
PACIFIC METALS CO., LTD.
Fiscal Results Briefing Session for Fiscal Year
Ended March 31, 2023

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(* Amounts are rounded down to the nearest million yen.)

Operating results highlights

Consolidated

		Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Average LME	《\$/lb.》	5.85	6.35	6.80	9.35	11.63
Average foreign exchange TTS	《Yen/\$》	111.91	109.74	107.06	113.38	136.47
Product sales volume	《Ni t》	32,000	28,533	20,793	27,060	12,393
Product production volume	《Ni t》	33,506	30,885	18,414	26,249	13,380
Net sales	《Million yen》	49,062	44,133	32,217	57,129	34,852
Operating profit	《Million yen》	176	- 1,879	- 493	4,806	- 12,588
Ordinary profit	《Million yen》	3,451	972	3,344	12,999	- 4,960
Profit	《Million yen》	3,693	625	1,162	11,368	- 5,026
Capital investment	《Million yen》	276	530	1,249	686	1,201
Depreciation	《Million yen》	307	330	378	256	289
Research and development expenses	《Million yen》	142	190	234	276	360
Total assets	《Million yen》	71,933	69,960	75,484	89,852	78,825
Net assets	《Million yen》	64,439	63,506	67,014	80,153	72,034
Interest-bearing debt	《Million yen》	—	—	—	—	—
Short-term borrowings	《Million yen》	—	—	—	—	—
Long-term borrowings	《Million yen》	—	—	—	—	—
Return on assets (ROA)	《%》	5.14	0.89	1.54	12.65	- 6.38
Return on equity (ROE)	《%》	5.84	0.98	1.79	15.51	- 6.63
Number of employees	《People》	456	459	458	460	468

Non-consolidated

		Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	《Million yen》	48,254	43,488	31,601	56,527	34,095
Operating profit	《Million yen》	142	- 1,833	- 526	4,776	- 12,564
Ordinary profit	《Million yen》	3,175	587	3,272	12,783	- 7,261
Profit	《Million yen》	3,611	775	1,064	11,159	- 7,098
Capital investment	《Million yen》	226	471	1,235	651	1,171
Depreciation	《Million yen》	284	303	346	223	258
Research and development expenses	《Million yen》	142	190	234	276	360
Total assets	《Million yen》	58,177	56,294	61,930	75,797	61,689
Net assets	《Million yen》	51,583	50,672	53,978	66,325	55,411
Interest-bearing debt	《Million yen》	—	—	—	—	—
Short-term borrowings	《Million yen》	—	—	—	—	—
Long-term borrowings	《Million yen》	—	—	—	—	—
Return on assets (ROA)	《%》	6.21	1.38	1.72	14.72	- 11.51
Return on equity (ROE)	《%》	7.16	1.52	2.03	18.55	- 11.66
Number of employees	《People》	411	417	415	416	422

Balance Sheets

Consolidated

(Million yen)

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
(Assets)					
Current assets					
Cash and deposits	23,113	16,714	21,486	26,332	16,848
Notes and accounts receivable - trade	8,255	8,880	7,879	13,994	6,593
Securities	2,300	2,400	3,000	2,999	1,500
Inventories	10,516	13,986	12,283	11,690	14,402
Deferred tax assets	—	—	—	—	—
Other	1,882	2,962	3,206	2,867	4,904
Allowance for doubtful accounts	- 1	- 1	- 1	- 2	- 1
Total current assets	46,065	44,942	47,853	57,882	44,247
Non-current assets					
Property, plant and equipment					
Buildings and structures	3,836	3,047	2,758	2,592	2,424
Machinery, equipment and vehicles	167	490	69	115	852
Land	5,125	4,957	4,777	4,777	4,777
Construction in progress	0	62	0	207	260
Other	18	37	1	41	68
Total property, plant and equipment	9,146	8,596	7,606	7,734	8,383
Intangible assets	26	22	1	1	239
Investments and other assets					
Investment securities	16,607	16,303	19,594	23,903	25,518
Distressed receivables	0	0	0	0	0
Long-term prepaid expenses	1	11	345	248	151
Deferred tax assets	4	3	3	2	3
Other	85	84	85	84	284
Allowance for doubtful accounts	- 5	- 5	- 5	- 5	- 5
Total investments and other assets	16,694	16,398	20,023	24,234	25,954
Total non-current assets	25,867	25,018	27,631	31,970	34,577
Total assets	71,933	69,960	75,484	89,852	78,825

Balance Sheets

Consolidated

(Million yen)

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
(Liabilities)					
Current liabilities					
Notes and accounts payable - trade	1,101	1,014	1,575	1,341	760
Short-term borrowings	—	—	—	—	—
Income taxes payable	80	69	35	1,026	7
Accrued expenses	1,739	1,178	1,127	1,761	1,018
Provision for bonuses	231	237	258	444	95
Other	404	539	1,533	935	657
Total current liabilities	3,557	3,038	4,529	5,508	2,539
Non-current liabilities					
Long-term borrowings	—	—	—	—	—
Retirement benefit liability	925	805	571	122	50
Deferred tax liabilities	550	310	1,266	2,077	2,087
Deferred tax liabilities for land revaluation	743	745	654	631	631
Provision for loss contract	1,673	1,507	1,377	1,306	1,273
Other	43	46	71	51	209
Total non-current liabilities	3,936	3,414	3,941	4,190	4,252
Total liabilities	7,493	6,453	8,470	9,699	6,791
(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	47,129	46,677	47,950	58,590	50,540
Other	- 444	- 447	- 449	- 450	- 452
Total shareholders' equity	64,088	63,633	64,903	75,542	67,491
Valuation difference on available-for-sale securities	872	283	2,659	4,603	3,831
Deferred gains or losses on hedges	2	—	- 37	—	—
Revaluation reserve for land	847	852	644	593	593
Foreign currency translation adjustment	- 1,217	- 1,138	- 1,108	- 969	- 510
Remeasurements of defined benefit plans	- 386	- 383	- 325	95	340
Total accumulated other comprehensive income	117	- 386	1,833	4,323	4,254
Non-controlling interests	233	259	276	287	287
Total non-controlling interests	233	259	276	287	287
Total net assets	64,439	63,506	67,014	80,153	72,034
Total liabilities and net assets					
(Total liabilities, non-controlling interests and net assets)	71,933	69,960	75,484	89,852	78,825

Statements of Income

Consolidated

(Million yen)

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
Net sales	49,062	44,133	32,217	57,129	34,852
Cost of sales	45,958	42,968	30,056	48,962	45,144
Gross profit	3,104	1,164	2,160	8,167	- 10,292
Selling, general and administrative expenses	2,928	3,043	2,654	3,360	2,296
Operating profit	176	- 1,879	- 493	4,806	- 12,588
Non-operating income					
Interest income	4	4	5	8	13
Dividend income	241	82	274	418	459
Share of profit of entities accounted for using equity method	2,808	2,757	3,539	6,483	7,066
(Sowa Group)	28	400	442	396	497
(Rio Tuba)	1,015	517	1,117	2,233	2,426
(Taganito)	1,792	1,865	1,944	3,884	4,051
(Other adjustment accounts)	- 28	- 26	35	- 30	90
Other	459	360	404	1,550	263
Total non-operating income	3,513	3,205	4,224	8,461	7,803
Non-operating expenses					
Interest expenses	1	1	0	0	0
Other	236	352	385	268	175
Total non-operating expenses	238	353	385	268	175
Ordinary profit	3,451	972	3,344	12,999	- 4,960
Extraordinary income					
Gain on sale of non-current assets	1	0	1	0	0
Gain on sale of investment securities	785	—	—	192	386
Other	—	—	—	—	854
Total extraordinary income	787	0	1	192	1,241
Extraordinary losses					
Loss on retirement of non-current assets	16	32	47	78	115
Impairment losses	90	—	1,896	317	—
Other	76	2	1	—	452
Total extraordinary losses	184	35	1,946	396	567
Profit before income taxes	4,054	937	1,399	12,795	- 4,287
Income taxes - current	306	273	370	1,462	501
Income taxes - deferred	31	13	- 151	- 46	237
Profit attributable to non-controlling interests	22	25	17	10	0
Profit attributable to owners of parent	3,693	625	1,162	11,368	- 5,026

Balance Sheets

Non-consolidated

(Million yen)

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
(Assets)					
Current assets					
Cash and deposits	21,677	16,207	21,033	25,759	16,315
Notes and accounts receivable - trade	8,154	8,820	7,810	13,931	6,528
Securities	2,300	2,400	3,000	2,999	1,500
Inventories	10,595	14,114	12,361	11,822	14,442
Other	1,953	2,992	3,232	2,901	4,947
Allowance for doubtful accounts	- 0	- 0	- 0	- 0	- 0
Total current assets	44,681	44,534	47,437	57,413	43,733
Non-current assets					
Property, plant and equipment					
Buildings and structures	3,702	2,919	2,641	2,453	2,278
Machinery, equipment and vehicles	87	419	3	68	816
Land	5,103	4,957	4,777	4,777	4,777
Construction in progress	0	62	0	207	260
Other	17	35	0	39	64
Total property, plant and equipment	8,911	8,395	7,422	7,547	8,197
Intangible assets	24	20	0	0	239
Investments and other assets					
Investment securities	4,479	3,253	6,645	10,508	9,286
Long-term borrowings	-	-	-	-	0
Distressed receivables	0	0	0	0	0
Long-term prepaid expenses	1	11	345	248	151
Other	84	83	84	83	85
Allowance for doubtful accounts	- 5	- 5	- 5	- 5	- 5
Total investments and other assets	4,560	3,343	7,069	10,835	9,519
Total non-current assets	13,495	11,760	14,492	18,383	17,956
Total assets	58,177	56,294	61,930	75,797	61,689

Balance Sheets

Non-consolidated

(Million yen)

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
(Liabilities)					
Current liabilities					
Notes and accounts payable - trade	1,102	1,016	1,586	1,350	768
Short-term borrowings	—	—	—	—	—
Income taxes payable	52	54	23	1,011	—
Accrued expenses	1,725	1,147	1,128	1,734	976
Provision for bonuses	202	209	234	412	74
Other	285	467	1,514	882	638
Total current liabilities	3,368	2,895	4,488	5,390	2,458
Non-current liabilities					
Long-term borrowings	—	—	—	—	—
Retirement benefit liability	458	371	286	180	68
Deferred tax liabilities for land revaluation	743	745	654	631	631
Deferred tax liabilities	307	56	1,073	1,909	1,637
Provision for loss contract	1,673	1,507	1,377	1,306	1,273
Other	43	46	71	51	209
Total non-current liabilities	3,225	2,726	3,463	4,080	3,819
Total liabilities	6,594	5,621	7,952	9,471	6,278
(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	32,935	32,633	33,807	44,237	34,116
Treasury shares	- 444	- 447	- 449	- 450	- 452
Total shareholders' equity	49,894	49,589	50,761	61,190	51,066
Valuation, translation adjustments and others					
Valuation difference on available-for-sale securities	839	230	2,609	4,542	3,751
Deferred gains or losses on hedges	2	—	- 37	—	—
Revaluation reserve for land	847	852	644	593	593
Total valuation, translation adjustments and others	1,688	1,082	3,217	5,135	4,344
Total net assets	51,583	50,672	53,978	66,325	55,411
Total liabilities and net assets	58,177	56,294	61,930	75,797	61,689

Statements of Income

Non-consolidated

(Million yen)

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
Net sales	48,254	43,488	31,601	56,527	34,095
Cost of sales	45,224	42,338	29,504	48,416	44,427
Gross profit	3,029	1,150	2,096	8,110	- 10,331
Selling, general and administrative expenses	2,887	2,984	2,623	3,333	2,232
Operating profit	142	- 1,833	- 526	4,776	- 12,564
Non-operating income					
Interest income	6	4	5	8	13
Dividend income	2,800	2,427	3,794	6,734	5,214
Other	460	340	385	1,531	242
Total non-operating income	3,267	2,772	4,185	8,275	5,470
Non-operating expenses					
Interest expenses	1	1	0	0	0
Other	233	349	385	268	167
Total non-operating expenses	234	350	385	268	167
Ordinary profit	3,175	587	3,272	12,783	- 7,261
Extraordinary income					
Gain on sale of non-current assets	1	0	1	0	-
Gain on sale of investment securities	785	-	-	192	386
Other	-	460	-	-	852
Total extraordinary income	787	461	1	192	1,238
Extraordinary losses					
Loss on retirement of non-current assets	16	32	47	78	115
Impairment losses	90	-	1,896	317	-
Other	-	2	1	-	452
Total extraordinary losses	107	35	1,946	396	567
Profit before income taxes	3,854	1,013	1,327	12,579	- 6,590
Income taxes - current	250	236	354	1,442	491
Income taxes - deferred	- 7	1	- 90	- 22	17
Profit	3,611	775	1,064	11,159	- 7,098

Key management indicators

Consolidated

			Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	《Million yen》	A	49,062	44,133	32,217	57,129	34,852
Operating profit	《Million yen》	B	176	- 1,879	- 493	4,806	- 12,588
Non-operating profit and loss	《Million yen》	C	3,275	2,852	3,839	8,193	7,628
Ordinary profit	《Million yen》	D	3,451	972	3,344	12,999	- 4,960
Extraordinary gain or loss	《Million yen》	E	603	- 35	- 1,945	- 204	674
Profit before income taxes	《Million yen》	F	4,054	937	1,399	12,795	- 4,287
Profit attributable to owners of parent	《Million yen》	G	3,693	625	1,162	11,368	- 5,026
Current assets	《Million yen》	H	46,065	44,942	47,853	57,882	44,247
Non-current assets	《Million yen》	I	25,867	25,018	27,631	31,970	34,577
Liabilities	《Million yen》	J	7,493	6,453	8,470	9,699	6,791
(Current liabilities)	《Million yen》	K	(3,557)	(3,038)	(4,529)	(5,508)	(2,539)
(Interest-bearing debt)	《Million yen》	L	-	-	-	-	-
Total shareholders' equity	《Million yen》	M	64,088	63,633	64,903	75,542	67,491
Total net assets	《Million yen》	N	64,439	63,506	67,014	80,153	72,034
Total assets	《Million yen》	O	71,933	69,960	75,484	89,852	78,825
Net cash	《Million yen》	P	23,113	16,714	21,486	26,332	16,848
Liquid assets	《Million yen》	Q	31,368	25,594	29,365	40,326	23,441
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	2,693	1,570	2,145	4,130	1,930
Market capitalization	《Million yen》	T=R×S	52,721	30,736	41,993	80,853	37,784
[Profitability]							
Operating profit to net sales	《%》	B/A	0.36	- 4.26	- 1.53	8.41	- 36.12
Ordinary profit to net sales	《%》	D/A	7.04	2.20	10.38	22.75	- 14.23
Net profit to net sales	《%》	G/A	7.53	1.42	3.61	19.90	- 14.42
Ordinary profit to total assets	《%》	D/O	4.80	1.39	4.43	14.47	- 6.29
Return on equity (ROE)	《%》	<small>G / (Preceding term N + Current term N) / 2</small>	5.84	0.98	1.79	15.51	- 6.63
[Stability]							
Equity to total assets	《%》	N/O	89.58	90.78	88.78	89.21	91.38
Current assets ratio	《%》	H/K	1,294.90	1,478.86	1,056.48	1,050.71	1,742.41
Non-current assets ratio	《%》	I/N	40.14	39.39	41.23	39.89	48.00
Fixed long-term conformity rate	《%》	I/(J-K+N)	37.83	37.38	38.94	37.91	45.33
Debt equity ratio	《Times》	L/N	-	-	-	-	-
Debt capacity ratio	《Times》	L/(Q+I)	-	-	-	-	-
Return on invested capital	《%》	G/(L+N)	5.73	0.98	1.73	14.18	- 6.98
[Efficiency]							
Net sales to total assets	《Times》	A/O	0.68	0.63	0.43	0.64	0.44
Equity turnover	《Times》	A/N	0.76	0.69	0.48	0.71	0.48
[Potential]							
Net sales growth rate	《%》		19.05	- 10.05	- 27.00	77.33	- 38.99
Operating profit growth rate	《%》		105.44	- 1,165.45	73.75	1,074.34	- 361.88
Ordinary profit growth rate	《%》		1,799.37	- 71.83	244.05	288.63	- 138.16
Net profit growth rate	《%》		555.59	- 83.07	85.91	877.84	- 144.21
Total assets growth rate	《%》		2.25	- 2.74	7.90	19.03	- 12.27
Shareholders' equity growth rate	《%》		2.91	- 1.45	5.52	19.61	- 10.13

Key management indicators

Non-consolidated

			Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	《Million yen》	A	48,254	43,488	31,601	56,527	34,095
Operating profit	《Million yen》	B	142	- 1,833	- 526	4,776	- 12,564
Non-operating profit and loss	《Million yen》	C	3,033	2,422	3,800	8,007	5,303
Ordinary profit	《Million yen》	D	3,175	587	3,272	12,783	- 7,261
Extraordinary gain or loss	《Million yen》	E	680	426	- 1,945	- 204	671
Profit before income taxes	《Million yen》	F	3,854	1,013	1,327	12,579	- 6,590
Profit	《Million yen》	G	3,611	775	1,064	11,159	- 7,098
Current assets	《Million yen》	H	44,681	44,534	47,437	57,413	43,733
Non-current assets	《Million yen》	I	13,495	11,760	14,492	18,383	17,956
Liabilities	《Million yen》	J	6,594	5,621	7,952	9,471	6,278
(Current liabilities)	《Million yen》	K	(3,368)	(2,895)	(4,488)	(5,390)	(2,458)
(Interest-bearing debt)	《Million yen》	L	—	—	—	—	—
Total shareholders' equity	《Million yen》	M	49,894	49,589	50,761	61,190	51,066
Total net assets	《Million yen》	N	51,583	50,672	53,978	66,325	55,411
Total assets	《Million yen》	O	58,177	56,294	61,930	75,797	61,689
Net cash	《Million yen》	P	21,677	16,207	21,033	25,759	16,315
Liquid assets	《Million yen》	Q	29,831	25,027	28,843	39,690	22,843
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	2,693	1,570	2,145	4,130	1,930
Market capitalization	《Million yen》	T=R×S	52,721	30,736	41,993	80,853	37,784
[Profitability]							
Operating profit to net sales	《%》	B/A	0.30	- 4.22	- 1.67	8.45	- 36.85
Ordinary profit to net sales	《%》	D/A	6.58	1.35	10.36	22.61	- 21.30
Net profit to net sales	《%》	G/A	7.48	1.78	3.37	19.74	- 20.82
Ordinary profit to total assets	《%》	D/O	5.46	1.04	5.28	16.86	- 11.77
Return on equity (ROE)	《%》	$\frac{G}{(P + \frac{G}{2})}$	7.16	1.52	2.03	18.55	- 11.66
[Stability]							
Equity to total assets	《%》	N/O	88.67	90.01	87.16	87.50	89.82
Current assets ratio	《%》	H/K	1,326.57	1,538.31	1,056.94	1,065.13	1,779.01
Non-current assets ratio	《%》	I/M	27.05	23.72	28.55	30.04	35.16
Fixed long-term conformity rate	《%》	I/(J-K+N)	25.41	22.48	26.73	28.16	32.72
Debt equity ratio	《Times》	L/N	-	-	-	-	-
Debt capacity ratio	《Times》	L/(Q+I)	-	-	-	-	-
Return on invested capital	《%》	G/(L+N)	0.07	0.02	0.02	0.18	- 0.14
[Efficiency]							
Net sales to total assets	《Times》	A/O	0.83	0.77	0.51	0.75	0.55
Equity turnover	《Times》	A/M	0.97	0.88	0.62	0.92	0.67
[Potential]							
Net sales growth rate	《%》		21.27	- 9.88	- 27.34	78.88	- 39.68
Operating profit growth rate	《%》		103.84	- 1,388.03	71.27	1,006.53	- 363.03
Ordinary profit growth rate	《%》		810.60	- 81.49	456.63	290.63	- 156.80
Net profit growth rate	《%》		459.97	- 78.53	37.23	948.67	- 163.62
Total assets growth rate	《%》		3.34	- 3.24	10.01	22.39	- 18.61
Shareholders' equity growth rate	《%》		6.93	- 0.61	2.36	20.55	- 16.54