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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]



August 7, 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: Kazuo Iwadate, President and Representative Director
 Contact: Terunobu Matsuyama, Director and Managing Executive Officer
 Phone: +81-3-3201-6681
 Scheduled date of commencing dividend payments: –
 Availability of supplementary briefing materials on financial results: Not available
 Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 – June 30, 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	%
Three months ended June 30, 2025	1,864	(45.9)	(3,067)	–	(2,222)	–	(2,232)	–
June 30, 2024	3,446	(18.3)	(962)	–	344	–	301	–

(Note) Comprehensive income: Three months ended June 30, 2025: ¥(2,829) million [–%]
 Three months ended June 30, 2024: ¥801 million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	(117.67)	–
June 30, 2024	15.48	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	62,627	58,552	93.1
As of March 31, 2025	71,795	67,656	93.9

(Reference) Equity: As of June 30, 2025: ¥58,285 million
 As of March 31, 2025: ¥67,389 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	0.00	—	135.00	135.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		60.00	—	60.00	120.00

(Note) Revision from the latest released dividends forecast: None

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	4,148	(47.1)	(4,434)	—	(2,039)	—	(2,187)	—	(125.83)
Full year	8,695	(34.0)	(6,604)	—	(1,428)	—	(1,636)	—	(94.13)

(Note) Revision from the latest released financial results forecast: Yes

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – (), Excluded: – ()

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) 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

(4) 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):

June 30, 2025: 19,577,071 shares

March 31, 2025: 19,577,071 shares

2) Total number of treasury shares at the end of the period:

June 30, 2025: 2,196,212 shares

March 31, 2025: 75,958 shares

3) Average number of shares during the period:

Three months ended June 30, 2025: 18,971,029 shares

Three months ended June 30, 2024: 19,501,464 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 “(3) Forward-looking Statements Including Consolidated Financial Results Forecast” under “1. Overview of Operating Results, etc.” on page 4.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

During the three months ended June 30, 2025 (the “period under review”), although concerns remained about the impact of rising prices on economic activities, the Japanese economy showed a gradual recovery trend, supported by an improving employment and income environment and an overall rebound in corporate earnings.

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 robust 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, Indonesia’s capacity utilization rates of production facilities slowed down slightly due to weak demand and uncertainty surrounding the U.S. trade policy. In China, the capacity utilization rates of production facilities have varied generally as a recovery in construction demand is not expected in its stagnant real estate market, although previously high production levels have been stabilized.

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 high.

Nickel prices on the London Metal Exchange (LME) fluctuated within a relatively small range due to complex factors, including the slowdown of the Chinese economy, fluctuations in foreign exchange rates and financial and capital markets, and increasing tensions in the Middle East and Ukraine.

In this situation, the Company’s ferronickel sales volume decreased by 47.2% 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 average exchange rate of the Japanese yen against the U.S. dollar applicable to the Company was 2.4% stronger year on year and the LME nickel price applicable to the Company declined by 10.3% 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 aimed at producing metal materials for batteries and raw materials for steelmaking from submarine resources, we are currently discussing next steps based on the findings of a joint feasibility study. 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 within its premises. As announced in the “Notice Concerning the Conclusion of a Capital and Business Alliance with MiRESSO Co., Ltd. and Subscription to Third-Party Allotment of Shares” dated August 7, 2025, the Company has concluded a capital and business alliance agreement for this project and is steadily working toward its realization. In an effort to expand into the electricity business

sector, the Company has also launched a retail electricity business targeting high- and extra-high-voltage electricity retailers, supplying high-value-added power generated from locally sourced renewable energy in collaboration with local electricity generation utilities. 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 period under review decreased by 45.9% year on year to ¥1,864 million. On the profit front, the Company posted an operating loss of ¥3,067 million (compared with an operating loss of ¥962 million for the same period of the previous fiscal year), owing to an increase in cost of sales resulting from the recording of the write-down of inventories. Ordinary loss was ¥2,222 million (compared with an ordinary profit of ¥344 million for the same period of the previous fiscal year), including the recording of ¥790 million in share of profit of entities accounted for using equity method under non-operating income. Loss attributable to owners of parent was ¥2,232 million (compared with profit attributable to owners of parent of ¥301 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 for the Period under Review.”

As a result, net sales in this segment decreased by 48.4% year on year to ¥1,694 million with an operating loss of ¥3,078 million (compared with an operating loss of ¥925 million for the same period of the previous fiscal year).

(ii) Gas business

In the gas business, operations remained stable as planned, which resulted in a profit.

As a result, net sales in this segment increased by 7.9% year on year to ¥188 million with an operating profit of ¥9 million (compared with an operating loss of ¥33 million for the same period of the previous fiscal year).

(iii) Other

The segment of other businesses recorded a loss, as no sales contracts were concluded in the real estate business and maintenance expenses and other costs were incurred.

As a result, the segment posted net sales of nil (compared with net sales of ¥7 million for the same period of the previous fiscal year) and an operating loss of ¥0 million (compared with an operating loss of ¥5 million for the same period of the previous fiscal year).

(2) Overview of Financial Position for the Period under Review

Assets, liabilities, and net assets of the Group as of June 30, 2025 are as follows.

Total assets decreased by ¥9,168 million from the end of the previous fiscal year to ¥62,627 million.

Current assets decreased by ¥9,340 million from the end of the previous fiscal year, mainly due to an increase in dividends paid and a decrease in cash and deposits following the purchase of treasury shares, as well as other factors.

Non-current assets increased by ¥172 million from the end of the previous fiscal year, mainly due to an increase in investment securities, driven primarily by the recording of share of profit of entities accounted for using equity method, and other factors. Investment securities held by the Company amounting to ¥25,036 million consisted mainly of ¥21,503 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 ¥873 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 ¥63 million from the end of the previous fiscal year to ¥4,074 million.

Current liabilities decreased by ¥99 million from the end of the previous fiscal year, primarily owing to a decrease in provision for bonuses and other factors, despite an increase in notes and accounts payable - trade.

Non-current liabilities increased by ¥35 million from the end of the previous fiscal year, mainly due to an increase in deferred tax liabilities resulting from an increase in retained earnings at overseas equity-method affiliates, and other factors.

Total net assets decreased by ¥9,104 million from the end of the previous fiscal year to ¥58,552 million.

Shareholders' equity decreased by ¥8,507 million resulting from the increase in dividends paid and the purchase of treasury shares, in addition to the recording of loss. Accumulated other comprehensive income decreased by ¥596 million resulting mainly from a decrease in foreign currency translation adjustment, and non-controlling interests increased by ¥0 million due to the recording of profit by subsidiaries.

(3) Forward-looking Statements Including Consolidated Financial Results Forecast

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 U.S. tariff measures.

On the volume front of the Company's ferronickel products, the Company expects the volume to be on par with the previously announced forecast, since the environment has remained largely unchanged, and 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 other areas, regarding the impact of the write-down of inventories, while the Company expects to record additional write-down of inventories for the first half, a reversal is expected to occur in the second half because of a reduction in the write-down amount. Therefore, the earnings trend is expected to differ for the first half and the second half.

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 a 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, and the Company will continue to strongly push forward with these measures.

Based on the above, the Company has revised its consolidated financial results forecast announced on May 9, 2025 as follows and also reviewed underlying assumptions.

<Reference>

[Revisions to financial results forecast]

Revisions to consolidated financial results forecast for the six months ending September 30, 2025 (April 1, 2025 through September 30, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A) (Announced on May 9, 2025)	Million yen 4,600	Million yen (4,133)	Million yen (1,649)	Million yen (1,777)	Yen (91.12)
Revised forecast (B)	4,148	(4,434)	(2,039)	(2,187)	(125.83)
Change (B-A)	(452)	(301)	(390)	(410)	
Change (%)	(9.8)	—	—	—	
(Reference) Actual results for the six months ended September 30, 2024	7,835	(4,468)	(2,316)	(1,877)	(96.26)

Revisions to consolidated financial results forecast for the fiscal year ending March 31, 2026 (April 1, 2025 through March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A) (Announced on May 9, 2025)	Million yen 9,058	Million yen (6,419)	Million yen (1,161)	Million yen (1,468)	Yen (75.28)
Revised forecast (B)	8,695	(6,604)	(1,428)	(1,636)	(94.13)
Change (B-A)	(363)	(185)	(267)	(168)	
Change (%)	(4.0)	—	—	—	
(Reference) Actual results for the previous fiscal year ended March 31, 2025	13,175	(7,368)	(1,622)	(1,667)	(85.52)

[Revisions to underlying assumptions]

	Sales volume (t)			Production volume (t)		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Previously announced forecast (Announced on May 9, 2025)	1,888	1,847	3,735	1,870	1,865	3,735
Revised forecast	1,734	2,001	3,735	1,830	1,865	3,695
(Reference) Actual results for the previous 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
Previously announced forecast (Announced on May 9, 2025)	7.30	7.50	7.40	149.25	149.21	149.23
Revised forecast	6.96	7.00	6.98	146.95	144.17	145.46
(Reference) Actual results for the previous fiscal year ended March 31, 2025	8.05	7.32	7.76	153.32	149.85	151.94

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	23,874	14,901
Accounts receivable - trade	3,281	2,384
Securities	2,600	2,600
Merchandise and finished goods	4,074	4,059
Work in process	263	248
Raw materials and supplies	2,864	3,247
Other	1,552	1,729
Allowance for doubtful accounts	(1)	(1)
Total current assets	38,510	29,170
Non-current assets		
Property, plant and equipment	7,273	7,285
Intangible assets	12	12
Investments and other assets		
Investment securities	24,873	25,036
Retirement benefit asset	770	783
Other	359	345
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	25,998	26,159
Total non-current assets	33,284	33,457
Total assets	71,795	62,627

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	112	185
Accrued expenses	712	666
Income taxes payable	55	26
Provision for bonuses	117	52
Other	232	200
Total current liabilities	1,230	1,131
Non-current liabilities		
Retirement benefit liability	68	70
Deferred tax liabilities	992	1,026
Deferred tax liabilities for land revaluation	539	539
Provision for environmental measures	2	2
Provision for loss contract	1,273	1,273
Provision of restoration cost	14	14
Other	18	17
Total non-current liabilities	2,908	2,943
Total liabilities	4,138	4,074
Net assets		
Shareholders' equity		
Share capital	13,922	13,922
Capital surplus	3,481	3,481
Retained earnings	48,044	43,179
Treasury shares	(453)	(4,095)
Total shareholders' equity	64,994	56,486
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	526	508
Deferred gains or losses on hedges	7	9
Revaluation reserve for land	331	331
Foreign currency translation adjustment	828	268
Remeasurements of defined benefit plans	700	681
Total accumulated other comprehensive income	2,395	1,798
Non-controlling interests	267	267
Total net assets	67,656	58,552
Total liabilities and net assets	71,795	62,627

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	3,446	1,864
Cost of sales	3,861	4,450
Gross loss	(415)	(2,586)
Selling, general and administrative expenses		
Selling expenses	87	36
General and administrative expenses	459	444
Total selling, general and administrative expenses	547	481
Operating loss	(962)	(3,067)
Non-operating income		
Interest income	8	20
Dividend income	73	9
Rental income from real estate	27	27
Share of profit of entities accounted for using equity method	852	790
Foreign exchange gains	356	-
Other	12	121
Total non-operating income	1,331	969
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	-	70
Loss on disposal of inventories	1	41
Commitment fees	7	-
Foreign withholding tax	9	0
Other	6	11
Total non-operating expenses	25	124
Ordinary profit (loss)	344	(2,222)
Extraordinary income		
Gain on sale of non-current assets	-	4
Gain on sale of investment securities	25	21
Total extraordinary income	25	26
Extraordinary losses		
Loss on retirement of non-current assets	0	1
Total extraordinary losses	0	1
Profit (loss) before income taxes	369	(2,197)
Income taxes - current	1	4
Income taxes - deferred	83	30
Total income taxes	84	34
Profit (loss)	285	(2,232)
Profit (loss) attributable to non-controlling interests	(16)	0
Profit (loss) attributable to owners of parent	301	(2,232)

Quarterly Consolidated Statements of Comprehensive Income
Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit (loss)	285	(2,232)
Other comprehensive income		
Valuation difference on available-for-sale securities	(103)	(15)
Remeasurements of defined benefit plans, net of tax	(3)	(8)
Share of other comprehensive income of entities accounted for using equity method	623	(572)
Total other comprehensive income	516	(596)
Comprehensive income	801	(2,829)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	818	(2,829)
Comprehensive income attributable to non-controlling interests	(16)	0

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on segment information, etc.)

I For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Nickel business	Gas business	Total				
Net sales							
Net sales to outside customers	3,283	155	3,438	7	3,446	—	3,446
Intersegment sales or transfer	—	19	19	—	19	(19)	—
Total	3,283	174	3,457	7	3,465	(19)	3,446
Segment loss	(925)	(33)	(959)	(5)	(964)	2	(962)

Notes: 1. “Other” corresponds to the real estate business not included in the reportable segments.

2. Adjustment to segment loss of ¥2 million includes intersegment elimination of ¥2 million and other adjustments of ¥0 million.

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

2. Information on impairment losses of non-current assets or goodwill by reportable segment

Not applicable.

II For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Nickel business	Gas business	Total				
Net sales							
Net sales to outside customers	1,694	169	1,864	—	1,864	—	1,864
Intersegment sales or transfer	—	18	18	—	18	(18)	—
Total	1,694	188	1,883	—	1,883	(18)	1,864
Segment profit (loss)	(3,078)	9	(3,068)	(0)	(3,069)	2	(3,067)

Notes: 1. “Other” corresponds to the real estate business not included in the reportable segments.

2. Adjustment to segment profit (loss) of ¥2 million includes intersegment elimination of ¥2 million and other adjustments of ¥0 million.

3. Segment profit (loss) is adjusted with operating loss in the quarterly consolidated statements of income.

2. Information on impairment losses of non-current assets or goodwill by reportable segment

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Based on the resolution at the meeting of its Board of Directors held on June 13, 2025, the Company acquired 2,120,200 treasury shares. As a result, treasury shares increased by ¥3,642 million for the period under review, reaching ¥4,095 million as of June 30, 2025.

(Notes on going concern assumption)

Not applicable.

(Notes on statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the period under review. The depreciation and amortization (including amortization of intangible assets) for the period under review is as follows:

	(Million yen)	
	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation and amortization	86	95