our production sites.

We import nickel ore, which is the raw materials used to produce ferronickel, from the Philippines and New Caledonia where we are obligated to perform afforestation at local mines in order to restore (rehabilitate) sites to their original states to the degree possible after ore mining. We have always provided information relating to afforestation at every mine to other mines after obtaining permission to disclose the information. We will continue to provide such information as necessary.

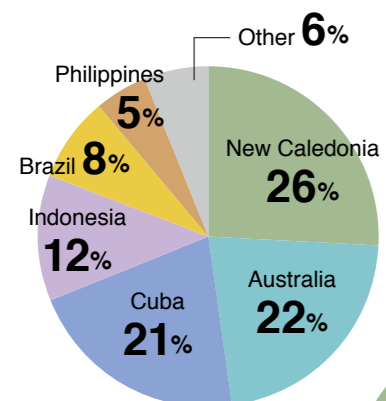
Additionally, internationally unified safety regulations are in place for the sea transportation of solid bulk cargo such as ore. We actively comply with such international regulations, and take safety measures and environmental considerations to prevent accidents on ships.

Overview diagram of the Pacific Metals supply chain

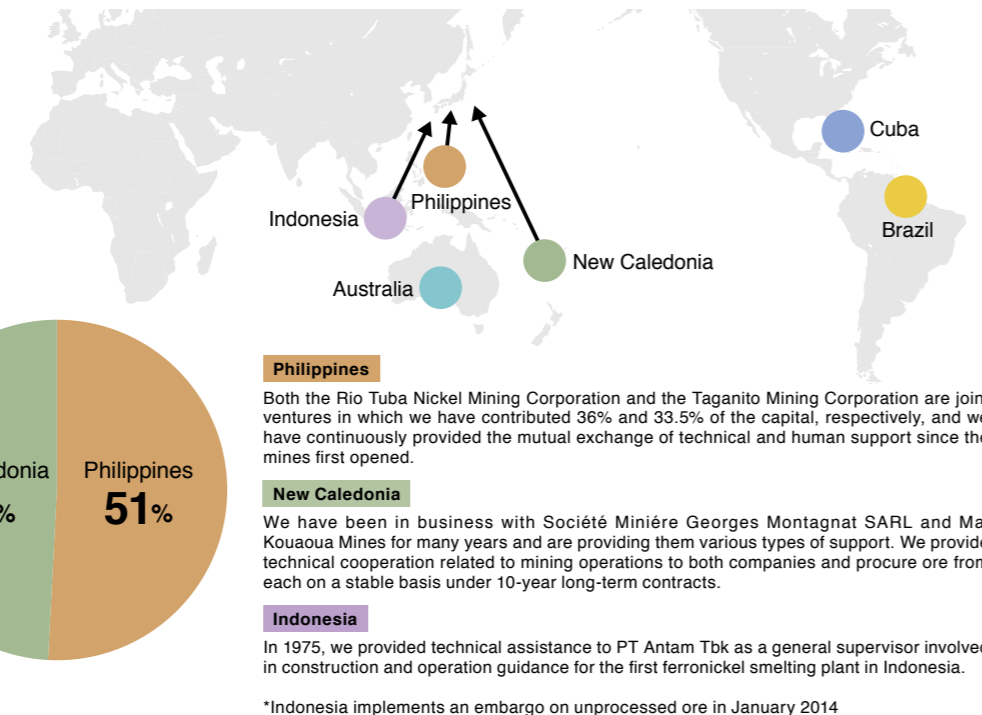


Information relating to purchasing

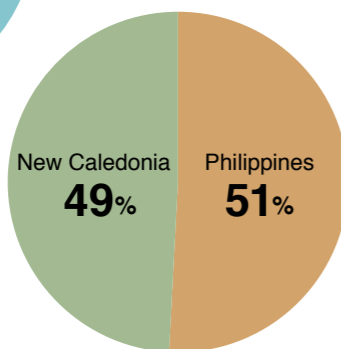
Global nickel oxide ore reserves



Status of nickel oxide ore countries

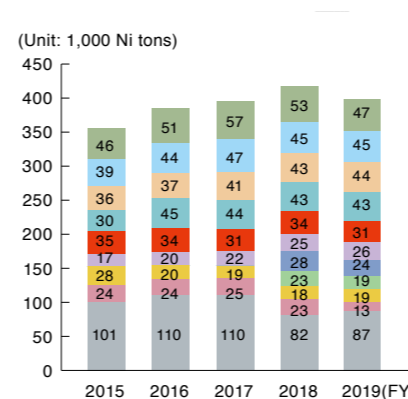


Amount of nickel oxide ore we purchase (Period ending March 2021: 17,000 Ni tons)

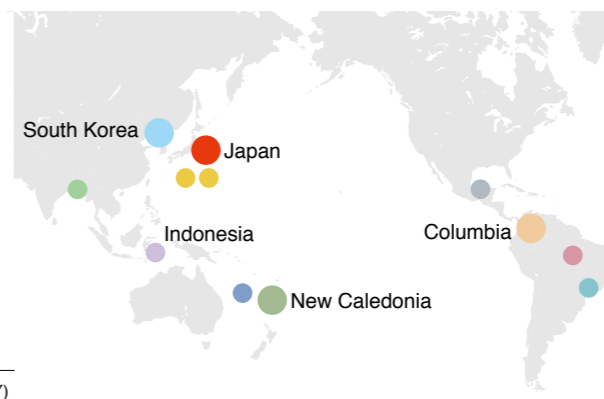


Information relating to production

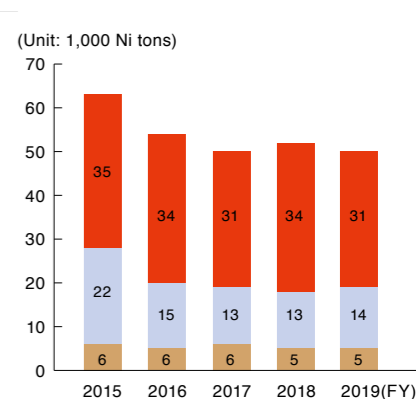
Global ferronickel production



Global ferronickel production bases

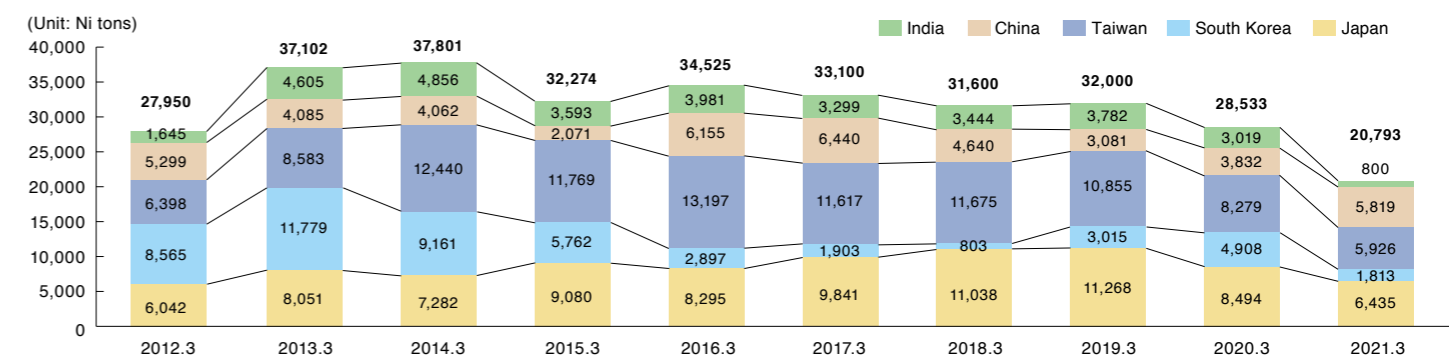


Japan's ferronickel production

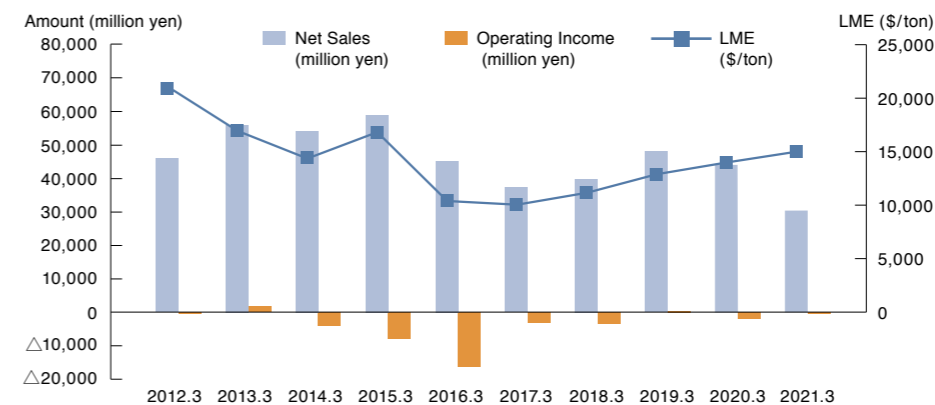


Information relating to sales

Sales volume trends (by country)



Trends in nickel business net sales and LME nickel prices



Standards for ferronickel sales prices

- For domestic use: LME nickel price (average for past three months) × forex market (average for past three months)
- For export: LME nickel price (average for past month) × forex market (spot)

→ Our income is linked to LME nickel prices

Nickel business	Mar. 2012	Mar. 2013	Mar. 2014	Mar. 2015	Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020	Mar. 2021
Net Sales (million yen)	46,015	56,026	54,302	59,065	45,239	37,357	39,855	48,142	44,133	30,419
Operating Income (million yen)	△18	1,780	△3,978	△7,987	△16,208	△3,129	△3,412	382	△1,879	△567
LME (\$/ton)	21,085	16,947	14,356	16,825	10,387	10,042	11,159	12,893	13,991	14,999
Exchange TTS (¥/\$)	80.08	84.1	101.24	110.93	121.14	109.38	111.85	111.91	109.74	107.06

*Changed to a single reporting segment for the nickel business beginning the first quarter of the fiscal year ending March 2020.
*LME nickel price and exchange TTS are both average values during the settlement period.