
PACIFIC METALS CO., LTD
Financial Results Briefing Session for Fiscal Year
Ended March 31, 2022

Operating results highlights

Consolidated

		Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Average LME	《\$/lb.》	5.06	5.85	6.35	6.80	9.35
Average foreign exchange TTS	《Yen/\$》	111.85	111.91	109.74	107.06	113.38
Product sales volume	《Ni t》	31,600	32,000	28,533	20,793	27,060
Product production volume	《Ni t》	29,902	33,506	30,885	18,414	26,249
Net sales	《Million yen》	41,210	49,062	44,133	32,217	57,129
Operating profit	《Million yen》	- 3,239	176	- 1,879	- 493	4,806
Ordinary profit	《Million yen》	- 203	3,451	972	3,344	12,999
Profit	《Million yen》	- 810	3,693	625	1,162	11,368
Capital investment	《million yen》	259	276	530	1,249	686
Depreciation	《Million yen》	311	307	330	378	256
Research and development expenses	《Million yen》	144	142	190	234	276
Total assets	《Million yen》	70,351	71,933	69,960	75,484	89,852
Net assets	《Million yen》	62,616	64,439	63,506	67,014	80,153
Interest-bearing debt	《Million yen》	—	—	—	—	—
Short-term borrowings	《Million yen》	—	—	—	—	—
Long-term borrowings	《Million yen》	—	—	—	—	—
Return on assets (ROA)	《%》	- 1.15	5.14	0.89	1.54	12.65
Return on equity (ROE)	《%》	- 1.29	5.84	0.98	1.79	15.51
Number of employees	《People》	464	456	459	458	460

Non-consolidated

		Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	《Million yen》	39,791	48,254	43,488	31,601	56,527
Operating profit	《Million yen》	- 3,704	142	- 1,833	- 526	4,776
Ordinary profit	《Million yen》	- 446	3,175	587	3,272	12,783
Profit	《Million yen》	- 1,003	3,611	775	1,064	11,159
Capital investment	《Million yen》	203	226	471	1,235	651
Depreciation	《Million yen》	292	284	303	346	223
Research and development expenses	《Million yen》	144	142	190	234	276
Total assets	《Million yen》	56,295	58,177	56,294	61,930	75,797
Net assets	《Million yen》	49,342	51,583	50,672	53,978	66,325
Interest-bearing debt	《Million yen》	—	—	—	—	—
Short-term borrowings	《Million yen》	—	—	—	—	—
Long-term borrowings	《Million yen》	—	—	—	—	—
Return on assets (ROA)	《%》	- 1.78	6.21	1.38	1.72	14.72
Return on equity (ROE)	《%》	- 2.01	7.16	1.52	2.03	18.55
Number of employees	《People》	417	411	417	415	416

Balance Sheets

Consolidated

(Million yen)

	As of March 31, 2018	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022
(Assets)					
Current assets					
Cash and deposits	23,882	23,113	16,714	21,486	26,332
Notes and accounts receivable - trade	7,422	8,255	8,880	7,879	13,994
Securities	500	2,300	2,400	3,000	2,999
Inventories	8,385	10,516	13,986	12,283	11,690
Deferred tax assets	3	—	—	—	—
Other	2,204	1,882	2,962	3,206	2,867
Allowance for doubtful accounts	- 1	- 1	- 1	- 1	- 2
Total current assets	42,395	46,065	44,942	47,853	57,882
Non-current assets					
Property, plant and equipment					
Buildings and structures	4,113	3,836	3,047	2,758	2,592
Machinery, equipment and vehicles	49	167	490	69	115
Land	5,125	5,125	4,957	4,777	4,777
Construction in progress	2	0	62	0	207
Other	1	18	37	1	41
Total property, plant and equipment	9,292	9,146	8,596	7,606	7,734
Intangible assets	2	26	22	1	1
Investments and other assets					
Investment securities	18,578	16,607	16,303	19,594	23,903
Distressed receivables	0	0	0	0	0
Long-term prepaid expenses	1	1	11	345	248
Deferred tax assets	—	4	3	3	2
Other	85	85	84	85	84
Allowance for doubtful accounts	- 5	- 5	- 5	- 5	- 5
Total investments and other assets	18,660	16,694	16,398	20,023	24,234
Total non-current assets	27,955	25,867	25,018	27,631	31,970
Total assets	70,351	71,933	69,960	75,484	89,852

Balance Sheets

Consolidated

(Million yen)

	As of March 31, 2018	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022
(Liabilities)					
Current liabilities					
Notes and accounts payable - trade	1,233	1,101	1,014	1,575	1,341
Short-term borrowings	—	—	—	—	—
Income taxes payable	73	80	69	35	1,026
Accrued expenses	1,436	1,739	1,178	1,127	1,761
Provision for bonuses	274	231	237	258	444
Other	356	404	539	1,533	935
Total current liabilities	3,373	3,557	3,038	4,529	5,508
Non-current liabilities					
Long-term borrowings	—	—	—	—	—
Retirement benefit liability	846	925	805	571	122
Deferred tax liabilities	896	550	310	1,266	2,077
Deferred tax liabilities for land revaluation	751	743	745	654	631
Provision for loss contract	1,841	1,673	1,507	1,377	1,306
Other	25	43	46	71	51
Total non-current liabilities	4,361	3,936	3,414	3,941	4,190
Total liabilities	7,735	7,493	6,453	8,470	9,699
(Net assets)					
Shareholders' equity					
Share capital	13,922	13,922	13,922	13,922	13,922
Capital surplus	3,481	3,481	3,481	3,481	3,481
Retained earnings	43,618	47,129	46,677	47,950	58,590
Other	- 439	- 444	- 447	- 449	- 450
Total shareholders' equity	60,582	64,088	63,633	64,903	75,542
Valuation difference on available-for-sale securities	1,932	872	283	2,659	4,603
Deferred gains or losses on hedges	—	2	—	- 37	—
Revaluation reserve for land	865	847	852	644	593
Foreign currency translation adjustment	- 663	- 1,217	- 1,138	- 1,108	- 969
Remeasurements of defined benefit plans	- 310	- 386	- 383	- 325	95
Total accumulated other comprehensive income	1,822	117	- 386	1,833	4,323
Non-controlling interests	211	233	259	276	287
Total non-controlling interests	211	233	259	276	287
Total net assets	62,616	64,439	63,506	67,014	80,153
Total liabilities and net assets					
(Total liabilities, non-controlling interests and net assets)	70,351	71,933	69,960	75,484	89,852

Statements of Income

Consolidated

(Million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	41,210	49,062	44,133	32,217	57,129
Cost of sales	41,641	45,958	42,968	30,056	48,962
Gross profit	- 431	3,104	1,164	2,160	8,167
Selling, general and administrative expenses	2,808	2,928	3,043	2,654	3,360
Operating profit	- 3,239	176	- 1,879	- 493	4,806
Non-operating income					
Interest income	5	4	4	5	8
Dividend income	178	241	82	274	418
Share of profit of entities accounted for using equity method	2,899	2,808	2,757	3,539	6,483
(Sowa Group)	266	28	400	442	396
(Rio Tuba)	1,272	1,015	517	1,117	2,233
(Taganito)	1,324	1,792	1,865	1,944	3,884
(Other adjustment accounts)	36	- 28	- 26	35	- 30
Other	264	459	360	404	1,550
Total non-operating income	3,347	3,513	3,205	4,224	8,461
Non-operating expenses					
Interest expenses	1	1	1	0	0
Other	309	236	352	385	268
Total non-operating expenses	311	238	353	385	268
Ordinary profit	- 203	3,451	972	3,344	12,999
Extraordinary income					
Gain on sale of non-current assets	0	1	0	1	0
Gain on sale of investment securities	—	785	—	—	192
Other	—	—	—	—	—
Total extraordinary income	0	787	0	1	192
Extraordinary losses					
Loss on retirement of non-current assets	28	16	32	47	78
Impairment losses	197	90	—	1,896	317
Loss on valuation of investment securities	16	—	—	—	—
Provision for loss on contracts	—	—	—	—	—
Other	—	76	2	1	—
Total extraordinary losses	242	184	35	1,946	396
Profit before income taxes	- 445	4,054	937	1,399	12,795
Income taxes - current	389	306	273	370	1,462
Income taxes - deferred	- 59	31	13	- 151	- 46
Profit attributable to non-controlling interests	35	22	25	17	10
Profit attributable to owners of parent	- 810	3,693	625	1,162	11,368

Balance Sheets

Non-consolidated

(Million yen)

	As of March 31, 2018	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022
(Assets)					
Current assets					
Cash and deposits	22,015	21,677	16,207	21,033	25,759
Notes and accounts receivable - trade	7,359	8,154	8,820	7,810	13,931
Securities	500	2,300	2,400	3,000	2,999
Inventories	8,406	10,595	14,114	12,361	11,822
Other	2,500	1,953	2,992	3,232	2,901
Allowance for doubtful accounts	-0	-0	-0	-0	-0
Total current assets	40,781	44,681	44,534	47,437	57,413
Non-current assets					
Property, plant and equipment					
Buildings and structures	3,974	3,702	2,919	2,641	2,453
Machinery, equipment and vehicles	5	87	419	3	68
Land	5,103	5,103	4,957	4,777	4,777
Construction in progress	0	0	62	0	207
Other	0	17	35	0	39
Total property, plant and equipment	9,084	8,911	8,395	7,422	7,547
Intangible assets	0	24	20	0	0
Investments and other assets					
Investment securities	6,348	4,479	3,253	6,645	10,508
Long-term borrowings	0	—	—	—	—
Distressed receivables	0	0	0	0	0
Long-term prepaid expenses	1	1	11	345	248
Other	83	84	83	84	83
Allowance for doubtful accounts	- 5	- 5	- 5	- 5	- 5
Total investments and other assets	6,429	4,560	3,343	7,069	10,835
Total non-current assets	15,513	13,495	11,760	14,492	18,383
Total assets	56,295	58,177	56,294	61,930	75,797

Balance Sheets

Non-consolidated

(Million yen)

	As of March 31, 2018	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022
(Liabilities)					
Current liabilities					
Notes and accounts payable - trade	1,234	1,102	1,016	1,586	1,350
Short-term borrowings	—	—	—	—	—
Income taxes payable	42	52	54	23	1,011
Accrued expenses	1,414	1,725	1,147	1,128	1,734
Provision for bonuses	240	202	209	234	412
Other	253	285	467	1,514	882
Total current liabilities	3,186	3,368	2,895	4,488	5,390
Non-current liabilities					
Long-term borrowings	—	—	—	—	—
Retirement benefit liability	454	458	371	286	180
Deferred tax liabilities for land revaluation	751	743	745	654	631
Deferred tax liabilities	694	307	56	1,073	1,909
Provision for loss contract	1,841	1,673	1,507	1,377	1,306
Other	25	43	46	71	51
Total non-current liabilities	3,766	3,225	2,726	3,463	4,080
Total liabilities	6,952	6,594	5,621	7,952	9,471
(Net assets)					
Shareholders' equity					
Share capital	13,922	13,922	13,922	13,922	13,922
Capital surplus	3,481	3,481	3,481	3,481	3,481
Retained earnings	29,696	32,935	32,633	33,807	44,237
Treasury shares	- 439	- 444	- 447	- 449	- 450
Total shareholders' equity	46,660	49,894	49,589	50,761	61,190
Valuation, translation adjustments and others					
Valuation difference on available-for-sale securities	1,816	839	230	2,609	4,542
Deferred gains or losses on hedges	—	2	—	- 37	—
Revaluation reserve for land	865	847	852	644	593
Total valuation, translation adjustments and others	2,682	1,688	1,082	3,217	5,135
Total net assets	49,342	51,583	50,672	53,978	66,325
Total liabilities and net assets	56,295	58,177	56,294	61,930	75,797

Statements of Income

Non-consolidated

(Million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	39,791	48,254	43,488	31,601	56,527
Cost of sales	40,743	45,224	42,338	29,504	48,416
Gross profit	- 951	3,029	1,150	2,096	8,110
Selling, general and administrative expenses	2,752	2,887	2,984	2,623	3,333
Operating profit	- 3,704	142	- 1,833	- 526	4,776
Non-operating income					
Interest income	8	6	4	5	8
Dividend income	3,276	2,800	2,427	3,794	6,734
Other	265	460	340	385	1,531
Total non-operating income	3,549	3,267	2,772	4,185	8,275
Non-operating expenses					
Interest expenses	1	1	1	0	0
Other	290	233	349	385	268
Total non-operating expenses	292	234	350	385	268
Ordinary profit	- 446	3,175	587	3,272	12,783
Extraordinary income					
Gain on sale of non-current assets	0	1	0	1	0
Gain on sale of investment securities	—	785	—	—	192
Other	—	—	460	—	—
Total extraordinary income	0	787	461	1	192
Extraordinary losses					
Loss on retirement of non-current assets	28	16	32	47	78
Impairment losses	197	90	—	1,896	317
Loss on valuation of investment securities	16	—	—	—	—
Provision for loss on contracts	—	—	—	—	—
Other	—	—	2	1	—
Total extraordinary losses	242	107	35	1,946	396
Profit before income taxes	- 689	3,854	1,013	1,327	12,579
Income taxes - current	313	250	236	354	1,442
Income taxes - deferred	—	- 7	1	- 90	- 22
Profit	- 1,003	3,611	775	1,064	11,159

Key management indicators

Consolidated

			Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	《Million yen》	A	41,210	49,062	44,133	32,217	57,129
Operating profit	《Million yen》	B	- 3,239	176	- 1,879	- 493	4,806
Non-operating profit and loss	《Million yen》	C	3,036	3,275	2,852	3,839	8,193
Ordinary profit	《Million yen》	D	- 203	3,451	972	3,344	12,999
Extraordinary gain or loss	《Million yen》	E	- 242	603	- 35	- 1,945	- 204
Profit before income taxes	《Million yen》	F	- 445	4,054	937	1,399	12,795
Profit attributable to owners of parent	《Million yen》	G	- 810	3,693	625	1,162	11,368
Current assets	《Million yen》	H	42,395	46,065	44,942	47,853	57,882
Non-current assets	《Million yen》	I	27,955	25,867	25,018	27,631	31,970
Liabilities	《Million yen》	J	7,735	7,493	6,453	8,470	9,699
(Current liabilities)	《Million yen》	K	(3,373)	(3,557)	(3,038)	(4,529)	(5,508)
(Interest-bearing debt)	《Million yen》	L	-	-	-	-	-
Total shareholders' equity	《Million yen》	M	60,582	64,088	63,633	64,903	75,542
Total net assets	《Million yen》	N	62,616	64,439	63,506	67,014	80,153
Total assets	《Million yen》	O	70,351	71,933	69,960	75,484	89,852
Net cash	《Million yen》	P	23,882	23,113	16,714	21,486	26,332
Liquid assets	《Million yen》	Q	31,304	31,368	25,594	29,365	40,326
Total number of shares issued and outstanding	《Shares》	R	19,577,071	19,577,071	19,577,071	19,577,071	19,577,071
Closing market price	《Yen》	S	3,200	2,693	1,570	2,145	4,130
Market capitalization	《Million yen》	T = R × S	62,647	52,721	30,736	41,993	80,853
[Profitability]							
Operating profit to net sales	《%》	B / A	- 7.86	0.36	- 4.26	- 1.53	8.41
Ordinary profit to net sales	《%》	D / A	- 0.49	7.04	2.20	10.38	22.75
Net profit to net sales	《%》	G / A	- 1.97	7.53	1.42	3.61	19.90
Ordinary profit to total assets	《%》	D / O	- 0.29	4.80	1.39	4.43	14.47
Return on equity (ROE)	《%》	<small>G / (Ppreceding term N + Current term N / 2)</small>	- 1.29	5.84	0.98	1.79	15.51
[Stability]							
Equity to total assets	《%》	N / O	89.00	89.58	90.78	88.78	89.21
Current assets ratio	《%》	H / K	1,256.56	1,294.90	1,478.86	1,056.48	1,050.71
Non-current assets ratio	《%》	I / N	44.65	40.14	39.39	41.23	39.89
Fixed long-term conformity rate	《%》	I / (J - K + N)	41.74	37.83	37.38	38.94	37.91
Debt equity ratio	《Times》	L / N	-	-	-	-	-
Debt capacity ratio	《Times》	L / (Q + I)	-	-	-	-	-
Return on equity	《%》	G / (L + N)	- 1.29	5.73	0.98	1.73	14.18
[Efficiency]							
Net sales to total assets	《Times》	A / O	0.59	0.68	0.63	0.43	0.64
Equity turnover	《Times》	A / N	0.66	0.76	0.69	0.48	0.71
[Potential]							
Net sales growth rate	《%》		6.49	19.05	- 10.05	- 27.00	77.33
Operating profit growth rate	《%》		- 5.51	105.44	- 1,165.45	73.75	1,074.34
Ordinary profit growth rate	《%》		60.60	1,799.37	- 71.83	244.05	288.63
Net profit growth rate	《%》		77.24	555.59	- 83.07	85.91	877.84
Total assets growth rate	《%》		- 1.96	2.25	- 2.74	7.90	19.03
Shareholders' equity growth rate	《%》		- 1.81	2.91	- 1.45	5.52	19.61

Key management indicators

Non-consolidated

			Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	《Million yen》	A	39,791	48,254	43,488	31,601	56,527
Operating profit	《Million yen》	B	- 3,704	142	- 1,833	- 526	4,776
Non-operating profit and loss	《Million yen》	C	3,257	3,033	2,422	3,800	8,007
Ordinary profit	《Million yen》	D	- 446	3,175	587	3,272	12,783
Extraordinary gain or loss	《Million yen》	E	- 242	680	426	- 1,945	- 204
Profit before income taxes	《Million yen》	F	- 689	3,854	1,013	1,327	12,579
Profit	《Million yen》	G	- 1,003	3,611	775	1,064	11,159
Current assets	《Million yen》	H	40,781	44,681	44,534	47,437	57,413
Non-current assets	《Million yen》	I	15,513	13,495	11,760	14,492	18,383
Liabilities	《Million yen》	J	6,952	6,594	5,621	7,952	9,471
(Current liabilities)	《Million yen》	K	(3,186)	(3,368)	(2,895)	(4,488)	(5,390)
(Interest-bearing debt)	《Million yen》	L	—	—	—	—	—
Total shareholders' equity	《Million yen》	M	46,660	49,894	49,589	50,761	61,190
Total net assets	《Million yen》	N	49,342	51,583	50,672	53,978	66,325
Total assets	《Million yen》	O	56,295	58,177	56,294	61,930	75,797
Net cash	《Million yen》	P	22,015	21,677	16,207	21,033	25,759
Liquid assets	《Million yen》	Q	29,374	29,831	25,027	28,843	39,690
Total number of shares issued and outstanding	《Shares》	R	19,577,071	19,577,071	19,577,071	19,577,071	19,577,071
Closing market price	《Yen》	S	3,200	2,693	1,570	2,145	4,130
Market capitalization	《Million yen》	T = R × S	62,647	52,721	30,736	41,993	80,853
[Profitability]							
Operating profit to net sales	《%》	B / A	- 9.31	0.30	- 4.22	- 1.67	8.45
Ordinary profit to net sales	《%》	D / A	- 1.12	6.58	1.35	10.36	22.61
Net profit to net sales	《%》	G / A	- 2.52	7.48	1.78	3.37	19.74
Ordinary profit to total assets	《%》	D / O	- 0.79	5.46	1.04	5.28	16.86
Return on equity	《%》	<small>G / (Preceding term N + Current term N / 2)</small>	- 2.01	7.16	1.52	2.03	18.55
[Stability]							
Equity to total assets	《%》	N / O	87.65	88.67	90.01	87.16	87.50
Current assets ratio	《%》	H / K	1,279.96	1,326.57	1,538.31	1,056.94	1,065.13
Non-current assets ratio	《%》	I / M	33.25	27.05	23.72	28.55	30.04
Fixed long-term conformity rate	《%》	I / (J - K + N)	30.76	25.41	22.48	26.73	28.16
Debt equity ratio	《Times》	L / N	-	-	-	-	-
Debt capacity ratio	《Times》	L / (Q + I)	-	-	-	-	-
Return on equity (ROE)	《%》	G / (L + N)	- 0.02	0.07	0.02	0.02	0.18
[Efficiency]							
Net sales to total assets	《Times》	A / O	0.71	0.83	0.77	0.51	0.75
Equity turnover	《Times》	A / M	0.85	0.97	0.88	0.62	0.92
[Potential]							
Net sales growth rate	《%》		6.21	21.27	- 9.88	- 27.34	78.88
Operating profit growth rate	《%》		- 10.66	103.84	- 1,388.03	71.27	1,006.53
Ordinary profit growth rate	《%》		73.02	810.60	- 81.49	456.63	290.63
Net profit growth rate	《%》		78.01	459.97	- 78.53	37.23	948.67
Total assets growth rate	《%》		- 1.84	3.34	- 3.24	10.01	22.39
Shareholders' equity growth rate	《%》		- 2.13	6.93	- 0.61	2.36	20.55