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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]



November 11, 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
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 Scheduled date to file semi-annual securities report: November 11, 2025
 Scheduled date of commencing dividend payments: December 3, 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 Six Months Ended September 30, 2025 (April 1, 2025 – September 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	%
Six months ended September 30, 2025	4,463	(43.0)	(4,042)	—	(1,086)	—	(1,095)	—
September 30, 2024	7,835	(3.1)	(4,468)	—	(2,316)	—	(1,877)	—

(Note) Comprehensive income: Six months ended September 30, 2025: ¥(1,696) million [–%]

Six months ended September 30, 2024: ¥(1,495) million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	(59.91)	—
September 30, 2024	(96.26)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2025	63,830	59,696	93.1
As of March 31, 2025	71,795	67,656	93.9

(Reference) Equity: As of September 30, 2025: ¥59,445 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	—	60.00			
Fiscal year ending March 31, 2026 (Forecast)			—	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
Full year	8,532	(35.2)	(6,494)	—	(1,840)	—	(1,880)	—	(108.12)

(Note) Revision from the latest released financial results forecast: None

*** 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 semi-annual 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):

September 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:

September 30, 2025:	2,188,556 shares
March 31, 2025:	75,958 shares
 - 3) Average number of shares during the period:

Six months ended September 30, 2025:	18,292,828 shares
Six months ended September 30, 2024:	19,501,436 shares

* Semi-annual financial results are outside the scope of review 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 “(3) Forward-looking Statements Including Consolidated Financial Results Forecast” under “1. Overview of Operating Results, etc.” on page 4.

Table of Contents – Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Period under Review	2
(2) Overview of Financial Position for the Period under Review	3
(3) Forward-looking Statements Including Consolidated Financial Results Forecast	4
2. Semi-annual Consolidated Financial Statements and Key Notes	6
(1) Semi-annual Consolidated Balance Sheets	6
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income.....	8
Semi-annual Consolidated Statements of Income	8
Semi-annual Consolidated Statements of Comprehensive Income	9
(3) Notes to Semi-annual Consolidated Financial Statements	10
(Notes on going concern assumption).....	10
(Notes on significant changes in the amount of shareholders' equity)	10

1. Overview of Operating Results, etc.

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

During the six months ended September 30, 2025 (the “period under review”), although concerns remained about the impact of rising prices on economic activities and there are signs that improvement in corporate earnings have stalled, the Japanese economy showed a gradual recovery trend, supported by overall improvements in the employment environment and personal consumption.

As for overseas economies, uncertainty was high due to the effects of the stagnant real estate market in China, high interest rates in the U.S. and Europe, the impact of U.S. trade policies, and growing tensions in the Middle East region and Ukraine, the pace of economic recovery has slowed.

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, high production levels continued in China, even without prospects for recovery in construction demand due to its stagnant real estate market. In Indonesia, where production volumes have grown sharply in recent years, capacity utilization rates of facilities have varied generally, including from the temporary impact of the uncertainty of U.S. trade policies.

Demand for ferronickel continued to slow down because, in addition to the environment described above, there has been a shift of 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 42.4% 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 3.6% stronger year on year and the LME nickel price applicable to the Company declined by 13.6% 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 terms of initiatives currently under deliberation, in an initiative aimed at producing metal materials for batteries and raw materials for steelmaking from submarine resources, we are closely examining commissioned smelting costs and the investment schedule based on the findings of a joint feasibility study, and the Company is exchanging opinions with relevant parties in Japan and overseas for the broader expansion of this initiative. In the beryllium production and sales project being promoted mainly by companies in Aomori Prefecture, the Company is proceeding with the construction of a demonstration plant within its premises and, having concluded a capital and business alliance agreement with the relevant company in the period under review, it will now accelerate the project to realize its commercialization. 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 43.0% year on year to ¥4,463 million. On the profit front, the Company posted an operating loss of ¥4,042 million (compared with an operating loss of ¥4,468 million for the same period of the previous fiscal year), owing to a decrease in cost of sales, despite the recording of the write-down of inventories. Ordinary loss was ¥1,086 million (compared with an ordinary loss of ¥2,316 million for the same period of the previous fiscal year), including the recording of ¥2,867 million in share of profit of entities accounted for using equity method under non-operating income. Loss attributable to owners of parent was ¥1,095 million (compared with loss attributable to owners of parent of ¥1,877 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 45.5% year on year to ¥4,083 million with an operating loss of ¥4,017 million (compared with an operating loss of ¥4,395 million for the same period of the previous fiscal year).

(ii) Gas business

In the gas business, although operations remained stable, the recording of costs accompanying equipment repairs and other factors resulted in a loss. As a result, net sales in this segment increased by 10.9% year on year to ¥407 million with an operating loss of ¥10 million (compared with an operating loss of ¥71 million for the same period of the previous fiscal year).

(iii) Other

The segment of other businesses recorded a loss, as, although sales contracts were concluded in the real estate business, their sales results failed to exceed real estate maintenance expenses and other costs incurred. As a result, the segment posted net sales of ¥9 million (compared with net sales of ¥7 million for the same period of the previous fiscal year) and an operating loss of ¥18 million (compared with an operating loss of ¥6 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 September 30, 2025 are as follows.

Total assets decreased by ¥7,964 million from the end of the previous fiscal year to ¥63,830 million.

Current assets decreased by ¥9,190 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 ¥1,225 million from the end of the previous fiscal year, mainly due to an increase in investment securities resulting from the conclusion of a capital and business alliance agreement and the subscription to a third-party allotment of shares related to new projects, as well as other factors. Investment securities held by the Company amounting to ¥26,061 million consisted mainly of ¥20,733 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 ¥1,286 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 ¥4 million from the end of the previous fiscal year to ¥4,133 million.

Current liabilities decreased by ¥18 million from the end of the previous fiscal year, primarily owing to

decreases in notes and accounts payable – trade, and accrued expenses, and other factors.

Non-current liabilities increased by ¥14 million from the end of the previous fiscal year, mainly due to an increase in deferred tax liabilities resulting from an increase in valuation difference on available-for-sale securities, and other factors.

Total net assets decreased by ¥7,960 million from the end of the previous fiscal year to ¥59,696 million.

Shareholders' equity decreased by ¥7,358 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 ¥586 million resulting mainly from a decrease in foreign currency translation adjustment, and non-controlling interests decreased by ¥15 million.

(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 a slight decrease from 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 non-operating income, the Company has revised the expected compensation due to partial adjustments made to the timing of entry into the power supply-demand adjustment market, which controls distributed energy resources to function like power plants.

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 as follows and also reviewed underlying assumptions, as described in the "Notice Concerning Recording of Cost of Sales (Reversal of Write-down of Inventories), Recording of Non-operating Income (Share of Profit of Entities Accounted for Using Equity Method), and Revisions to Financial Results Forecast" of October 31, 2025.

<Reference>

[Revisions to financial results forecast]

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 August 7, 2025)	Million yen 8,695	Million yen (6,604)	Million yen (1,428)	Million yen (1,636)	Yen (94.13)
Revised forecast (B)	8,532	(6,494)	(1,840)	(1,880)	(108.12)
Change (B-A)	(163)	110	(412)	(244)	
Change (%)	(1.9)	—	—	—	
(Reference) Actual results for the previous fiscal year ended March 31, 2025	13,175	(7,368)	(1,622)	(1,677)	(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 August 7, 2025)	1,734	2,001	3,735	1,830	1,865	3,695
Revised forecast	1,890	1,739	3,629	1,787	1,842	3,629
(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 August 7, 2025)	6.96	7.00	6.98	146.95	144.17	145.46
Revised forecast	6.95	6.93	6.94	147.83	144.41	146.19
(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. Semi-annual Consolidated Financial Statements and Key Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	23,874	15,558
Accounts receivable - trade	3,281	3,051
Securities	2,600	2,100
Merchandise and finished goods	4,074	3,642
Work in process	263	252
Raw materials and supplies	2,864	3,020
Other	1,552	1,695
Allowance for doubtful accounts	(1)	(1)
Total current assets	38,510	29,320
Non-current assets		
Property, plant and equipment	7,273	7,317
Intangible assets	12	13
Investments and other assets		
Investment securities	24,873	26,061
Retirement benefit asset	770	795
Other	359	327
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	25,998	27,179
Total non-current assets	33,284	34,510
Total assets	71,795	63,830

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	112	80
Accrued expenses	712	678
Income taxes payable	55	46
Provision for bonuses	117	116
Other	232	287
Total current liabilities	1,230	1,211
Non-current liabilities		
Retirement benefit liability	68	71
Deferred tax liabilities	992	1,003
Deferred tax liabilities for land revaluation	539	539
Provision for environmental measures	2	3
Provision for loss contract	1,273	1,273
Provision of restoration cost	14	14
Other	18	16
Total non-current liabilities	2,908	2,922
Total liabilities	4,138	4,133
Net assets		
Shareholders' equity		
Share capital	13,922	13,922
Capital surplus	3,481	3,481
Retained earnings	48,044	44,314
Treasury shares	(453)	(4,081)
Total shareholders' equity	64,994	57,636
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	526	714
Deferred gains or losses on hedges	7	18
Revaluation reserve for land	331	330
Foreign currency translation adjustment	828	79
Remeasurements of defined benefit plans	700	666
Total accumulated other comprehensive income	2,395	1,808
Non-controlling interests	267	251
Total net assets	67,656	59,696
Total liabilities and net assets	71,795	63,830

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	7,835	4,463
Cost of sales	11,186	7,602
Gross loss	(3,351)	(3,139)
Selling, general and administrative expenses		
Selling expenses	189	86
General and administrative expenses	928	816
Total selling, general and administrative expenses	1,117	902
Operating loss	(4,468)	(4,042)
Non-operating income		
Interest income	18	35
Dividend income	73	9
Rental income from real estate	55	54
Share of profit of entities accounted for using equity method	2,244	2,867
Other	23	125
Total non-operating income	2,415	3,092
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	222	59
Loss on disposal of inventories	0	41
Other	41	35
Total non-operating expenses	263	136
Ordinary loss	(2,316)	(1,086)
Extraordinary income		
Gain on sale of non-current assets	0	4
Gain on sale of investment securities	128	175
Insurance claim income	459	-
Total extraordinary income	588	179
Extraordinary losses		
Impairment losses	-	4
Loss on retirement of non-current assets	7	6
Total extraordinary losses	7	10
Loss before income taxes	(1,735)	(916)
Income taxes - current	163	271
Income taxes - deferred	14	(76)
Total income taxes	177	194
Loss	(1,913)	(1,111)
Loss attributable to non-controlling interests	(36)	(15)
Loss attributable to owners of parent	(1,877)	(1,095)

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Loss	(1,913)	(1,111)
Other comprehensive income		
Valuation difference on available-for-sale securities	(309)	181
Remeasurements of defined benefit plans, net of tax	(6)	(17)
Share of other comprehensive income of entities accounted for using equity method	733	(748)
Total other comprehensive income	418	(585)
Comprehensive income	(1,495)	(1,696)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,459)	(1,681)
Comprehensive income attributable to non-controlling interests	(36)	(15)

(3) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

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, and based on the resolution at the meeting of its Board of Directors held on June 25, 2025, it disposed of 7,795 treasury shares as restricted stock compensation. As a result, treasury shares increased by ¥3,628 million for the period under review, reaching ¥4,081 million as of September 30, 2025.