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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 9, 2025

Company name: PACIFIC METALS CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 5541  
 URL: <https://www.pacific-metals.co.jp/en/>  
 Representative: Masayuki Aoyama, President and Representative Director  
 Contact: Terunobu Matsuyama, Director and Managing Executive Officer  
 Phone: +81-3-3201-6681  
 Scheduled date of Annual General Shareholders Meeting: June 25, 2025  
 Scheduled date of filing securities report: June 25, 2025  
 Scheduled date of commencing dividend payments: June 5, 2025  
 Availability of supplementary briefing materials on financial results: Not available  
 Schedule of financial results briefing session: Scheduled (for analysts)

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2025	13,175	(15.1)	(7,368)	—	(1,622)	—	(1,667)	—
March 31, 2024	15,521	(55.5)	(9,114)	—	(2,119)	—	(1,074)	—

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥(1,387) million [–%]  
 Fiscal year ended March 31, 2024: ¥(2,972) million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	(85.52)	—	(2.4)	(2.2)	(55.9)
March 31, 2024	(55.10)	—	(1.5)	(2.8)	(58.7)

(Reference) Share of profit of entities accounted for using equity method:

Fiscal year ended March 31, 2025: ¥5,413 million

Fiscal year ended March 31, 2024: ¥6,053 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	71,795	67,656	93.9	3,455.68
As of March 31, 2024	73,790	69,060	93.2	3,527.21

(Reference) Equity: As of March 31, 2025: ¥67,389 million

As of March 31, 2024: ¥68,785 million

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	3,011	(153)	(7)	24,975
March 31, 2024	2,793	2,000	(5)	22,158

### 2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2024	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending	–	0.00	–	135.00	135.00	2,632	–	3.9
March 31, 2025								
Fiscal year ending	–	60.00	–	60.00	120.00		–	
March 31, 2026 (Forecast)								

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	4,600	(41.3)	(4,133)	–	(1,649)	–	(1,777)	–	(91.12)
Full year	9,058	(31.3)	(6,419)	–	(1,161)	–	(1,468)	–	(75.28)

**\* Notes:**

- (1) Significant changes in the scope of consolidation during the period: None  
 Newly included: – ( ), Excluded: – ( )
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement  
 1) Changes in accounting policies due to the revision of accounting standards: None  
 2) Changes in accounting policies other than 1) above: None  
 3) Changes in accounting estimates: None  
 4) Retrospective restatement: None
- (3) Total number of shares issued and outstanding (common stock)  
 1) Total number of shares issued and outstanding at the end of the period (including treasury shares):  
     March 31, 2025: 19,577,071 shares  
     March 31, 2024: 19,577,071 shares
- 2) Total number of treasury shares at the end of the period:  
     March 31, 2025: 75,958 shares  
     March 31, 2024: 75,605 shares
- 3) Average number of shares during the period:  
     Fiscal year ended March 31, 2025: 19,501,353 shares  
     Fiscal year ended March 31, 2024: 19,501,793 shares

(Reference) Outline of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	12,444	(15.6)	(7,291)	–	(2,983)	–	(3,001)	–
March 31, 2024	14,752	(56.7)	(9,051)	–	(4,231)	–	(3,000)	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	(153.89)	–
March 31, 2024	(153.88)	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	49,215	46,010	93.5	2,359.38
As of March 31, 2024	53,582	49,681	92.7	2,547.58

(Reference) Equity: As of March 31, 2025: ¥46,010 million

As of March 31, 2024: ¥49,681 million

(Reasons for differences between non-consolidated business results and actual results for the previous fiscal year)

There was general variability in capacity utilization rates of production facilities in the stainless steel industry, the primary source of demand for the nickel business. In addition, overseas producers of stainless steel are shifting some of their procurement to nickel pig iron, which has a price advantage even with the inclusion of production costs, which is affecting the selling price of the Company's products. For these reasons, with respect to ferronickel sales volume, the Company changed its policy to control volumes strategically at a certain level so as not to impair profitability. This resulted in a decline in net sales. Ordinary loss was recorded, although the extent of that loss

was reduced compared with the previous fiscal year due to a decline in cost of sales resulting from the reversal of inventory write down and to the recording of dividend income mainly from equity-method affiliates. Loss was also recorded.

\* These financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation on the proper use of financial results forecast and other notes  
(Cautionary statement regarding forward-looking statements)

The forward-looking statements including the financial results forecast contained herein are based on information currently available to the Company, as well as certain assumptions deemed reasonable by the Company. As such, the Company does not intend to guarantee the achievement of these forecasts. In addition, actual results may differ significantly from these forecasts due to various factors. For preconditions for the financial results forecast and precautions when using the financial results forecast, please see “(4) Future Outlook” under “1. Overview of Operating Results, etc.” on page 6.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2025, despite concerns about the impact of high prices on economic activities, the Japanese economy showed a gradual recovery trend amid remaining standstills in some aspects, as the employment situation, corporate earnings, and other factors generally improved.

As for overseas economies, although uncertainty was high due to the effects of the stagnant real estate market in China, high interest rates in the U.S. and Europe, and growing tensions in the Middle East region and Ukraine, the economy showed continued signs of recovery, supported by solid personal consumption, a favorable employment and income environment, and other factors.

Under these circumstances, in the stainless steel industry, the primary source of demand for the nickel business that accounts for the majority of the Group's net sales and profit and loss, in China, excess inventories resulting from continued high production levels, even amid sluggish domestic demand caused by falling construction demand due to the stagnant real estate market, were directed to exports, the effect of which was that capacity utilization rates of production facilities generally remained varied and lacked momentum.

Demand for ferronickel continued to slow down because, in addition to the environment described above, there has been a shift of some procurement to nickel pig iron, which has a price advantage, and also due to reviewing of stainless steel scrap blending ratios with carbon neutrality in mind.

On the procurement front, prices of nickel ore, the primary raw material for ferronickel products, have been high against the backdrop of robust demand for nickel ore. Moreover, prices for various raw materials and fuels remained high globally, which has kept production costs up.

Nickel prices on the London Metal Exchange (LME) were relatively volatile due to complex factors, including the slowdown of the Chinese economy, fluctuations in foreign exchange rates and financial and capital markets, increasing tensions in the Middle East and Ukraine, and concerns over nickel ore supply following the riots in New Caledonia.

In this situation, the Company's ferronickel sales volume decreased by 9.9% year on year, as the Company continued its policy with the objective of strategically controlling volume so as to secure a certain level of profitability, since the price of nickel pig iron, which has a price advantage mentioned above, is also affecting the selling price of the Company's products.

The ferronickel production volume decreased year on year due to the policy of controlling sales volume.

Regarding the selling price of ferronickel products, the LME nickel price applicable to the Company declined by 19.3% year on year, while the average exchange rate of the Japanese yen against the U.S. dollar applicable to the Company was 5.2% weaker year on year. Moreover, in addition to the market prices applicable to the Company, the Company also partly referred to the price of nickel pig iron, resulting in the lowering of the selling price of ferronickel products. Therefore, the selling environment continued to be challenging, with stagnant revenue growth due to lower selling prices compared to previous levels.

Despite this harsh business environment, the Company is striving to thoroughly focus on the profitability of orders, build a flexible production and sales system, and further improve operational efficiency to pursue cost minimization. In its efforts to restructure the profit base, the Company is currently developing businesses that will become the core of new business. In an initiative launched jointly with an overseas company, it is proceeding with a feasibility study with an eye on a business that produces metal materials for batteries and raw materials for steelmaking from submarine resources, and that project is in its final stages. Further, in a project being promoted mainly by companies in Aomori Prefecture, the Company has concluded comprehensive business partnership agreements to make maximum use of resources of the Company's plant for the commercialization of beryllium production and sales, and is currently building a demonstration plant. In addition, in initiatives related to LIB, for which market expansion is expected, the Company is actively promoting research and development. Aiming at an early launch of these new businesses, the Company has thus been continuously working on initiatives to boost business performance and stabilize profits, including carbon neutrality initiatives related to the reduction of GHG emissions.

As a result, net sales for the fiscal year under review decreased by 15.1% year on year to ¥13,175 million.

On the profit front, the Company posted an operating loss of ¥7,368 million (compared with an operating loss of ¥9,114 million for the previous fiscal year), despite a decrease in cost of sales resulting from the reversal of the write-down of inventories. Ordinary loss was ¥1,622 million (compared with an ordinary loss of ¥2,119 million for the same period of the previous fiscal year), including the recording of ¥5,413 million in share of profit of entities accounted for using equity method under non-operating income. Loss attributable to owners of parent was ¥1,667 million (compared with loss attributable to owners of parent of ¥1,074 million for the same period of the previous fiscal year).

Operating results by business segment are as follows.

(i) Nickel business

The operating results of the nickel business are described in “(1) Overview of Operating Results.”

As a result, net sales in this segment decreased by 16.0% year on year to ¥12,367 million with an operating loss of ¥7,282 million (compared with the operating loss of ¥9,082 million for the previous fiscal year).

(ii) Gas business

In the gas business, increased prices for raw materials and fuels, along with other factors, resulted in a loss despite stable operations as planned.

As a result, net sales in this segment decreased by 4.5% year on year to ¥774 million with an operating loss of ¥1 million (compared with the operating profit of ¥14 million for the previous fiscal year).

(iii) Other

The segment of other businesses recorded a loss, despite concluding sales contracts in the real estate business, because the sales failed to exceed costs such as maintenance expenses.

As a result, net sales in this segment increased by 79.8% year on year to ¥109 million with an operating loss of ¥93 million (compared with the operating loss of ¥26 million for the previous fiscal year).

A comparison of profit and loss and key indicators for the fiscal year under review with those for the previous fiscal year is as follows.

	Net sales	Operating loss	Ordinary loss	Loss attributable to owners of parent
Fiscal year ended March 31, 2025 (Million yen)	13,175	(7,368)	(1,622)	(1,667)
Fiscal year ended March 31, 2024 (Million yen)	15,521	(9,114)	(2,119)	(1,074)
Change (%)	(15.1)	–	–	–

	Sales volume (t)			Production volume (t)		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Fiscal year ended March 31, 2025	3,284	2,146	5,430	2,010	1,878	3,888
Fiscal year ended March 31, 2024	3,052	2,973	6,025	3,210	2,825	6,035

	Applicable LME nickel price (\$/lb)			Applicable exchange rate (¥/\$)		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Fiscal year ended March 31, 2025	8.05	7.32	7.76	153.32	149.85	151.94
Fiscal year ended March 31, 2024	10.78	8.42	9.62	140.18	148.85	144.46

## (2) Overview of Financial Position for the Fiscal Year under Review

Assets, liabilities, and net assets of the Group as of March 31, 2025 are as follows.

Total assets decreased by ¥1,994 million from the end of the previous fiscal year to ¥71,795 million.

Current assets decreased by ¥3,304 million from the end of the previous fiscal year, mainly due to a decrease in merchandise and finished goods resulting from decreased inventory volume and a decrease in raw materials and supplies, as well as other factors.

Non-current assets increased by ¥1,309 million from the end of the previous fiscal year, mainly due to an increase in investment securities resulting from the recording of share of profit of entities accounted for using equity method and other factors. Investment securities held by the Company amounting to ¥24,873 million consisted mainly of ¥21,299 million in the amount reflected in the consolidated balance sheet of shares of entities accounted for using equity method, ¥2,316 million in shares of subsidiaries and associates, and ¥849 million in shares of Nickel Asia Corporation, a holding company of the Company's equity-method affiliates listed on the Philippine Stock Exchange.

Total liabilities decreased by ¥591 million from the end of the previous fiscal year to ¥4,138 million.

Current liabilities decreased by ¥444 million from the end of the previous fiscal year primarily owing to a decrease in accounts payable - facilities, which is included in other, mainly due to their settlement, as well as notes and accounts payable – trade, in addition to other factors.

Non-current liabilities decreased by ¥146 million from the end of the previous fiscal year mainly due to a decrease in deferred tax liabilities resulting from a decrease in valuation difference on available-for-sale securities, and other factors.

Total net assets decreased by ¥1,403 million from the end of the previous fiscal year to ¥67,656 million.

Shareholders' equity decreased by ¥1,614 million resulting from the recording of loss, and other factors. Accumulated other comprehensive income increased by ¥218 million resulting mainly from an increase in foreign currency translation adjustment. Non-controlling interests decreased by ¥7 million.

### (3) Overview of Cash Flows for the Fiscal Year under Review

Net cash provided by operating activities amounted to ¥3,011 million, a ¥218 million increase in cash inflow compared with the previous fiscal year. Main items for cash inflow were decrease (increase) in inventories amounting to ¥3,880 million and interest and dividends received amounting to ¥4,156 million. Main items for cash outflow were loss before income taxes amounting to ¥1,245 million and share of profit of entities accounted for using equity method amounting to ¥5,413 million.

Net cash used in investing activities amounted to ¥153 million, an increase in cash outflow of ¥2,154 million compared with the previous fiscal year. The main item for cash inflow was proceeds from redemption of securities amounting to ¥300 million. The main item for cash outflow was purchase of property, plant and equipment amounting to ¥521 million.

Net cash used in financing activities amounted to ¥7 million, a ¥1 million increase in cash outflow compared with the previous fiscal year.

Net increase (decrease) in cash and cash equivalents was a decrease of ¥2,093 million compared with the figure for the previous fiscal year.

As a result, cash and cash equivalents at end of period amounted to ¥24,975 million, an increase of ¥2,816 million compared with the previous fiscal year.

The table below shows trends in cash flow indicators on a consolidated basis.

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	88.4	88.9	91.0	93.2	93.9
Equity ratio at market value (%)	55.4	89.6	47.7	36.1	46.4
Ratio of interest-bearing debt to cash flows (year)	0.0	0.0	–	0.0	0.0
Interest coverage ratio (times)	13,702.1	33,918.9	–	4,097.53	5,661.55

Equity ratio: Shareholders' equity / Total assets

Equity ratio at market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest expenses

- (Notes)
1. The consolidated financial figures constitute the basis for calculating these indicators.
  2. Market capitalization is calculated based on the number of shares issued and outstanding excluding treasury shares.
  3. The cash flows used for calculation are operating cash flows.
  4. Interest-bearing debt includes all debts recorded on the consolidated balance sheets on which interest is paid.
  5. Figures of the ratio of interest-bearing debt to cash flows and the interest coverage ratio for the fiscal year ended March 31, 2023 are not indicated because operating cash flows were negative.

#### (4) Future Outlook

With regard to the consolidated financial results forecast, the outlook remains highly uncertain due to the effects of the stagnant real estate market in China, high interest rates in the U.S. and Europe, growing tensions in the Middle East region and Ukraine, and the new U.S. tariff measures.

On the volume front of the Company's ferronickel products, the environment has remained largely unchanged, and, following on from the previous fiscal year, the Company has been continuing with the policy of volume control from a profitability perspective.

In terms of profit and loss, on the selling price front of ferronickel products, the Company also partly refers to the price of nickel pig iron in addition to the market prices applicable to the Company, so the revenue is restrained to a certain extent. On the procurement front, the prices of nickel ore, the primary raw material, and those of raw materials, fuel, and electricity remain high and are expected to significantly impact procurement prices.

In addition, regarding the U.S. tariff measures, due to the potential for wide-ranging impacts in Japan and overseas, there is concern about turmoil in the supply chain. Although the effect on consolidated results is expected to be limited, there is potential for the economic measures in each country to have significant impact on the Company's business on the demand and price fronts.

Although the circumstances remain severe, response measures to address such a business environment are consistent with activities to be undertaken under the basic policies that the Group has set forth in the Medium to Long-term Strategy PAMCOvision 2031 dated on April 25, 2025, and the Company will continue to strongly push forward with these measures.

The Group's financial results forecast is follows.

	Net sales	Operating loss	Ordinary loss	Loss attributable to owners of parent
Forecast for the fiscal year ending March 31, 2026 (Million yen)	9,058	(6,419)	(1,161)	(1,468)
Results for the fiscal year ended March 31, 2025 (Million yen)	13,175	(7,368)	(1,622)	(1,667)
Change (%)	(31.3)	-	-	-

[Reference] Results for the fiscal year ended March 31, 2025 and underlying assumptions for the forecast for the fiscal year ending March 31, 2026 are as follows.

	Sales volume (T/Y)			Production volume (T/Y)		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Forecast for the fiscal year ending March 31, 2026	1,888	1,847	3,735	1,870	1,865	3,735
Results for the fiscal year ended March 31, 2025	3,284	2,146	5,430	2,010	1,878	3,888

	Applicable LME nickel price (\$/lb)			Applicable exchange rate (¥/\$)		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Forecast for the fiscal year ending March 31, 2026	7.30	7.50	7.40	149.25	149.21	149.23
Results for the fiscal year ended March 31, 2025	8.05	7.32	7.76	153.32	149.85	151.94

## 2. Management Policy

### (1) Medium to Long-term Management Strategy of the Company

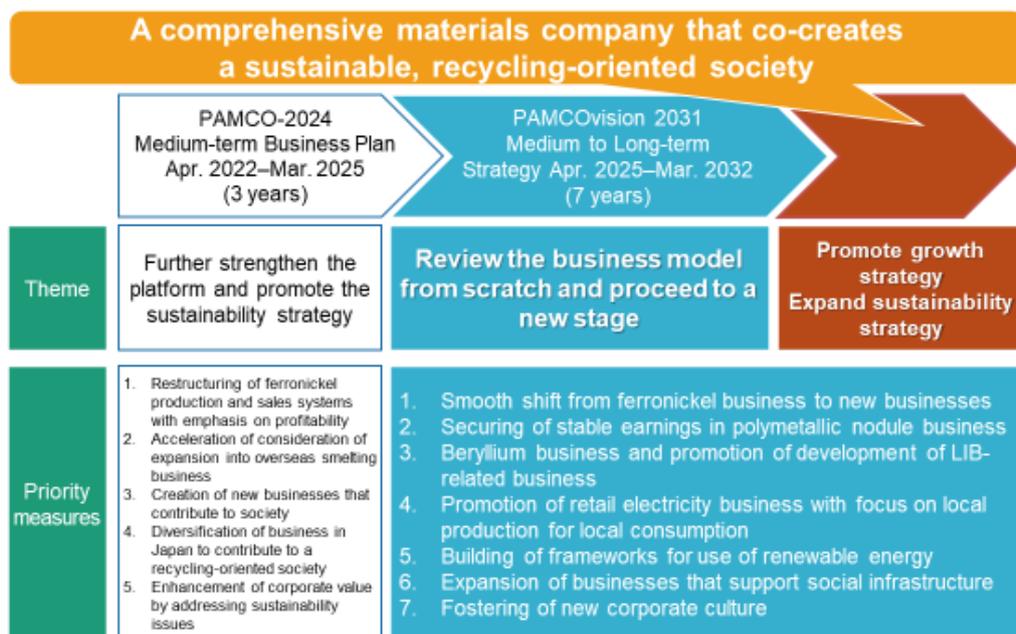
At a meeting of its Board of Directors held on April 25, 2025, the Group formulated PAMCOvision 2031 as a medium to long-term strategy covering the seven years from the fiscal year ending March 31, 2026 (FY2025) to the fiscal year ending March 31, 2032 (FY2031).

The environment surrounding the Group saw excessive competition due to the collapse of market prices and other factors caused by an oversupply of nickel pig iron by overseas producers. In addition, energy costs greatly increased due to high levels of raw materials and fuel prices. As a result, both sales and procurement conditions veered significantly from the assumptions underlying the Medium-term Business Plan PAMCO-2024.

Accordingly, the Group will review its business model from scratch and restructure its business portfolio with the aim of entering new business areas that will become new pillars for the Group, as well as address material sustainability issues. To achieve sustainable growth and enhance corporate value through these efforts, the Group will undertake further initiatives.

#### Overview of the PACIFIC METALS Medium to Long-term Strategy PAMCOvision 2031

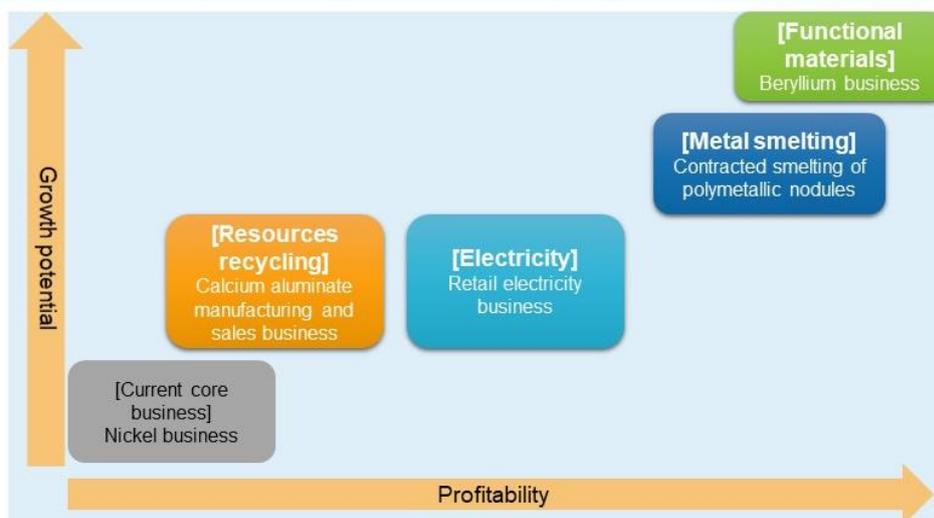
- (1) Period: Seven years from FY2025 to FY2031
- (2) Long-term vision: “A comprehensive materials company that co-creates a sustainable, recycling-oriented society”
- (3) Theme: “Review the business model from scratch and proceed to a new stage”
- (4) Positioning of Medium to Long-term Strategy



(5) Restructuring of business portfolio and management targets

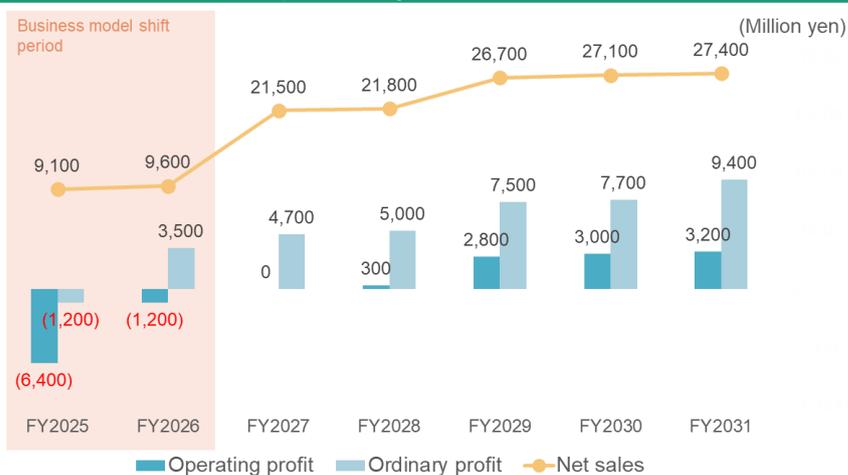
We will strive to diversify our business by entering new business areas where we have sown seeds to date.

**With metal smelting and functional materials as our core businesses, combine electricity and resources recycling businesses**



The improvement of the Group’s business results will be slow for a certain period from FY2025 to FY2026 due to the shift in business model, but we will strive to promptly break free from the recent downturn in performance.

**Although losses will be recorded for a time to maintain the energy-related foundation for resources refining, by expanding applications in nickel business and launching retail electricity business, aim to achieve operating profit and ensure stable profitability from FY2027**



### 3. Basic Policy on Selection of Accounting Standards

The Group intends to prepare consolidated financial statements in conformity with the generally accepted accounting principles in Japan (Japanese GAAP) for the time being, taking into consideration comparability of consolidated financial statements over time and comparability among companies.

With regard to adoption of the International Financial Reporting Standards (IFRS), the Group intends to make an appropriate response, taking into consideration situations in Japan and abroad.

## 4. Consolidated Financial Statements and Key Notes

### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	21,758	23,874
Accounts receivable - trade	5,001	3,281
Securities	2,199	2,600
Merchandise and finished goods	7,303	4,074
Work in process	257	263
Raw materials and supplies	3,521	2,864
Other	1,773	1,552
Allowance for doubtful accounts	(1)	(1)
Total current assets	41,814	38,510
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,295	16,303
Accumulated depreciation	(14,235)	(14,425)
Buildings and structures, net	2,059	1,877
Machinery, equipment and vehicles	56,525	52,686
Accumulated depreciation	(55,580)	(51,710)
Machinery, equipment and vehicles, net	945	976
Land	4,304	4,231
Other	563	672
Accumulated depreciation	(485)	(485)
Other, net	77	187
Total property, plant and equipment	7,388	7,273
Intangible assets	285	12
Investments and other assets		
Investment securities	23,687	24,873
Retirement benefit asset	476	770
Other	142	359
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	24,301	25,998
Total non-current assets	31,975	33,284
Total assets	73,790	71,795

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	234	112
Accrued expenses	892	712
Income taxes payable	47	55
Provision for bonuses	117	117
Provision of restoration cost	5	–
Other	376	232
Total current liabilities	1,674	1,230
Non-current liabilities		
Retirement benefit liability	59	68
Deferred tax liabilities	1,135	992
Deferred tax liabilities for land revaluation	547	539
Provision for environmental measures	2	2
Provision for loss contract	1,273	1,273
Provision of restoration cost	14	14
Other	23	18
Total non-current liabilities	3,055	2,908
Total liabilities	4,729	4,138
<b>Net assets</b>		
Shareholders' equity		
Share capital	13,922	13,922
Capital surplus	3,481	3,481
Retained earnings	49,658	48,044
Treasury shares	(452)	(453)
Total shareholders' equity	66,609	64,994
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,183	526
Deferred gains or losses on hedges	–	7
Revaluation reserve for land	400	331
Foreign currency translation adjustment	179	828
Remeasurements of defined benefit plans	412	700
Total accumulated other comprehensive income	2,176	2,395
Non-controlling interests	274	267
Total net assets	69,060	67,656
Total liabilities and net assets	73,790	71,795

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	15,521	13,175
Cost of sales	22,637	18,366
Gross loss	(7,115)	(5,191)
Selling, general and administrative expenses		
Selling expenses	344	304
General and administrative expenses	1,653	1,873
Total selling, general and administrative expenses	1,998	2,177
Operating loss	(9,114)	(7,368)
Non-operating income		
Interest income	24	43
Dividend income	229	121
Rental income from real estate	107	110
Share of profit of entities accounted for using equity method	6,053	5,413
Foreign exchange gains	696	86
Other	73	45
Total non-operating income	7,183	5,821
Non-operating expenses		
Interest expenses	0	0
Rental expenses on facilities	15	15
Loss on disposal of inventories	31	2
Commitment fees	27	27
Commission for syndicated loans	53	4
Foreign withholding tax	33	16
Other	26	7
Total non-operating expenses	188	75
Ordinary loss	(2,119)	(1,622)
Extraordinary income		
Gain on sale of non-current assets	7	5
Gain on sale of investment securities	2,638	128
Insurance claim income	–	459
Total extraordinary income	2,646	594
Extraordinary losses		
Impairment losses	977	133
Loss on retirement of non-current assets	160	81
Loss on sale of investment securities	–	2
Total extraordinary losses	1,137	217
Loss before income taxes	(611)	(1,245)
Income taxes - current	390	407
Income taxes - deferred	85	21
Total income taxes	476	429
Loss	(1,087)	(1,675)
Loss attributable to non-controlling interests	(13)	(7)
Loss attributable to owners of parent	(1,074)	(1,667)

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Loss	(1,087)	(1,675)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,728)	(653)
Remeasurements of defined benefit plans, net of tax	111	153
Share of other comprehensive income of entities accounted for using equity method	731	787
Total other comprehensive income	(1,885)	287
Comprehensive income	(2,972)	(1,387)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,959)	(1,380)
Comprehensive income attributable to non-controlling interests	(13)	(7)

## (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,922	3,481	50,540	(452)	67,491
Changes during period					
Loss attributable to owners of parent			(1,074)		(1,074)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(0)	0	0
Reversal of revaluation reserve for land			192		192
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(881)	(0)	(882)
Balance at end of period	13,922	3,481	49,658	(452)	66,609

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,831	–	593	(510)	340	4,254	287	72,034
Changes during period								
Loss attributable to owners of parent								(1,074)
Purchase of treasury shares								(0)
Disposal of treasury shares								0
Reversal of revaluation reserve for land								192
Net changes in items other than shareholders' equity	(2,647)	–	(192)	690	71	(2,077)	(13)	(2,091)
Total changes during period	(2,647)	–	(192)	690	71	(2,077)	(13)	(2,973)
Balance at end of period	1,183	–	400	179	412	2,176	274	69,060

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,922	3,481	49,658	(452)	66,609
Changes during period					
Loss attributable to owners of parent			(1,667)		(1,667)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(0)	0	0
Reversal of revaluation reserve for land			53		53
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(1,614)	(0)	(1,614)
Balance at end of period	13,922	3,481	48,044	(453)	64,994

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,183	-	400	179	412	2,176	274	69,060
Changes during period								
Loss attributable to owners of parent								(1,667)
Purchase of treasury shares								(0)
Disposal of treasury shares								0
Reversal of revaluation reserve for land								53
Net changes in items other than shareholders' equity	(656)	7	(69)	649	287	218	(7)	210
Total changes during period	(656)	7	(69)	649	287	218	(7)	(1,403)
Balance at end of period	526	7	331	828	700	2,395	267	67,656

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
<b>Cash flows from operating activities</b>		
Loss before income taxes	(611)	(1,245)
Depreciation	350	355
Impairment losses	977	133
Interest and dividend income	(253)	(164)
Share of loss (profit) of entities accounted for using equity method	(6,053)	(5,413)
Loss on retirement of property, plant and equipment	160	81
Insurance claim income	–	(459)
Loss (gain) on sale of investment securities	(2,638)	(126)
Decrease (increase) in trade receivables	1,592	1,719
Decrease (increase) in inventories	3,272	3,880
Decrease (increase) in advance payments to suppliers	29	–
Decrease (increase) in consumption taxes refund receivable	1,585	244
Increase (decrease) in trade payables	(525)	(122)
Increase (decrease) in accrued consumption taxes	(3)	33
Increase (decrease) in provision for bonuses	21	(0)
Increase (decrease) in provision of restoration cost	(167)	(5)
Increase (decrease) in accrued expenses	(126)	(179)
Increase (decrease) in retirement benefit liability	8	9
Decrease (increase) in retirement benefit asset	(88)	(293)
Decrease (increase) in long-term prepaid expenses	(0)	–
Other, net	1,040	348
Subtotal	(1,429)	(1,205)
Interest and dividends received	4,152	4,156
Interest paid	(0)	(0)
Proceeds from insurance income	–	459
Income taxes refund (paid)	71	(398)
Net cash provided by (used in) operating activities	2,793	3,011
<b>Cash flows from investing activities</b>		
Purchase of securities	(700)	–
Proceeds from sale of investment securities	3,412	183
Purchase of property, plant and equipment	(466)	(521)
Proceeds from redemption of securities	–	300
Purchase of intangible assets	(93)	(30)
Other, net	(152)	(83)
Net cash provided by (used in) investing activities	2,000	(153)
<b>Cash flows from financing activities</b>		
Dividends paid	(1)	(0)
Other, net	(4)	(6)
Net cash provided by (used in) financing activities	(5)	(7)
Effect of exchange rate change on cash and cash equivalents	121	(34)
Net increase (decrease) in cash and cash equivalents	4,909	2,816
Cash and cash equivalents at beginning of period	17,248	22,158
Cash and cash equivalents at end of period	22,158	24,975

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Company mainly produces and sells ferronickel products. For product production, a manufacturing division, which forms the basis of the product production system, is located at the Hachinohe Head Office, and for product sales, a sales division spanning the Hachinohe Head Office and the Tokyo Head Office is responsible for formulating comprehensive sales strategies and conducting business development in Japan and abroad.

In addition, gases used in the product manufacturing process at the Hachinohe Head Office are purchased from Pacific Gas Center Co., Ltd., which operates the gas business.

Therefore, the Company is composed of segments by product based on production and sales systems, with "nickel business" and "gas business" as reportable segments.

2. The method of calculating net sales, profit or loss, assets, liabilities, and other items by reportable segment

Inter-segment revenue and transfers are based on prevailing market prices.

3. Information on the amounts of net sales, profit or loss, assets and other items by reportable segments

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income (Note 3)
	Nickel business	Gas business	Total				
Net sales							
Net sales to outside customers	14,727	732	15,460	61	15,521	–	15,521
Intersegment sales or transfer	0	78	78	–	78	(78)	–
Total	14,727	811	15,538	61	15,600	(78)	15,521
Segment profit (loss)	(9,082)	(14)	(9,097)	(26)	(9,123)	9	(9,114)
Segment assets	72,304	574	72,879	986	73,865	(75)	73,790
Other items							
Depreciation and amortization	321	23	345	5	350	–	350
Impairment losses	977	–	977	–	977	–	977
Investment in entities accounted for using equity method	21,477	–	21,477	–	21,477	–	21,477
Increase in property, plant and equipment and intangible assets	314	16	331	–	331	–	331

Notes: 1. "Other" corresponds to business segments, etc. that are not included in the reportable

segments and comprises the real estate business.

2. Adjustments are as follows.

(1) Adjustment to segment loss of ¥9 million includes intersegment elimination of ¥9 million and other adjustments of ¥0 million.

(2) Adjustment of segment assets of ¥(75) million is intersegment elimination.

3. Segment loss is adjusted with operating loss in the consolidated statements of income.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income (Note 3)
	Nickel business	Gas business	Total				
Net sales							
Net sales to outside customers	12,367	698	13,066	109	13,175	–	13,175
Intersegment sales or transfer	0	76	76	–	76	(76)	–
<b>Total</b>	<b>12,367</b>	<b>774</b>	<b>13,142</b>	<b>109</b>	<b>13,252</b>	<b>(76)</b>	<b>13,175</b>
Segment profit loss	(7,282)	(1)	(7,284)	(93)	(7,378)	9	(7,368)
Segment assets	70,518	578	71,097	768	71,865	(69)	71,795
Other items							
Depreciation and amortization	323	27	350	4	355	–	355
Impairment loss	133	–	133	–	133	–	133
Investment in entities accounted for using equity method	23,627	–	23,627	–	23,627	–	23,627
Increase in property, plant and equipment and intangible assets	356	29	386	–	386	–	386

Notes: 1. “Other” corresponds to business segments, etc. that are not included in the reportable segments and comprises the real estate business.

2. Adjustments are as follows.

(1) Adjustment to segment loss of ¥9 million includes intersegment elimination of ¥9 million and other adjustments of ¥0 million.

(2) Adjustment of segment assets of ¥(69) million is intersegment elimination.

3. Segment loss is adjusted with operating loss in the consolidated statements of income.

4. Information on the amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment and information on breakdown of revenue

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment			Other (Note 1)	Total
	Nickel business	Gas business	Total		
Japan	13,514	732	14,247	61	14,308
Taiwan	1,288	–	1,288	–	1,288
China (Note 2)	(75)	–	(75)	–	(75)
Revenue from contracts with customers	14,727	732	15,460	61	15,521
Revenue from other sources	–	–	–	–	–
Net sales to outside customers	14,727	732	15,460	61	15,521

Notes: 1. “Other” corresponds to business segments, etc. that are not included in the reportable segments and comprises the real estate business.

2. Net sales in the fiscal year ended March 31, 2024 is due to changes to contract prices resulting from the fluctuation of LME nickel prices, etc.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

	Reportable segment			Other (Note 1)	Total
	Nickel business	Gas business	Total		
Japan	10,612	698	11,310	109	11,420
South Korea	469	–	469	–	469
Taiwan	1,285	–	1,285	–	1,285
Revenue from contracts with customers	12,367	698	13,066	109	13,175
Revenue from other sources	–	–	–	–	–
Net sales to outside customers	12,367	698	13,066	109	13,175

(Note) “Other” corresponds to business segments, etc. that are not included in the reportable segments and comprises the real estate business.

[Related information]

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Information by product/service

This information is omitted because the amount of net sales to outside customers in a single product/service category exceeds 90% of the amount of net sales in the consolidated statement of income.

2. Information by geographical area

(1) Net sales

(Million yen)

Japan	Taiwan	China (Note 2)	Total
14,308	1,288	(75)	15,521

- Notes:
1. Net sales are based on the location of customers and are classified by country or region.
  2. Net sales in the fiscal year ended March 31, 2024 is due to changes to contract prices resulting from the fluctuation of LME nickel prices, etc.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

(Million yen)

Customer name	Net sales	Related segment name
NIPPON STEEL Stainless Steel Corporation	12,011	Nickel business
WALSIN LIHWA CORPORATION	1,288	Nickel business

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information by product/service

This information is omitted because the amount of net sales to outside customers in a single product/service category exceeds 90% of the amount of net sales in the consolidated statement of income.

2. Information by geographical area

(1) Net sales

(Million yen)

Japan	Korea	Taiwan	Total
11,420	469	1,285	13,175

Note: Net sales are based on the location of customers and are classified by country or region.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds

90% of the amount of property, plant and equipment in the consolidated balance sheet.

### 3. Information by major customer

(Million yen)

Customer name	Net sales	Related segment name
NIPPON STEEL Stainless Steel Corporation	9,177	Nickel business
WALSIN LIHWA CORPORATION	1,285	Nickel business

[Information on loss on impairment of non-current assets]

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

	Reportable segment			Other	Corporate/ elimination	Total
	Nickel business	Gas business	Total			
Impairment loss	977	–	977	–	–	977

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment			Other	Corporate/ elimination	Total
	Nickel business	Gas business	Total			
Impairment loss	133	–	133	–	–	133

[Information on amortization of goodwill and unamortized balance by reportable segment]

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

[Information on gain on bargain purchase by reportable segment]

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥3,527.21	¥3,455.68
Basic loss per share	¥(55.10)	¥(85.52)

- Notes:
1. Diluted earnings per share is not presented for the current fiscal year because basic loss per share was recorded and there are no dilutive shares.
  2. The basis for calculation of net assets per share and the basis for calculation of basic loss per share are as follows.

Basis for calculation of net assets per share

	As of March 31, 2024	As of March 31, 2025
Total net assets in consolidated balance sheets (Million yen)	69,060	67,656
Amount deducted from total net assets (Million yen)	274	267
(of which non-controlling interests (Million yen))	(274)	(267)
Net assets at end of period attributable to shares of common stock (Million yen)	68,785	67,389
Number of shares of common stock at end of period used for calculation of net assets per share (Thousand shares)	19,501	19,501

Basis for calculation of basic loss per share

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Loss attributable to owners of parent (Million yen)	(1,074)	(1,667)
Amount not attributable to common shareholders (Million yen)	–	–
Loss attributable to owners of parent relating to shares of common stock (Million yen)	(1,074)	(1,667)
Average number of shares of common stock during period (Thousand shares)	19,501	19,501

(Significant subsequent events)

Not applicable.