



January 13, 2023

To whom it may concern,

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Representative Director
(Securities code: 5541
TSE Prime Market)
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Managing Executive Officer and
Director
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Notice Concerning the Molten Material Leakage Accident at an Electric Furnace (4th Report)

PACIFIC METALS CO., LTD. (the “Company”) hereby announces, with reference to the molten material leakage accident at an electric furnace of its Hachinohe Head Office/Manufacturing Works (Hachinohe City, Aomori Prefecture), which occurred on March 29 (Tuesday), 2022 at around 6:20 p.m., restoration status of the facilities and its estimated impact on the Company’s consolidated financial results for the fiscal year ending March 31, 2023.

1. Restoration status of the facilities

Regarding restoration of the electric furnace from which molten material leaked, restoration of the said electric furnace, which was expected to be in the third quarter of the fiscal year ending March 31, 2023, has been postponed until the fiscal year ending March 31, 2024. The decision was taken in view of the lengthy delivery period for parts and materials, which is more severe than anticipated, caused by the recent supply chain disruptions and other factors. The Company continues its volume controlling policy due to uncertainty over the business environment, and there is no change to our expectation that the said production facilities will resume operation in the fiscal year ending March 31, 2024. While closely monitoring the business environment, the Company will resume operation once the volume control policy is lifted.

2. Estimate of the impact on the Company’s financial results for the fiscal year ending March 31, 2023

Regarding production facilities, it is difficult to reasonably estimate the restoration cost and the amount of insurance payment at this point. In addition, the restoration cost and the amount of insurance payment may not be recorded at the same time in the fiscal year ending March 31, 2023, due to causes including the postponed restoration. Therefore, the Company will give a notice concerning the impact on its consolidated financial results for the fiscal year ending March 31, 2023 at a later date.