



Integrated Report

2025

Outline and Vision

Company Philosophy

Leverage the power of people to deliver the earth's resources in more useful forms and contribute to the happiness of humankind

Company Policy

- 1 Integrate the management strategies of the entire Group to maximize the synergy effects of each Group company.
- 2 Focus on the development and quality improvement of world-class smelting technology, and establish the world-leading platform for management efficiency and competitiveness.
- 3 Promote compliance.
- 4 Secure appropriate profits through fair, transparent and free competition.
- 5 Actively tackle all environmental problems to protect the irreplaceable earth.
- 6 To develop the individuality of employees and fully demonstrate their creativity, pursue a sense of comfort and affluence both physically and mentally, and realize a rewarding workplace.
- 7 Promote wide-ranging exchanges with society and actively disclose fair corporate information.



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Long-term Vision

A comprehensive materials company that co-creates a sustainable, recycling-oriented society



Editing policy

This report covers our performance during the target period and our initiatives for the medium-term business plan, and explains our approach to sustainability linking financial and non-financial information. By doing so, we aim to make this report a tool for our shareholders, investors, and all other stakeholders to better understand the Company and deepen dialogue with us.

Scope of report

PACIFIC METALS CO., LTD. (Domestic Offices)

*The activities of some affiliate companies are included.

Reporting period

FY2024 (April 1, 2024 to March 31, 2025)

*Some activities outside the reporting period included.

Month of issue

November 2025

Reference guidelines

"Guidance for Collaborative Value Creation" by Ministry of Economy, Trade and Industry
 "Environmental Reporting Guidelines (Fiscal Year 2018 Version)" by Ministry of the Environment
 Global Reporting Initiative (GRI) Standards

Disclaimer

The contents of this report refer not only to past events, but also cover future plans and forecasts at the time of publication. Please note that actual future activities and results may differ from those described herein.

Message From the President

We will utilize our on-site capabilities to realize a business model shift and contribute to society as a comprehensive materials company

Kazuo Iwadate

President and Representative Director



Objectives of the Medium to Long-term Strategy PAMCOvision 2031

I was appointed President and Representative Director of the Company in June 2025. The Company was founded in 1949 as a producer of pig iron from iron sand. Five years later, we began manufacturing ferronickel, currently our main product, the production of which we have continued for over seventy years. Since joining the Company in 1985, I have been primarily in charge of the Production Division, and have built my career alongside the development of the Company's ferronickel business. However, due to the global upsurge in energy prices and the emergence of cheap nickel pig iron produced by companies with Chinese capital, the profit structure of the ferronickel business has become unsustainable. We regard very seriously the harsh reality of posting losses for three consecutive fiscal years through the fiscal year ended March 31, 2025. In order to review the business model from scratch and proceed to a new stage, we launched the seven year Medium to Long-term Strategy PAMCOvision 2031 (Medium to Long-term Strategy) as of April 2025, and have begun reforms under a new management structure in which the number of Directors has been reduced by three.

Specializing in ferronickel, in what could be described as a "single-legged" business, inevitably means we remain in

an unstable financial situation; therefore, the diversification of our business is the biggest challenge facing the Company. I believe that my greatest mission is to ensure that we steadily achieve the business model shift by promoting business diversification in the four areas outlined in our Medium to Long-term Strategy, and to lay the foundations during these seven years for full-scale growth in the next medium-term business plan.

Specifically, the four areas are as follows: (1) metal smelting from ore, which the Company has developed over the years. In this area, we are considering the matte raw materials business as a short-term initiative, and the polymetallic nodule business as a medium- to long-term business pillar. Furthermore, we will promote: (2) the retail electricity business for high-voltage and extra-high-voltage businesses in the electricity field; (3) the beryllium business in the functional materials field; and (4) the calcium aluminate manufacturing and sales business in the resources recycling field. Details of each business will be provided later, but all of these businesses will utilize our strengths, and are new businesses for which we have sown seeds and been working on over the past few years. Going forward, I believe that we can lead these new businesses to success by

responding flexibly to changes in the environment and demonstrating our ability to further transform.

Furthermore, our vision is to become "a comprehensive materials company that co-creates a sustainable, recycling-oriented society," and we have formulated a seven-year medium to long-term strategy by working back from our future vision to plan the path we should take. In the long

term, we expect the polymetallic nodule business and the beryllium business to become earnings pillars. However, as both will require a certain amount of time until their commercialization, we aim to achieve operating profit from the fiscal year ending March 31, 2028 by prioritizing the launch and monetization of other new businesses.

Diversifying business by leveraging our strengths

The following is a detailed explanation of the new businesses in each of the four areas. The Company's strengths are, of course, its technology and expertise in metal smelting, but our ability to operate plants stably and maintain continuous operations is also a point of differentiation, and these advantages are highly valued by our partners in the new businesses.

Metal smelting: A polymetallic nodule business

The aim of the matte raw materials business is to expand the use of nickel. In our Medium to Long-term Strategy, we have announced that we will reduce the scale of or withdraw from our mainstay ferronickel business for stainless steel raw materials when the timing is appropriate. Nickel for matte raw materials can be produced using the same production lines as used for ferronickel for stainless steel raw materials; the desulfurization process can be omitted; and there are few restrictions on impurities compared to stainless steel raw materials, which allows for cost reductions. In addition, matte raw materials are also used in batteries for electric vehicles, and strong demand is expected in the future as society moves toward carbon neutrality.

Metal smelting: A polymetallic nodule business

In recent years, concerns have arisen over the depletion of terrestrial resources, and expectations for seabed resources are rising globally. In response to this, the Company has been conducting test smelting of polymetallic nodules (manganese nodules), a seabed resource, since 2022. In the past, seabed resources were thought to be difficult to commercialize due to their lower nickel content compared to terrestrial resources. However, as terrestrial resources have become depleted, their nickel content has fallen to comparable levels. As a result, polymetallic nodules, which contain not only nickel but also copper, cobalt, and manganese, are increasingly regarded as promising raw materials for batteries and other applications. We have the smelting technology to enable the stable extraction of metals from ore, and will basically utilize our current production lines for the smelting of polymetallic nodules. In February 2025, the Company conducted the 14-day continuous smelting of polymetallic nodules using an electric furnace at our plant, marking the world's first successful continuous smelting test of polymetallic nodules on a commercial scale.





Currently, global regulations regarding the extraction of seabed resources are under consideration, and commercial operations are expected to become possible by 2028-2029. We aim for the smelting of 1.3 million tons of polymetallic nodules annually, and have already completed a feasibility study and begun preparations to modify the production line at our Hachinohe Plant with a view to commercialization.

Electricity: A retail electricity business for high-voltage and extra-high-voltage businesses

The Company has used a significant amount of electricity in the production of ferronickel. In particular, smelting in electric furnaces consumes a large amount of electricity. As part of our cost-reduction efforts, however, we have optimized power usage by combining self-generated electricity with grid power from Tohoku Electric Power, depending on the time of day. As energy prices continue to surge, reducing electricity costs is an issue for many companies. The Company registered as a retail electricity business operator in March 2024, and by utilizing our expertise as an electricity consumer, we have proposed optimization to high-voltage and extra-high-voltage businesses in the Hachinohe region, entered into electricity sales contracts, and started supplying electricity.

In addition, in collaboration with Aomori Kenmin Energy Co., Ltd., we began utilizing electricity, including the renewable energy value, from wind power plants in the Tsugaru region of Aomori Prefecture as of April 2025. This is a scheme to realize the local production and consumption

of renewable energy in the region. Going forward, we will expand our collaboration with Aomori Kenmin Energy in the sales business, including renewable energy electricity, within Aomori Prefecture, including Hachinohe City.

Functional materials: A beryllium business targeting the nuclear fusion power generation and existing beryllium alloy markets

Beryllium is an essential metal that functions as a neutron multiplier in the operation of nuclear fusion power generation, and demand is expected to expand in the future. MiRESSO Co., Ltd. (head office: Misawa City, Aomori Prefecture) is a startup certified by the National Institutes for Quantum Science and Technology. The company has been developing a business for the manufacture and sale of beryllium for nuclear fusion power generation using new low-temperature purification technology that enables more cost-effective manufacturing. The Company concluded a comprehensive business cooperation agreement with MiRESSO in October 2024, and a capital and business alliance agreement in July 2025. We are currently developing a pilot plant for beryllium production within our Hachinohe Plant in preparation for the stable, full-scale mass production of beryllium in the future. Nuclear fusion power generation is expected to be socially implemented from the fiscal year ending March 31, 2036 onward. Going forward, however, we will invest in MiRESSO's business with a plan to start beryllium production in FY2027 and recover our investment by the fiscal year ending March 31, 2036.

Furthermore, alloying beryllium with copper increases strength while maintaining the high electrical conductivity of copper. As a result, demand is expected to grow for electronic appliances, including those for electric vehicles, and we will therefore also focus on the sale of beryllium alloys.

Resources recycling: A calcium aluminate manufacturing and sales business

Calcium aluminate is produced from raw materials recycled from catalysts used in petroleum refining. In recent years, against the backdrop of the transition to a low-carbon society, the shift from blast furnaces to electric arc furnaces is progressing, leading to an expansion in demand for calcium aluminate, which is necessary for removing impurities from electric arc furnace steel. We have launched a full-scale calcium aluminate manufacturing and sales business in order to add value to recycled raw materials by leveraging the technologies we have cultivated to date. In association with this, we will collaborate with AMITA HOLDINGS CO., LTD., with which we have a long-standing capital and business alliance, to collect calcium aluminate raw materials and expand our sales destinations, including electric arc furnace steel producers.

Leverage the power of people, provide the resources needed by the times, and contribute to society

As I explained above, in order to achieve an early return to profitability during the business model shift and rebuild the nickel business, we plan to allocate approximately 42.0 billion yen in operating cash flow over the seven-year period of the Medium to Long-term Strategy, with approximately 23.0 billion yen for growth investments and approximately 19.0 billion yen for shareholder returns. The breakdown of growth investments is estimated to be approximately 16.0 billion yen for the renewal of aging infrastructure, including the cost of modifying polymetallic nodules, and investment in new business foundations, and approximately 7.0 billion yen for investment in the beryllium business, etc. Meanwhile, in order to optimize the balance between growth investments and shareholder returns, we aim for a dividend on equity (DOE) of 4% and stable dividends that are not affected by fluctuations in annual profits. Through these efforts, we aim to achieve a PBR of 1 or more at an early stage.

Furthermore, in order to contribute to the creation of a sustainable society, we recognize that important sustainability issues include climate change countermeasures aimed at achieving carbon neutrality, enhancing investment in human capital with an emphasis on diversity, co-existence with local communities and society, and promoting constructive dialogue with stakeholders. At the same time, the business model shift remains the Company's highest priority, and we will focus on issues with greater priority in light of our new business portfolio.

Until now, I have been working on production reforms and efficiency improvements at manufacturing sites, but going forward, I recognize that my role as the Company's top executive is to optimize the company as a whole. To achieve this, it is important that the management team does not advance unilaterally; above all, we must place the utmost importance on "on-site capabilities." Over the past few years, production volumes at our manufacturing sites have been deliberately reduced. Although our production lines are capable of producing approximately 32,000 tons of nickel, the current production volume is still only about one tenth of that amount. I am more aware than anyone that those working at manufacturing sites, who

witness these conditions firsthand, have felt considerable anxiety and endured extremely difficult times. When I was approached about assuming the position of president, I felt that I had no choice but to accept the position as someone who knows the operations firsthand. With the future direction outlined in the Medium to Long-term Strategy and the commencement of trial operations for new businesses, I believe that employees are finally starting to see a glimmer of hope. In order to further demonstrate our on-site capabilities in the future, it is essential that all executives and employees are aligned in the same direction, and I believe that communication with employees is necessary to achieve this. Therefore, since being appointed president, I continue to visit the Hachinohe site as often as possible. Furthermore, to enable our current employees to maximize their capabilities, I am also considering organizational restructuring, including greater utilization of younger employees.

As I mentioned at the outset, the Company has specialized in the ferronickel business for many years. However, in response to the changing times, we have evolved from producing pig iron from iron sand at the time of our founding to manufacturing ferroalloys such as ferronickel and manganese, while also processing by-products such as slag into insulation materials, abrasives, fine aggregate for concrete, and other products that we provide to society. Our Company Philosophy is to "Leverage the power of people to deliver the earth's resources in more useful forms and contribute to the happiness of humankind." The underlying spirit of this philosophy will not change even with our business model shift. We will continue to evolve as "a comprehensive materials company that co-creates a sustainable, recycling-oriented society" and work to enhance our corporate value. I hope that all our stakeholders will continue to have high expectations for the Company in the future and maintain their support.



Communicating with employees
In-person patrol

Business Growth at PACIFIC METALS and the History of Our Environmental Activities

1970-	1980-	1990-	2000-	2010-	2020-
<p>1970</p> <ul style="list-style-type: none"> The Company absorbed Pacific Nickel Co., Ltd. through merger and changed its name to PACIFIC METALS CO., LTD. and established a foundation as the top manufacturer of ferronickel.  <p>40,000 KVA closed nickel furnace (Hachinohe 45.9)</p> <ul style="list-style-type: none"> Opened Philippines Office. 	<p>1980</p> <ul style="list-style-type: none"> Acquired industrial waste disposal business permit. <p>1983</p> <ul style="list-style-type: none"> Separated and transferred Iwase Plant to Pacific Rundum Co., Ltd., along with its abrasives business operation.  <p>No.2 Mannesmann curved continuous casting machine (Hachinohe 56.10)</p> <p>1984</p> <ul style="list-style-type: none"> Separated and transferred Naoetsu, Toyama and Narashino Plants to Pacific Special Alloy Castings Co., Ltd., Pacific Steel Mfg. Co., Ltd. and Pacific Machinery & Engineering Co., Ltd., respectively, along with its casting, forging and machinery business operations. 	<p>1995</p> <ul style="list-style-type: none"> Installed a 60,000 kVA electric furnace. Three electric furnaces system established at Hachinohe Works. <p>1996</p> <ul style="list-style-type: none"> Completion of Kawaragi Wharf No.2 at Hachinohe Harbor (public). <p>1997</p> <ul style="list-style-type: none"> Completed installation of raw material transport conveyor line (Kawaragi). 	<p>2000</p> <ul style="list-style-type: none"> Registered as environmental measurement certification business. <p>2003</p> <ul style="list-style-type: none"> Construction completed "Incinerated ash and scallop shell recycling facility" for recycling business. <p>2005</p> <ul style="list-style-type: none"> Achieved 1 million tons of ferronickel production. <p>2006</p> <ul style="list-style-type: none"> Completed a recycling facility for molten fly ash for recycling business.  <p>Installed wastewater treatment system (compliance with agreement).</p>	<p>2010</p> <ul style="list-style-type: none"> Installed a dust monitor in the ore yard. Launched webpage for waste disposal status. <p>2011</p> <ul style="list-style-type: none"> Installed monitoring cameras for drainage and chimneys (drainage and dust control). <p>2012</p> <ul style="list-style-type: none"> Acquired OHSAS 18001:2007. <p>2013</p> <ul style="list-style-type: none"> Installed wastewater treatment system (compliance with agreement). <p>2014</p> <ul style="list-style-type: none"> Started operation of Integrated Management System. <p>2015</p> <ul style="list-style-type: none"> Established Basic Policy on Corporate Governance. <p>2016</p> <ul style="list-style-type: none"> Formulated a new "company philosophy" and "long-term vision." <p>2017</p> <ul style="list-style-type: none"> Awarded "Excellent Workplace" from the Aomori Industrial Waste Association. <p>2018</p> <ul style="list-style-type: none"> Received the "Mottainai Aomori Award" on the 10th Anniversary of the Mottainai Aomori Prefectural Movement Promotion Council. 	<p>2020</p> <ul style="list-style-type: none"> Obtained certification of a specially controlled industrial waste disposal operator "Excellence." <p>2021</p> <ul style="list-style-type: none"> Transitioned to ISO 45001: 2018. Signed a capital and business alliance agreement with AMITA HOLDINGS CO., LTD. to strengthen and enhance our resource recycling business and environmental recycling business. <p>2022</p> <ul style="list-style-type: none"> Transitioned to Prime Market of Tokyo Stock Exchange. <p>2023</p> <ul style="list-style-type: none"> Endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Developed a manufacturing process of raw materials for lithium-ion battery materials, utilizing emulsion flow. <p>2024</p> <ul style="list-style-type: none"> Registered as a retail electricity business operator with the METI Agency for Natural Resources and Energy. Signed a comprehensive business cooperation agreement with MiRESSO Co., Ltd. Signed a Memorandum of Understanding with Aomori Kenmin Energy Co., Ltd. regarding the procurement and sale of electricity. <p>2025</p> <ul style="list-style-type: none"> Started electricity supply in the retail electricity business. Signed a capital and business alliance agreement with MiRESSO Co., Ltd.
<p>1972</p> <ul style="list-style-type: none"> Concluded a technological support agreement with Indonesian company PT Aneka Tambang for construction of a ferronickel smelting plant (Antam Plan). <p>1973</p> <ul style="list-style-type: none"> Acquired an equity stake in Rio Tuba Nickel Mining Corporation of the Philippines and started to involve development of nickel mines. <p>1975</p> <ul style="list-style-type: none"> Telemeter system Installed SOx monitoring equipment (compliance with agreement) <p>1979</p> <ul style="list-style-type: none"> Completed construction of Niigata Plant and departments of electromagnetic materials and activated carbon of Shibata Plant moved to Niigata Plant. <p> Indicates environmental initiatives</p>	<p>1985</p> <ul style="list-style-type: none"> The name Hachinohe Plant was renamed to Hachinohe Works. <p>1988</p> <ul style="list-style-type: none"> Developed a nickel mine by taking an equity stake in Taganito Mining Corporation in the Philippines. <p>1998</p> <ul style="list-style-type: none"> Acquired ISO9002. <p>1999</p> <ul style="list-style-type: none"> Transferred headquarter functions to Hachinohe to become a specialized manufacturer for ferronickel. 	<p>1997</p> <ul style="list-style-type: none"> Established Pacific Energy Center Co., Ltd. (power supply from 2000 to 2015) <p>2008</p> <ul style="list-style-type: none"> Opened Jakarta Office. <p>2009</p> <ul style="list-style-type: none"> Acquired ISO 14001:2004. 			

1970-	1980-	1990-	2000-	2010-	2020-
<p>Established a foundation as a top ferronickel manufacturer</p> <p>In 1949, the Company was founded as Nisso Steel Co., Ltd., and following the establishment of Pacific Nickel Co., Ltd. in 1959, in 1970 the Company absorbed Pacific Nickel and changed its name to PACIFIC METALS CO., LTD. In 1973, we started developing nickel mines. We have established a stable supply of raw materials and a high-quality production system.</p> <p>Pollution countermeasures and regulations have been strengthened due to factors such as the spread of pollution-related diseases, so we have also accelerated the promotion of environmentally friendly business activities, such as concluding pollution prevention agreements.</p>	<p>Spun off affiliated companies and formed the Pacific Group</p> <p>In 1983, the Company separated and transferred its Iwase Plant to Pacific Rundum Co., Ltd., and in 1984, separated and transferred Naoetsu, Toyama and Narashino Plants to Pacific Special Alloy Castings Co., Ltd., Pacific Steel Mfg. Co., Ltd. and Pacific Machinery & Engineering Co., Ltd., respectively. Consequently, this formed the network of the Pacific Group.</p> <p>At that time, waste disposal in Japan was increasingly becoming an issue garnering attention as waste volume was surging due to growing consumption and expanded production activities. This was when the Company acquired the industrial waste disposal business permit.</p>	<p>Established the three electric furnaces system.</p> <p>Transformed to become a specialized manufacturer of ferronickel.</p> <p>With the installment of the third ferronickel smelting electric furnace at Hachinohe Works in 1995, the Company established its three electric furnaces system. Subsequently, in 1999, we transferred headquarters functions to Hachinohe, transforming ourselves to become a specialized manufacturer of ferronickel. In addition, in 1997 we established Pacific Energy Center Co., Ltd. to specialize in the wholesale supply of electric power to electric utility companies by leveraging the technology for the in-house power generation system developed by the Company.</p>	<p>Promoting the recycling business to contribute to the creation of a recycling-oriented society</p> <p>Having accumulated a track record of accomplishments as a top manufacturer of ferronickel, in 2005 we reached production volume of 1 million tons. Moreover, as waste disposal and recycling measures for the development of a recycling-oriented society escalated in importance, in 2003 we completed construction of a "recycling facility for incinerated ash and scallop shell" and similarly in 2006, completed a "recycling facility for molten fly ash" among other efforts to promote our recycling business.</p>	<p>Initiatives for ESG management based on a new company philosophy and vision</p> <p>Awareness of ESG has risen worldwide, and we addressed social issues and worked on the development of corporate governance while strengthening our environmentally friendly business activities to realize ESG management.</p> <p>Then in 2016, we formulated a new "company philosophy" and "long-term vision" in order to achieve sustained growth and a sustainable society from a medium- to long-term perspective.</p>	<p>Aiming to realize a sustainable society</p> <p>Now, when the whole world is working on climate change countermeasures, we are also promoting the use of carbon-free energy and other environmentally friendly manufacturing technologies and methods, as well as expanding sales of eco products.</p> <p>We will continue to contribute to the realization of a sustainable society by responding to all environmental risks and promoting initiatives to achieve carbon neutrality by FY2050.</p>

As one of the world's top ferronickel manufacturers, Pacific Metals sells ferronickel not only to Japan but the rest of the world as well, and has grown with the nickel business at our core. In recent years, we have also expanded into new business areas, embarking on challenges with the aim of becoming "a comprehensive materials company that co-creates a sustainable, recycling-oriented society."

Nickel business

Ferronickel is an alloy of iron and nickel, which is the main raw material for stainless steel. Our strengths are in our production capacity made possible with some of the world's largest electric furnaces, our connections with mining companies supporting that production, and our sales network that supports overseas expansion. By combining these strengths, we realized the production and supply of high-quality, stable products that are valued around the world. Pacific Metals is Japan's leading company in terms of ferronickel production volume, and our ferronickel is put to use in lifestyle equipment and helps to enrich people's lives in invisible ways.

From procurement of ferronickel raw materials to product sales



All Slag Generated in the Ferronickel Manufacturing Process Is Recycled

Ferronickel slag is a by-product of the ferronickel smelting process. Molten slag is poured into cooling pits, where it is cooled by atmospheric cooling and moderate sprinkling with water, to turn it into a solid, rock-like state. This rock-like slag is crushed and mechanically stabilized before being recycled. This resource is attracting attention as an environmentally friendly recycled material.



Strength 1 World-class smelting technology

Our proprietary smelting technology has enabled us to produce high-quality ferronickel that is highly acclaimed around the world. Thanks to our long-standing track record, we also possess technologies and expertise that take environmental impact into consideration.



Strength 2 Hachinohe Works achieving highly efficient production

The Company's Hachinohe Works is equipped with three of the world's largest electric furnaces, enabling efficient production. In addition, the Works is located at Hachinohe Harbor, which is a cornerstone of the coastal industrial zone facing the Pacific Ocean, enabling raw materials and products to be transported with less energy and at low cost.



Strength 3 Close relationships with mining companies and regional businesses

The Company has been developing resources in collaboration with overseas companies. In addition, in Aomori Prefecture, where our head office is located, we are leveraging our local connections to work with regional businesses on social contributions and business development.



The Challenges of Business Diversification

We are diversifying our business and restructuring our business portfolio by leveraging the strengths we have cultivated in the nickel business and entering new business areas where we have sown seeds to date.

Metal smelting

A world-leading polymetallic nodule metal smelting business utilizing underwater sources [P.15](#)

- Considering a polymetallic nodule toll smelting business as a new core business
- Successfully conducted a polymetallic nodule smelting test at commercial-scale facilities

Electricity

A retail electricity business for high-voltage and extra-high-voltage businesses [P.16](#)

- Collaborating with local power generation businesses to supply high value-added, locally sourced renewable energy

Functional materials

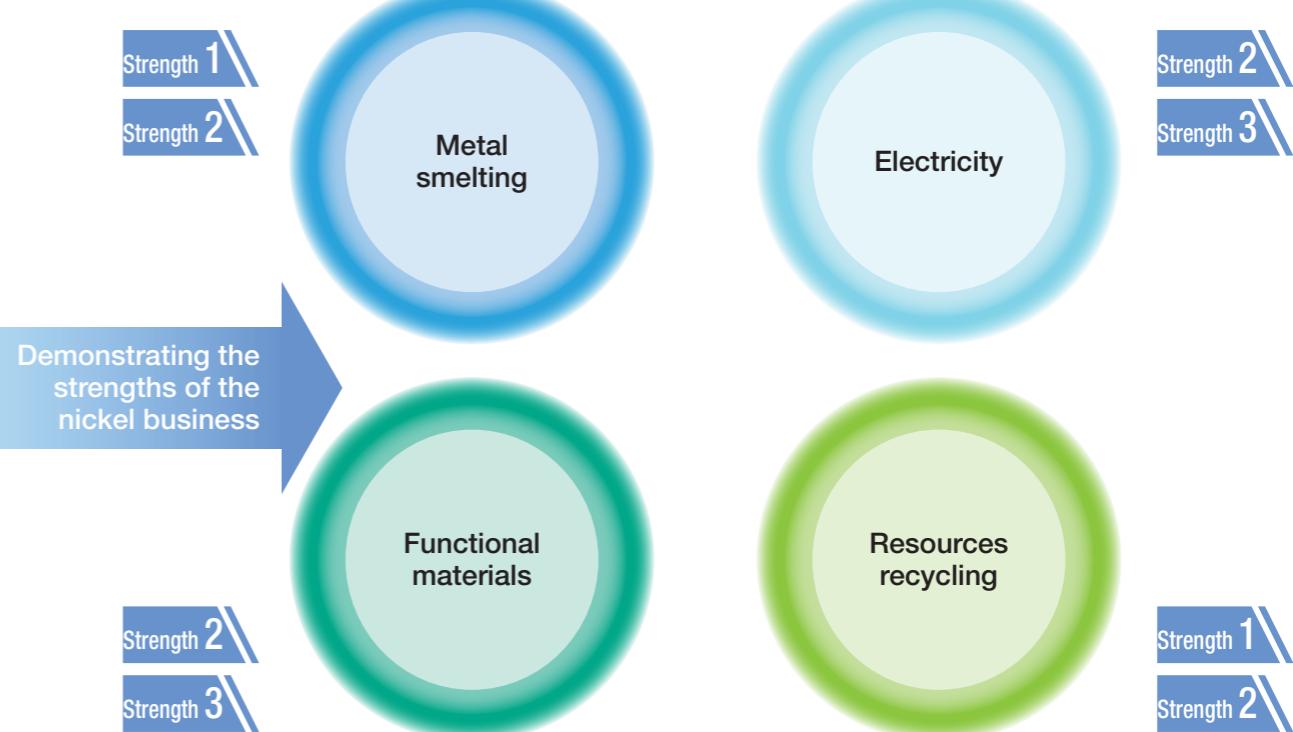
A beryllium business targeting the nuclear fusion power generation and existing beryllium alloy markets [P.17](#)

- With the commercialization of nuclear fusion power generation as a catalyst, the nuclear fusion market is expected to expand significantly, with the nuclear fusion method that requires beryllium expected to account for half the market
- Supplying beryllium to existing markets and materializing potential demand will grow the existing beryllium market

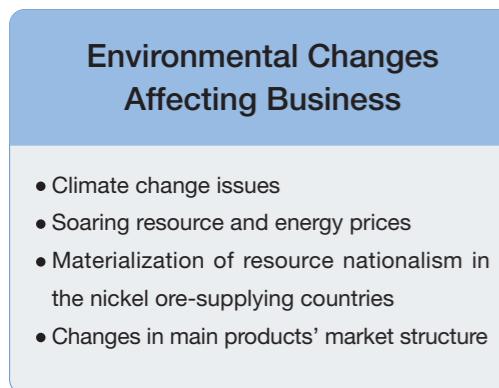
Resources recycling

A calcium aluminate manufacturing and sales business through collaboration with Amita Holdings [P.18](#)

- Against the backdrop of a low-carbon society, the shift from blast furnaces to electric arc furnaces is progressing, leading to an expansion in demand for calcium aluminate, which is necessary for removing impurities from electric arc furnace steel



Leverage the power of people to deliver the earth's resources in more useful forms and contribute to the happiness of humankind

**INPUTS****PACIFIC METALS' Main Capitals**

Results for FY2024

Financial capital	
• Net assets	67.6 billion yen

Manufactured capital	
• Smelting equipment (Capacity: 60,000-80,000 kVA)	Three furnaces

Natural capital	
• Long-term nickel ore sales and purchase agreement	6 units

Human capital	
• Number of employees (consolidated)	441

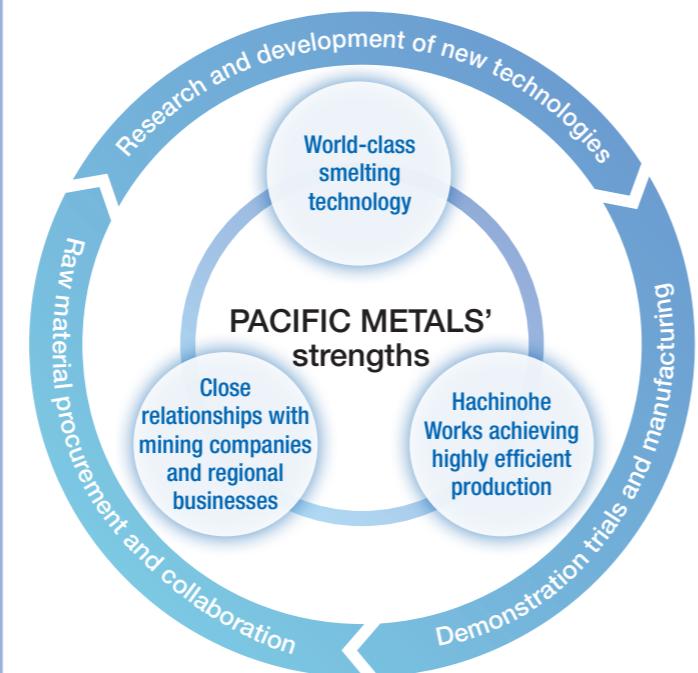
Social capital	
Customers (delivery destination)	

Intellectual capital	
• R&D investment cost	440 million yen

- ① Establishment of hydrometallurgical and smelting technologies
- ② Establishment of LIB recycling technology
- ③ Establishment of smelting technology for polymetallic nodules
- ④ Restructuring of recycling business

Medium to Long-term Strategy PAMCOvision 2031

Review the business model from scratch and proceed to a new stage

**Creating Value by Identifying Social Issues and Environmental Changes****Business model****Basic sustainability policy****Corporate governance****Materiality****OUTPUTS****Market development****Nickel**

Ferronickel
Supply high-quality stainless steel and alloy steel materials not only to Japan but also to the world
Nickel matte raw materials
Expand supply from conventional stainless steel raw materials to matte raw materials

Metal smelting

Polymetallic nodules
Supply critical metals by utilizing metal smelting technology and existing infrastructure and smelting equipment

Electricity

Retail electricity
Supply electricity from locally sourced renewable energy power generation to neighboring regions

Functional materials

Beryllium products
Supply the beryllium alloy market and, in the future, the nuclear fusion market

Resources recycling

Calcium aluminate
Supply desulfurization agents for steel manufacturing in view of the shift from blast furnaces to electric arc furnaces

Vision

A comprehensive materials company that co-creates a sustainable, recycling-oriented society

OUTCOMES**Values provided to society**

- Efficient use of limited resources
- Creation of a sustainable recycling-oriented society
- Reduction of GHG emissions
- Contribution to the development of regions and resource-rich countries

Achieving Materiality

- 1 Smooth shift from ferronickel business to new business
- 2 Securing of stable earnings in the polymetallic nodule business
- 3 Beryllium business and promotion of development of LIB-related business
- 4 Promotion of retail electricity business with focus on local production for local consumption
- 5 Building a frameworks for use of renewable energy
- 6 Expansion of business that support social infrastructure
- 7 Fostering of new corporate culture

Raising corporate value and reinforcing each form of capital

Medium to Long-term Strategy PAMCOvision 2031

The Group is currently implementing its seven-year Medium to Long-term Strategy PAMCOvision 2031, covering the period from FY2025 to FY2031.

Based on this strategy, we are reviewing our business model from scratch, restructuring our business portfolio with the aim of entering new business areas that will become new pillars, and working to address key sustainability issues.

Vision

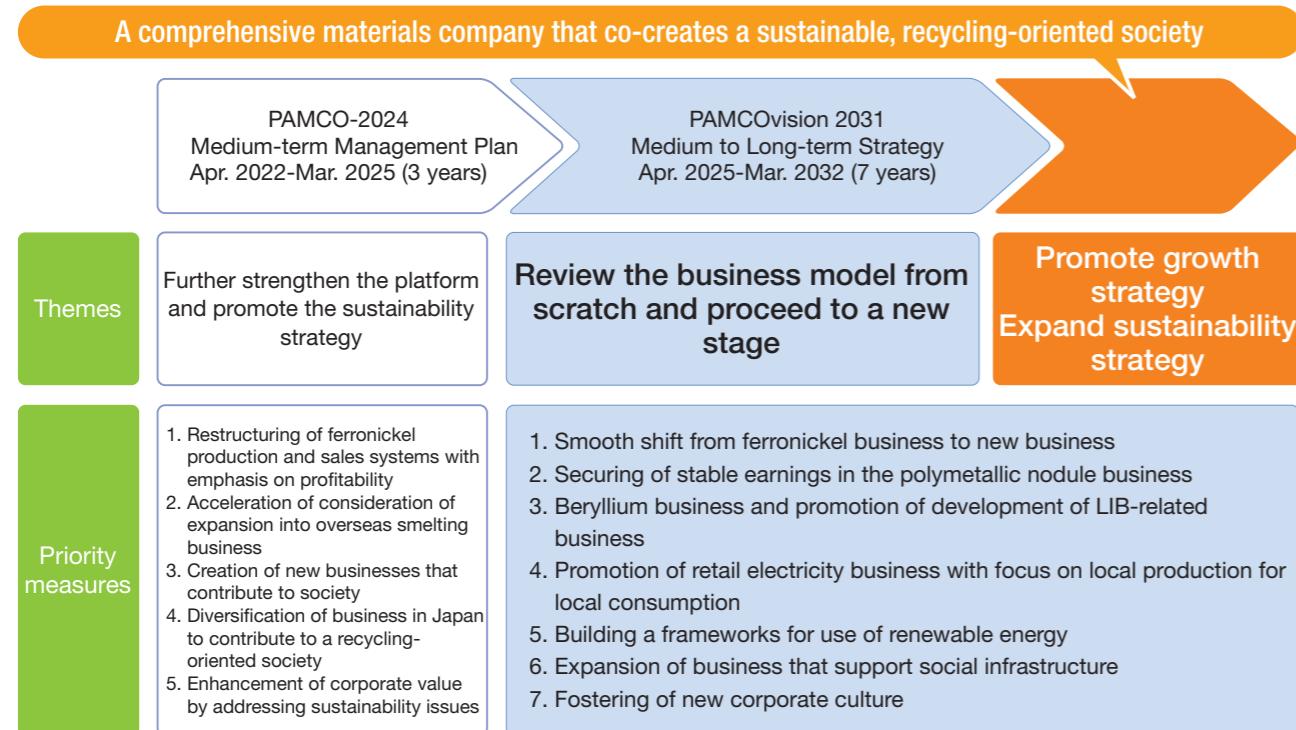
The environment surrounding the Group has seen an overproduction of nickel pig iron by overseas producers, which has caused market prices to collapse and led to excessive competition. In addition, high raw material and fuel prices have resulted in significant increases in energy costs, and both sales and procurement have deviated considerably from the assumptions made in our Medium-term Business Plan (PAMCO-2024).

While a sudden turnaround in the external environment is unlikely, the Company will work to eliminate the susceptibility of the business type, which is dominated by nickel, and overcome the downturn in performance. In this way, the Company will pursue a business model shift involving a reduction or withdrawal from the nickel business, with the aim of becoming "a comprehensive materials company that co-creates a sustainable, recycling-oriented society."

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	57,129	34,852	15,521	13,175
Operating profit	4,806	(12,588)	(9,114)	(7,368)
Ordinary profit	12,999	(4,960)	(2,119)	(1,622)

(Million yen)

Overall Strategy

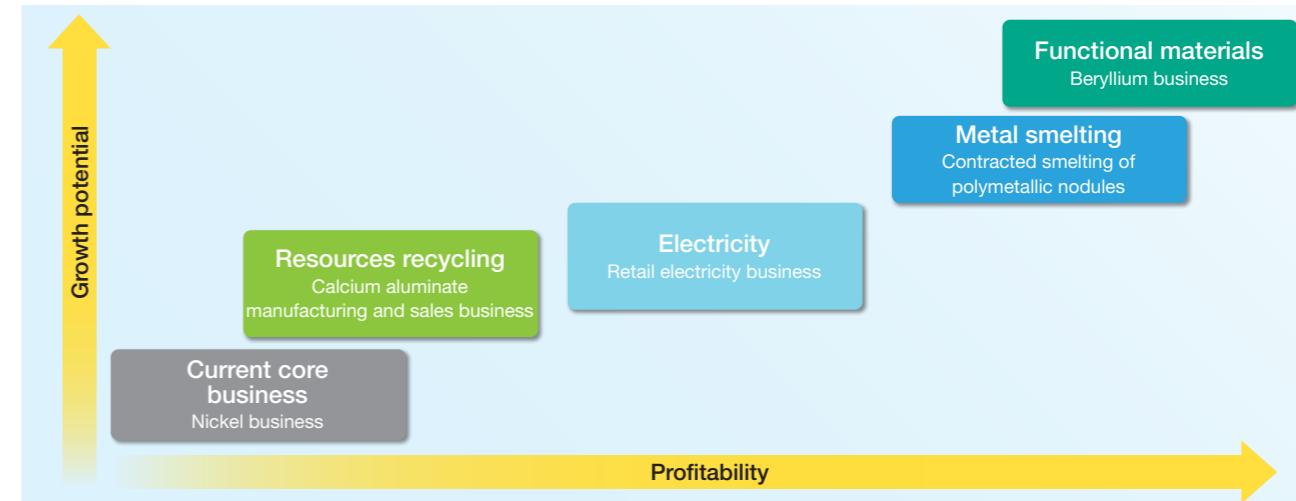


Restructuring of Business Portfolio

Business Feasibility Analysis

We will shift our core business from the nickel business to the metal smelting and functional materials businesses, which have high growth and profitability, and restructure our business portfolio to combine the electricity and resources recycling businesses. (→P.15)

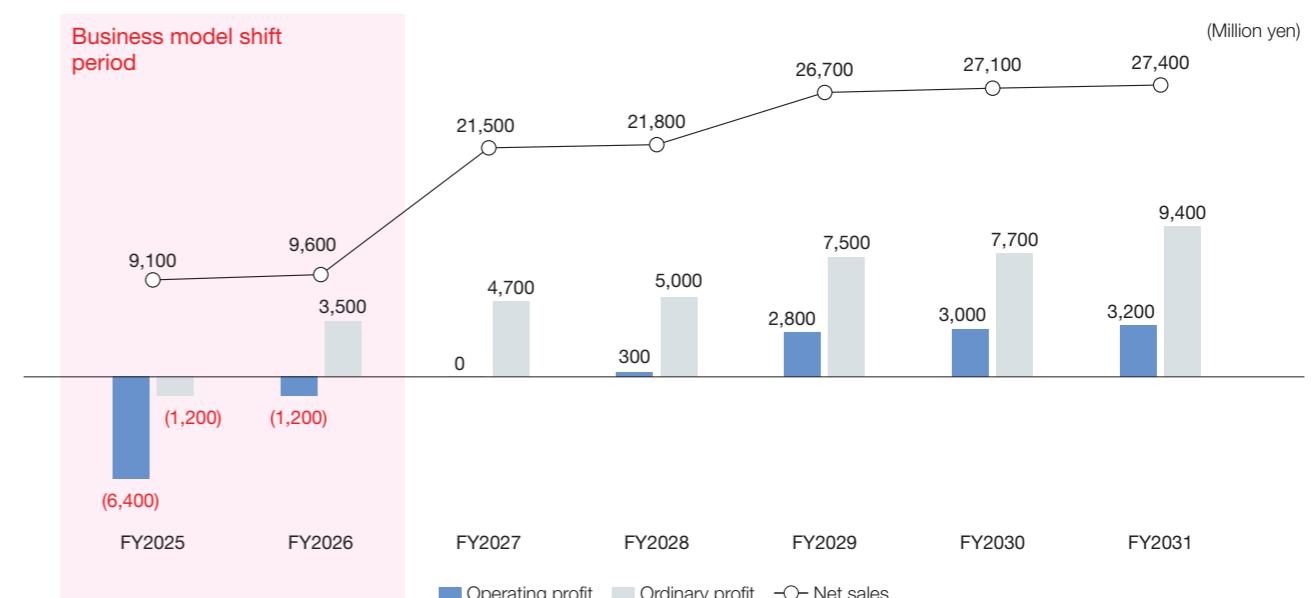
With metal smelting and functional materials as our core businesses, combine electricity and resources recycling businesses



Summary of Business Profit and Loss

In order to maintain our energy-related base during resource smelting, we expect to record temporary losses in the fiscal years ending March 31, 2026 and March 31, 2027 during the period of our business model shift. However, by expanding applications in the nickel business and launching the retail electricity business, we plan to achieve operating profit and ensure stable profitability from the fiscal year ending March 31, 2028.

By expanding applications in nickel business and launching retail electricity business, aim to achieve operating profit and ensure stable profitability from FY2027



Business Overview

① Metal Smelting Business

→ We aim to smoothly transition from the nickel business to contracted smelting of polymetallic nodules

Business strategy

- For the nickel business, Pacific Metals aims to achieve a significant improvement in its business profit and loss by expanding applications from stainless steel raw materials to matte raw materials, and a transition to this new focus is under consideration
- Furthermore, energy-related infrastructure, which consumes large amounts of energy during resource smelting, will be utilized in new businesses. Therefore, Pacific Metals will ensure it can be utilized swiftly and maintain the system without interruption.
- The polymetallic nodule business will commence full-scale operation in FY2029; therefore, the Group's business results will be slow for the period from FY2025 to FY2026 due to the shift in business model

Strengths of the business

Maximize existing facilities and smelting technology to start the business with minimal capital investment

- The Pacific Metals plant has the advantage of being located in the largest logistics site in northern Tohoku

Future business potential

- The spread of EVs has significantly expanded demand for nickel for LIBs
- Rare metals are expected to see continued growth as raw materials for the LIBs used in EVs
- Slag is expected to grow steadily as a raw material for ferro alloys

What is nickel matte?

Nickel sulfide serves as an intermediate raw material for nickel refining and LIB, and is manufactured by sulfurizing and removing iron from crude ferronickel (before sulfur removal) in a converter.

Benefits of shifting focus from raw materials for stainless steel to raw materials for nickel matte

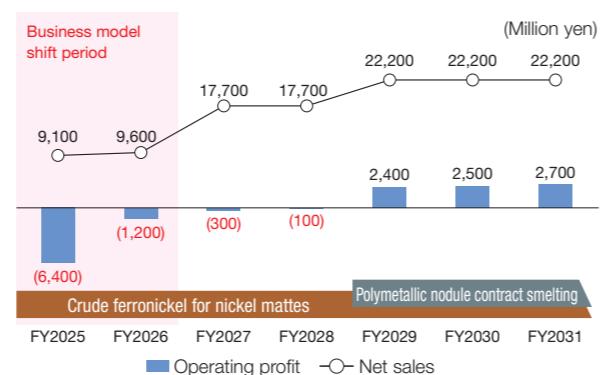
Costs are reduced due to the elimination of the desulfurization process (which removes sulfur, an element whose inclusion is avoided in stainless steel raw materials) and the substantial use of recycled nickel as the main raw material. A decrease in variable manufacturing costs leads to an improved break-even point.

What are polymetallic nodules?

Polymetallic nodules are a type of mineral that lies semi-buried in the seabed at depths ranging from 4,000 to 6,000 meters and are abundant in Mn, Ni, Cu, and Co. In Japan, they are considered critical due to the trends toward decarbonization, supply chain fragmentation, and heightened geopolitical risks. Estimates indicate that the polymetallic nodule reserves in just the Clarion-Clipperton Fracture Zone (CCZ) off Hawaii exceed the total resources of all mineral deposits combined.

The importance of the Company's initiatives

The technology and knowhow that the Company has cultivated over the years in the metal smelting business, which considers environmental impacts, can be applied, and initial investment can be reduced by leveraging existing infrastructure and smelting facilities, enabling the domestic supply of critical metals to be competitive compared to smelting in other nations.



② Retail Electricity Business

→ Establish a retail electricity business and enter the electricity market

Business strategy

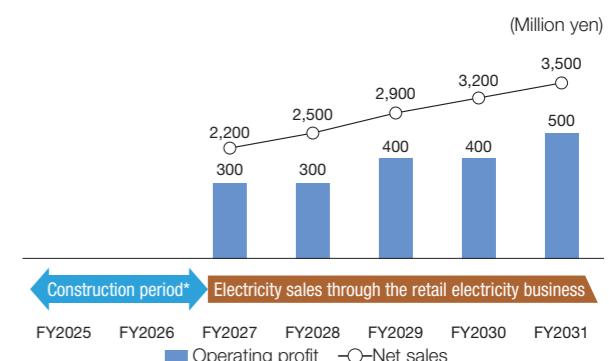
- Establish a retail electricity business for the high-voltage and extra-high-voltage sectors as a retail electricity business operator and aim to enter the electricity market
- Collaborate with local power generation businesses to supply high-value-added, locally sourced renewable energy power generation

Strengths of the business

- Proposals leveraging expertise in optimizing the balance of power consumption, including purchased electricity
- Proposals tailored to the needs of energy-intensive industries

Future business potential

- Develop an electricity business primarily focused on neighboring regions, and by proactively incorporating low-environmental-impact renewable energy, stable business development can be expected



What is the retail electricity business?

Electricity businesses are divided into three sectors: power generation, transmission and distribution, and retail; the Company operates in the retail sector, which involves selling electricity to plants and other facilities. We will commence a demand-side PPS (Power Producer and Supplier) operation to supply the Company's sites with electricity at advantageous market prices.

The importance of the Company's initiatives

In the metal smelting business, the Company has substantial electricity needs and a proven history of optimizing the mix of purchased and in-house power generation to drive down manufacturing costs; consequently, we possess extensive expertise developed over many years regarding how to procure electricity cheaply and consume it efficiently, enabling proposals tailored to the needs of energy-intensive industries. We will also start a demand-side PPS by collaborating with local power generation businesses in using high value-added, locally sourced renewable energy.

Going forward, we also plan to maximize the electricity load management capabilities inherent to capital-intensive industries and enter the Virtual Power Plant (VPP*) market.

*This framework employs ICT to integrate and control multiple distributed energy resources as if they were a single power plant, thereby regulating the balance of electricity supply and demand.

Structure of the business



Business Overview

③ Beryllium Business

→ Pacific Metals anticipates a substantial increase in profits resulting from the pilot project and commercialization of nuclear fusion power generation

Business strategy

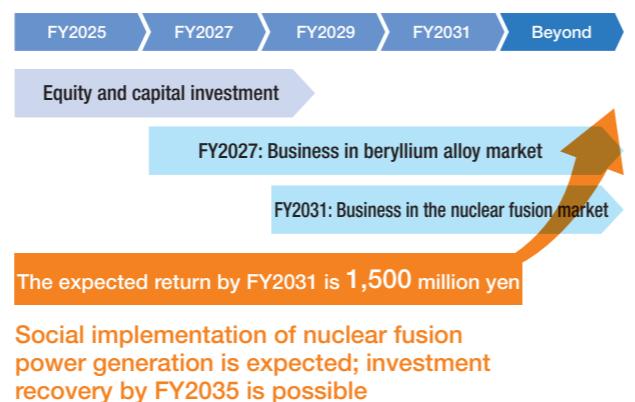
- Pacific Metals expects manufacturing cost reductions to continue due to MiRESSO's innovative smelting technology, coupled with the growth of EVs, leading to an expansion in demand for electronics applications
- A comprehensive business cooperation agreement has been concluded with MiRESSO; the agreement involves the utilization of Pacific Metals' resources and initial equity participation
- Enter the beryllium alloy market business, and aim to enter the nuclear fusion market business and participate as a business in the future

Strengths of the business

- Effective utilization of the extensive site
- Fully leverage Pacific Metals' comprehensive expertise in production technology, safety and health, and environmental management, capitalizing on the characteristics of the equipment-intensive industry

Future business potential

- Despite current demand limitations due to limited supply and high prices, Pacific Metals expects to convert potential demand into realized demand by lowering costs and catering to unmet needs
- Substantial future market growth driven by ongoing initiatives towards the implementation of nuclear fusion is anticipated.



What is the beryllium business?

This business involves producing beryllium products from beryllium ore, with the future aim of selling such products to both the nuclear fusion power generation sector* and the established beryllium alloy market.

*Beryllium is an essential metal that functions as a neutron multiplier in the tritium production process, which serves as the fuel for nuclear fusion reactions.

The importance of the Company's initiatives

MiRESSO, a certified venture spun off from the National Institutes for Quantum Science and Technology (QST) and based in Aomori Prefecture, aims to contribute to the social implementation of nuclear fusion power generation by commercializing its beryllium business. Meanwhile, with a long-established site in Hachinohe City, Aomori Prefecture, the Company has the facilities, infrastructure, knowledge, experience, and proven results in producing metals from diverse ores, which can generate numerous synergies in the commercialization of the beryllium business. We aim to realize synergies by pooling management resources and knowhow, and participate in mass production for a nuclear pilot project on fusion power generation and the mass production phase after social implementation.

Growth drivers of the beryllium alloy market

Aerospace and defense	Increasing demand for lightweight, and high-strength materials leads to greater adoption of structural components and precision parts for commercial aircraft, etc.
Automotive	The spread of EVs and the trend towards higher-performance automotive components, alongside efforts to reduce vehicle weight to reduce CO ₂ emissions
Electronics	Accelerated digitalization is driving expanded demand for materials with high-speed transmission and low-loss properties, as well as high-performance contacts and connectors
Healthcare	A rise in the application of window materials for X-ray apparatuses and the rapid advancement of cutting-edge medical technologies

④ Calcium Aluminate Manufacturing and Sales Business

→ Driven by the shift from blast furnaces to electric arc furnaces, Pacific Metals intends to develop an environmental recycling business in cooperation with Amita Holdings

Business strategy

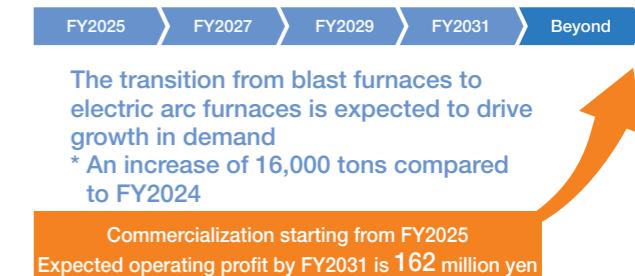
- The shift from blast furnaces to electric arc furnaces is anticipated to drive increased demand for calcium aluminate as a desulfurizing and slag-forming material
- Pacific Metals will establish a calcium aluminate manufacturing and sales business in collaboration with Amita Holdings, aiming to build an environmental recycling business
- Pacific Metals will leverage the technologies it has cultivated through its existing businesses to enhance the added value of recycled raw materials
- Amidst the shift from blast furnaces to electric arc furnaces against the backdrop of transitioning to a low-carbon society, there is an expansion in demand for calcium aluminate, which is necessary for removing impurities from electric furnace steel

Strengths of the business

- Reduce manufacturing costs by using recycled raw materials as the primary raw material
- Collaboration with Amita Holdings (collection of recycled raw materials, relationships with electric arc furnace steel producers)
- Provided test production samples to key potential customers and received positive feedback

Future business potential

- Expansion in demand for desulfurization and slagging agents due to the shift from blast furnaces to electric arc furnaces



Demand expected to increase beyond FY2031 as well

What is calcium aluminate?

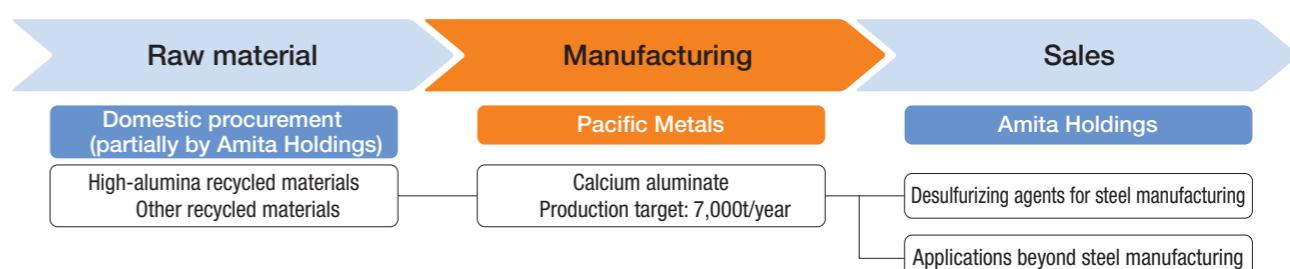
Calcium aluminate is primarily used as a desulfurizing agent in steel manufacturing. As the steel manufacturing industry transitions from blast furnaces to electric arc furnaces as part of decarbonization efforts, a greater need for more advanced desulfurizing agents is anticipated, which is forecast to result in growth in demand.

Establishment of manufacturing methods via practical testing

By conducting practical trials with its existing equipment (originally, a scallop shell incineration ash recycling facility), the Company has established a calcium aluminate manufacturing process. The primary high-alumina recycled raw material utilized in the trials was provided by a domestic partner with whom the Company has a long-term business relationship, thus ensuring a stable, ample supply for commercialization.

Partnership with Amita Holdings

In collaboration with Amita Holdings, the Company intends to pursue resource circulation that incorporates recycled materials in addition to conventional raw materials. In addition, by utilizing Amita Holdings' extensive distribution network, we anticipate applications beyond desulfurizing agents for steel manufacturing.



Financial Strategy

Comparison of Three-year Plan vs. Results and Progress of the Investment Strategy

We began implementing our previous three-year Medium-term Business Plan "PAMCO-2024" in April 2022, but the sudden deterioration of the nickel business environment led to a major deviation from the plan. In terms of investment plans, we limited investment in the nickel business in light of the deterioration of the environment, but this did not lead to investment in new businesses.

Comparison of Three-year Plan vs. Results (Consolidated)

	For Apr. 2022 through Mar. 2025 (three-year total)			Reason for change
	Plan	Results	Comparison	
Net sales	171,969	63,549	(108,420)	• Many stainless-steel producers shifted to procuring NPI due to its price competitiveness after the expansion of NPI production resulted in excessive competition • Continuation of the policy of maintaining volume production and sales from a profitability perspective
Operating profit	2,959	(29,071)	(32,030)	• The ongoing impact of NPI prices and high raw material and energy costs, and upward-trending raw material costs
Ordinary profit	11,215	(8,703)	(19,918)	• While equity-method investment income from the Philippine equity-method affiliate increased, supported by robust demand, a loss was recorded
Profit attributable to owner of parent	9,986	(7,768)	(17,754)	—

Progress of the Investment Strategy

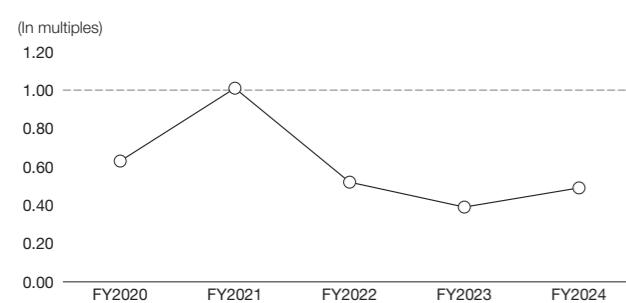
	PAMCO-2024 Plan	PAMCO-2024 Results	Change
Capital investment	3,850	1,696	(2,154)
Domestic business	8,025	70	(7,955)
Overseas business, resources	5,532	31	(5,501)
R&D investment	1,035	152	(883)
Total	18,442	1,949	(16,493)

Response to Realize Management That Is Conscious of Cost of Capital and Stock Price

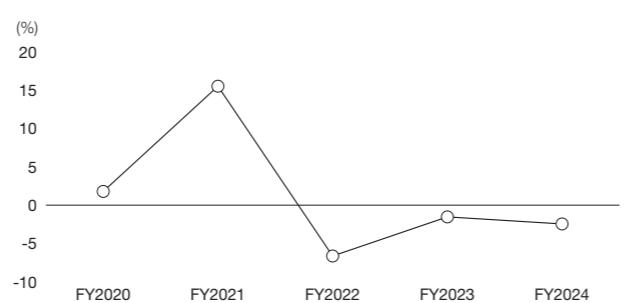
Analysis of the Current Situation

A low P/B ratio and low ROE have become the norm since the fiscal year ended March 31, 2023. The P/B ratio has consistently been below 1, and reliance on the highly volatile ferronickel business for the Company's primary operations has resulted in unstable performance. The Company also had a prolonged period in which it paid no dividends, and its stock market valuation was consistently low. In addition, the persistent downturn in performance has resulted in a consistently low ROE. As a result, the Company continues to operate with inefficient capital utilization.

Trends in the P/B ratio



Trends in ROE



Initiatives to Enhance Corporate Value

In executing the Medium to Long-term Strategy PAMCOvision 2031, we aim to realize management that is conscious of cost of capital and stock price. We also aim to maximize corporate value by improving ROE and limiting capital costs.

Diagram of usage of funds



Dividends of surplus

To secure funds for growth investments aimed at improving return on capital, and to comprehensively consider the balance with shareholder returns, Pacific Metals will clarify its commitment to providing stable dividends to shareholders by revising the previous dividend payout ratio target of 30% and introducing a dividend on equity ratio (DOE) target of 4% as a new indicator.

Internal reserve

Use the internal reserve as a fund to respond functionally to changes in the business environment and utilize it to invest in businesses, make capital investments, and acquire treasury shares as part of capital policies.

Management that is conscious of cost of capital and stock price

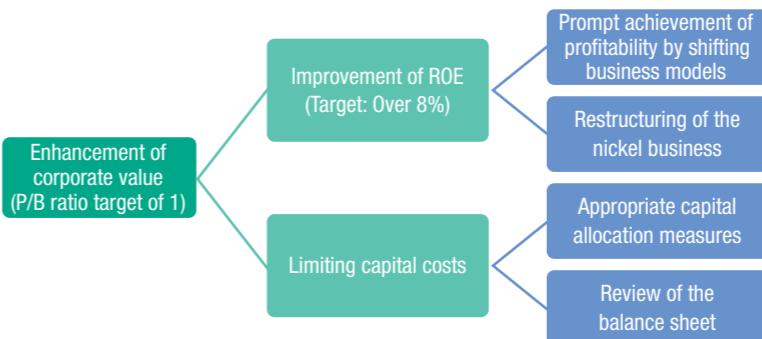
- Aim to achieve a target ROE of 8% by steadily executing the medium to long-term strategy
- Aim for a target P/B ratio of 1 as an indicator of management's consciousness of cost of capital

Incentive-based compensation

- Pacific Metals' management is considering the implementation of incentive-based compensation as a key commitment to achieving its medium to long-term strategy

Dialogues with shareholders and investors

- The director in charge of IR will spearhead constructive dialogues to ensure investors and shareholders understand the intrinsic corporate value of Pacific Metals
- Holding IR financial results briefing sessions (semiannually)
- Also, considering the enhancement of IR activities for individual investors



Aim to rapidly achieve profitability in each business and sustainable growth by reviewing the business portfolio

Expand the use of matte raw material to include nickel matte, aiming to decrease the deficit margin of existing ferronickel for stainless steel

Optimize the balance between growth investment and shareholder returns, aiming to achieve efficient capital allocation

Review the balance sheet by setting equity levels and strategic shareholder returns

Capital Allocation

From FY2025 to FY2031, operating CF will be allocated to growth investment and shareholder returns.



Basic Sustainability Policy

Under the Group philosophy “Leverage the power of people to deliver the earth’s resources in more useful forms and contribute to the happiness of humankind,” our stated long-term vision is to be “a comprehensive materials company that co-creates a sustainable, recycling-oriented society,” and the Group has positioned securing a management platform able to adapt to changes in the business environment, contributing to the SDGs, and achieving carbon neutrality as material issues for the Group. We are working to grow into a sustainable company and heighten corporate value, while devoting all our efforts to realize a sustainable society and environment.

Material Issues (Materiality)

Smooth shift from ferronickel business to new business	* For the nickel business, Pacific Metals aims to achieve a significant improvement in its business profit and loss by expanding applications from stainless steel raw materials to matte raw materials, and a transition to this new focus is under consideration
Securing of stable earnings in the polymetallic nodule business	* Pacific Metals aims to establish a competitive polymetallic nodule business by utilizing existing infrastructures and smelting facilities, along with the environmentally friendly technology and know-how we have cultivated over many years in the metal smelting business.
Beryllium business and promotion of development of LIB-related business	* Entered into capital and business alliance with MiRESSO; the agreement involves the utilization of Pacific Metals' resources and initial equity participation * Enter the beryllium alloy market business, and aim to enter the nuclear fusion market business and participate as a business in the future * Utilizing hydrometallurgical refining technology, Pacific Metals will develop a manufacturing and sales business for raw materials for LIB.
Promotion of retail electricity business with focus on local production for local consumption	* Establish a retail electricity business for the high-voltage and extra-high-voltage sectors as a retail electricity business operator and aim to enter the electricity market * Collaborate with local power generation businesses to supply high-value-added, locally sourced renewable energy power generation
Building a framework for use of renewable energy	* Collaborate with local power generation businesses to supply high-value-added, locally sourced renewable energy power generation
Expansion of business that support social infrastructure	* Aiming to build a business portfolio that supports social infrastructure, including production of beryllium for nuclear fusion power generation, production of metals for lithium-ion batteries, electricity supply using renewable energy, and production of steelmaking materials using recycled materials to contribute to the low-carbonization of steel.
Fostering of new corporate culture	* Organize material issues based on the new business portfolio, the SDGs, ESG, stakeholder opinions, and social issues * Activities related to high priority material issues, including internal framework reviews, will be strengthened to enhance corporate value and to contribute to the realization of a sustainable society

Environment

Response to the TCFD Recommendations



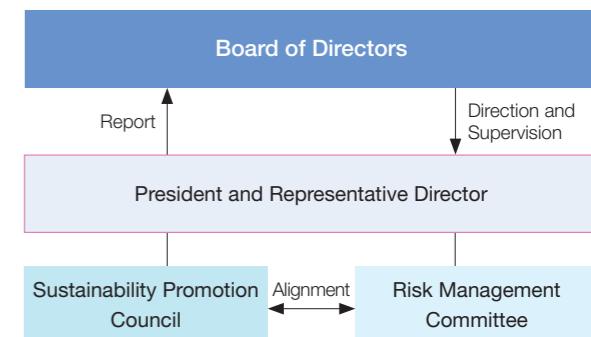
The Group has endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB). Positioning the response to climate change and the realization of a sustainable society as important management issues, we are promoting company-wide initiatives, including deliberation on medium- to long-term initiatives and orientation regarding important issues (materiality) related to sustainability, as well as response to ESG issues, promotion of CSR, and initiatives toward carbon neutrality. As part of these efforts, the Company has established a framework for promoting initiatives for addressing issues regarding ESG/SDGs, sustainability and climate change.

We will proactively promote initiatives that contribute to climate change mitigation and adaptation and information disclosure in line with the TCFD recommendations, build a deep relationship of trust with our stakeholders, and contribute to resolving climate change issues and realizing a sustainable society through our business activities.

Governance

The Group regards responding to climate change and realization of a sustainable society as important management issues. The Sustainability Promotion Council was established to discuss medium- and long-term initiatives and orientation related to materiality, as well as to promote specific measures across the Company to address ESG issues, promote CSR, achieve carbon neutrality, etc. The Sustainability Promotion Council meets quarterly.

The Sustainability Promotion Council is chaired by the President and its membership comprises executive officers. It reports to the Board of Directors for direction and supervision.



Risks and opportunities

We examined “climate-related transition and physical risks” and “climate-related opportunities through climate change mitigation and adaptation solutions” according to the TCFD classifications.

Scenario analysis was conducted for 1.5°C and 4°C scenarios, with reference to the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). We have conducted a scenario analysis as shown on the following page, and the results confirmed that our strategy has resilience with regard to the response to each risk and opportunity.

Risk analysis procedure



Risk management

The Group has established the Risk Management Committee for company-wide risk management, including risks related to climate change. The Risk Management Committee is chaired by a director appointed by the President and its membership comprises executive officers and general managers. It meets quarterly to conduct routine risk management (risk identification, evaluation, monitoring, etc.). For risk countermeasures, we prioritize risks based on likelihood and impact, and we engage in risk mitigation activities for priority risks and manage progress.

The Risk Management Committee reviews “climate-related risks and opportunities” annually and the status of activities is reported to the Board of Directors at least once a year for direction and supervision. Matters affecting important sustainability issues are reported to the Sustainability Promotion Council.

■ Goals and indicators

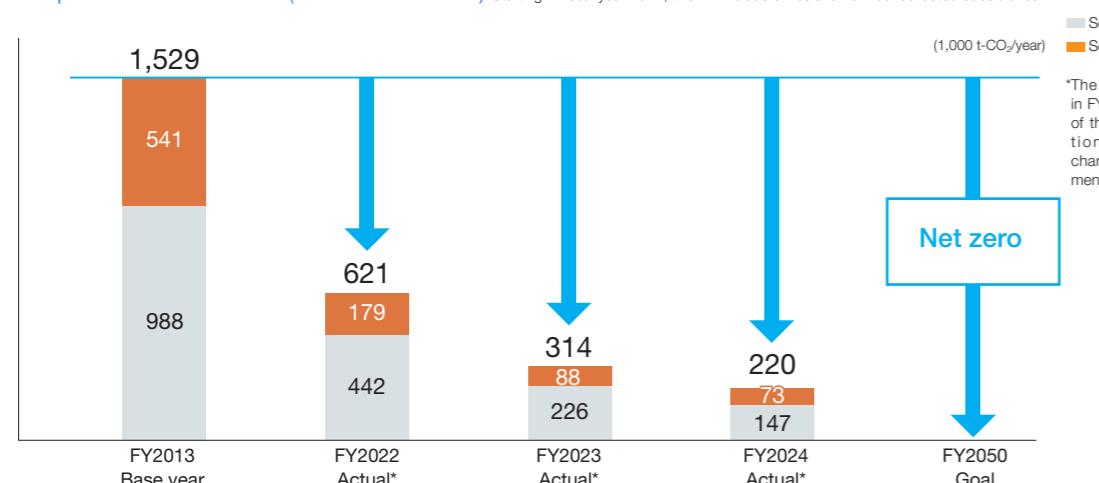
The Group aims to reduce GHG emissions by 46% or more by 2030 (compared with 2013) and achieve net zero emissions by 2050.

Initiatives to achieve the goals

- Reduction of GHG emissions

To achieve carbon neutrality by FY2050, we will implement measures with clear targets, including use of carbon-free energy and introduction of new technologies.

Scope 1 and 2 emissions (non-consolidated)



Scope 3 emissions (non-consolidated)

Starting in fiscal year 2024, this will include emissions from consolidated subsidiaries. The Company has calculated Scope 3 emissions based on the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.7)" provided by the Ministry of Economy, Trade and Industry and the Ministry of the Environment.

The total of Scope 3 emissions in FY2024 was 74 kt-CO₂. The category-specific breakdown was Category 1: Purchased goods and services (10%), Category 3: Fuel-and energy-related activities not included in scope 1 or scope 2 (33%), Category 4: Upstream transportation and distribution (41%), and Category 13: Downstream leased assets (12%), accounting for about 96% of the total.

Supply chain emissions [1,000 t-CO ₂]		
Category	FY2023 (% of total emissions)*1	FY2024 (% of total emissions)*2
C1 Purchased goods and services	4 (4%)	7 (10%)
C3 Fuel-and energy-related activities not included in scope 1 or scope 2	36 (37%)	25 (33%)
C4 Upstream transportation and distribution	44 (46%)	30 (41%)
C13 Downstream leased assets	9 (10%)	9 (12%)
Other than the above categories (the total of C2, C5-C9, C12)	3 (3%)	3 (4%)
Scope 3 total*2	96 (100%)	74 (100%)

*1 Rounded to the nearest whole number *2 C10, C11, C14, and C15 are not applicable.

Reference for emissions intensities:

- The database on emissions intensities for calculating organizational greenhouse gas emissions, etc. through a supply chain (Ver. 3.5)
- IDEA v2 (for supply chain greenhouse gas emissions calculations)

Target ratios for non-fossil fuel electricity

To reduce our GHG emissions from electricity, we have set the following targets for the ratio of non-fossil fuel electricity.

	FY2030	FY2050
Target ratio for non-fossil fuel electricity (%)	50	100

■ Scenario analysis (GHG emissions are in CO₂ equivalent)

Prerequisites: • We examined risks and opportunities expected in 2030. • Financial impacts of climate change have been estimated.

	Category of risks and opportunities	Overview of risks and opportunities				PACIFIC METALS's response
		1.5°C scenario	4°C scenario	financial impact	Possibility	
Risks	Policies and regulations	Higher energy costs for business operations (manufacturing and transportation) due to introduction of carbon tax	High	Small	High	• Process electrification • Transition to renewable energy use • Phased transition to the use of purchased renewable energy
		Higher risks and costs of procuring various raw materials due to higher fossil fuel prices caused by changes in the supply-demand balance resulting from climate change, unstable supply due to unseasonable weather and other factors, and a higher renewable energy levy	Low	Large	Medium	• Installation of microwave equipment in the raw material drying and burning process to reduce coal and fossil fuels as heat sources
	Market and technology transition	Greater customer demand for decarbonization. Lower product competitiveness (e.g., declining market share) if the Company's response to decarbonization is insufficient	Medium	Medium	Low	• LCCO ₂ evaluation • Transition to decarbonized manufacturing, followed by LCCO ₂ evaluation to meet customer demand
		Higher Ni prices due to higher demand reflecting shift to EVs, leading to replacement of raw materials for stainless steel by less expensive alternative metals	Low	Large	Low	• Creation of new businesses • Restructuring of business portfolio, with an eye to creating new businesses in the long term
	Reputation in the market	Preference for ESG-responsive suppliers in the supply chain, leading to damage to corporate value and additional ESG-related costs	Medium	Small	Medium	• Commitment to decarbonization • Commitment to initiatives • Commitment to sustainability issues and active disclosure of implementation status (TCFD disclosure, response to CDP, etc.)
		Declining value in capital markets (e.g., share price declines) because of failure to respond to climate change information disclosure requirements	Medium	Small	Low	
	Physical	Physical damage to production sites and the supply chain, causing suspension of operations and logistics, resulting in lost profits and additional costs.	Low	Small	Medium	• Diversification of risks by diversifying raw material suppliers • Procurement risk diversification by diversifying the suppliers of raw materials, including recycled resources
		Additional production costs due to changes in properties, such as increased moisture content of raw materials, because of longer rainy seasons in the regions where resources are procured.	Medium	Small	High	
Opportunities	Resource efficiency	Expanded use of recycled metal resources (alternative to metal resources), which produce less GHG emissions and show higher manufacturing efficiency than natural resources	Medium	Large	Medium	• Establishment of a system for resource recycling • Establishment of a new system for resource recycling by collecting and accepting a larger amount of recycled resources
		Innovation in the manufacturing process, which results in a substantial decrease in fossil fuel use and a reduction in energy costs and in turn reduces GHG emissions and improves the impact of carbon pricing	Medium	Medium	Medium	• Process electrification • Transition to renewable energy use • Installation of microwave equipment in the raw material drying and burning process to reduce coal and fossil fuels as heat sources
	Products and services	Innovation in the manufacturing process, which contributes to GHG emission reductions in customers' supply chains and increases product competitiveness	Medium	Small	Low	• Sale of low-carbonization products, leading to better relationships with customers • Cultivation of new business partners, such as overseas manufacturers
		More flexible and speedy response due to the transition of active engagement in ESG issues to company-wide strengthening of governance, leading to support and cooperation from investors and other stakeholders, increased corporate value, strengthening of business foundation, and further business expansion	Medium	Small	Medium	• Strengthening of governance • Planning, implementation, and management of response to ESG issues

1.5°C Scenario: A scenario where continued efforts are made to limit the average temperature increase to 1.5°C.

4°C Scenario: A scenario where no measures are taken and the situation takes its natural course.

Pacific Metals participates in the Hachinohe Area New Zero Emissions Council to achieve carbon neutrality in the Hachinohe area

We have joined the Hachinohe Area New Zero Emissions Council with the aim of achieving carbon neutrality in the Hachinohe area. The main purpose of the council is to share challenges facing members, consider solutions, and learn about new technologies, to have industries in the Hachinohe region achieve carbon neutrality in 2050 while maintaining current production levels.

In FY2024, we participated in two council meetings where we learned about companies working on hydrogen project and the outlook for using hydrogen as a next-generation energy source in Hachinohe City. We also took part in site visits to regions leading the way toward carbon neutrality to understand the current state of advanced technologies.



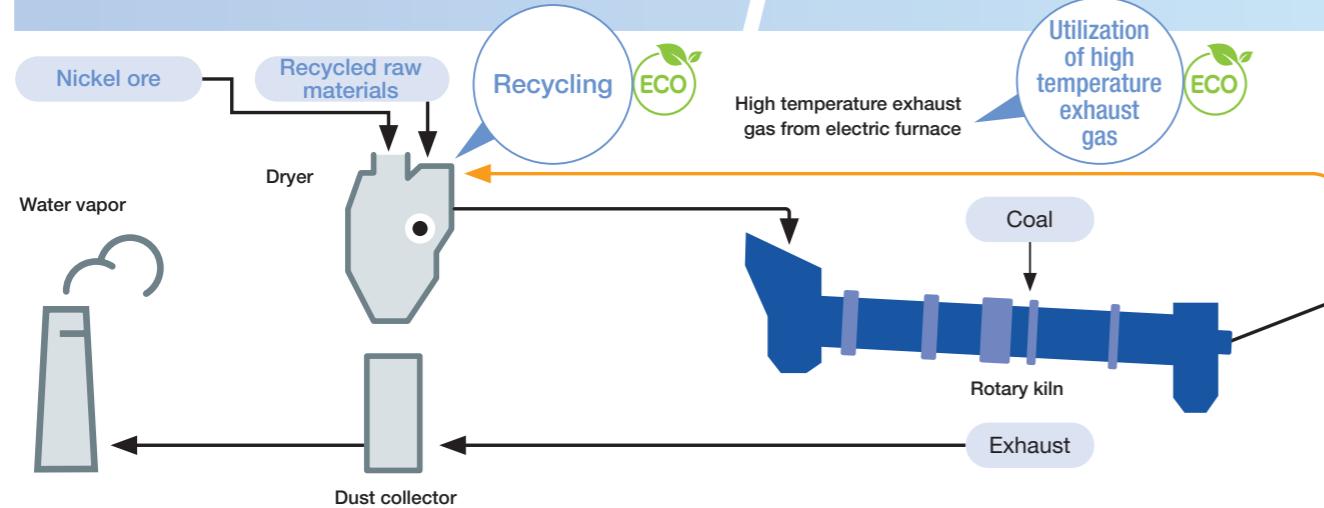
Environmentally Friendly Ferronickel Manufacturing Process

Ferronickel, which is the main raw material for stainless steel, and we are the number one domestic producer of ferronickel. Utilizing the world's top level smelting technology, we carry out efficient manufacturing with the world's largest electric furnace. Ingenuity to reduce environmental impact, we apply many technologies such as reducing energy consumption by using high-temperature exhaust gas from electric furnaces into the ore drying process, and partly replacing nickel ore with recycled resources containing nickel.

Ferronickel manufacturing process

Ore transportation and drying process

Imported nickel ore and coal will be initially stocked at off-site stock yard, and then transported to an on-site stockpile by a conveyor. The conveyed nickel ore is brought into an impact dryer or rotary dryer.



Conveyors totaling 2.4 km in length transport unloaded ore and other materials to the plant.

Flow of inputs and outputs

INPUT		Results for FY2024
Main raw materials	Nickel ore	370,000 t
	Secondary ingredients	50,000 t
Industrial water		3,670,000 m ³

For total energy, see P47

OUTPUT

OUTPUT		Results for FY2024
Product	Ferronickel	26,000 t
Resource recycling	Ferronickel slag	220,000 t
Wastewater	Discharged water	3,600,000 m ³
	CO ₂	210,000 t
Atmospheric release	SO _x	125 t
	NO _x	615 t
	Soot and dust	7 t

Process electrification initiatives

We are proceeding with research and development to shift our calcination process, which is the main cause of CO₂ emissions in nickel ore smelting, away from energy derived from coal combustion used in conventional technology to microwaves generated by electricity.

In tests using standard microwave bench-scale equipment, we have confirmed a reduction reaction equivalent to that of our current rotary kiln, which has given us prospects for significant reductions in CO₂ emissions from fossil fuels and energy savings through improved thermal efficiency.

We will continue with scaling-up verification tests with a view to introducing full-size equipment in 2030.

Recycling rate 100%
Final waste disposal rate 0%

Calcination process

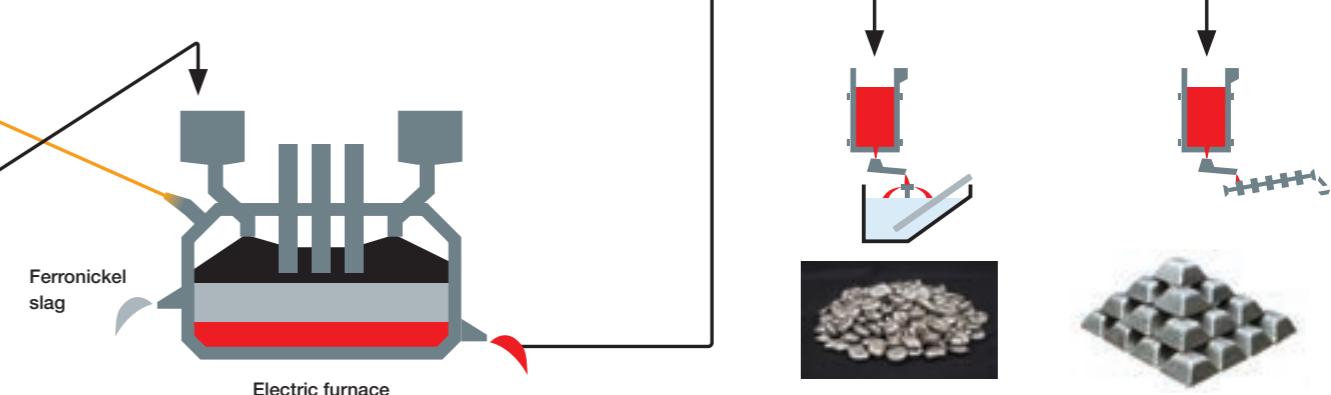
The preliminary dried ore will be heated in a rotary kiln to remove almost all the remaining and crystallization water.

Smelting process

The calcined ore is heated further in an electric furnace. The high temperature exhaust gases from the electric furnaces are used as a heat source in the drying process of nickel ore to reduce energy consumption.

Casting process

Smelted ferronickel (molten metal) is molded into 20kg ingots and granular shots.



Conveyors totaling 2.4 km in length transport unloaded ore and other materials to the plant.



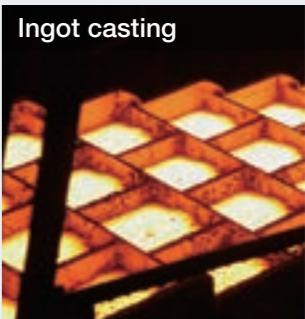
A calcining equipment, over 100m in total length that thermally processes dried ore by heating it to approximately 1,000 degrees Celsius.



These are the world's largest electric furnaces that is heated by using electric resistance, and used for smelting ferronickel from ore.



Molten metal is rapidly cooled with water in a water tank and finished into small particles.



Molten metal is poured into molds and finished into 20kg ingots.

Environmental Management

The Company has established an environmental management system, and works to continuously improve its activities to reduce environmental impact through the stable implementation of the PDCA cycle. Based on this environmental management system, we have established an environmental policy and environmental objectives and targets, and are developing and implementing various environmental measures at each site.

Environmental policy

Basic philosophy

Recognizing that environmental problems are common material issues for all humankind, the Company is committed to harmony with the environment and engages in activities aimed at conserving the global environment and contributing to society.

Basic policy

The Company uses large quantities of ore and energy in the production of nickel. The use of this ore and energy emits soot and greenhouse gases, so we consider environmental issues to be an important challenge for the Company and work together in our efforts to continuously reduce our environmental impact.

(1) Reduction of environmental impact

We strive to prevent air pollution caused by dust, soot and smoke emissions, and water pollution caused by wastewater. We also consider the reuse of these emissions and strive to minimize their impact on the environment.

(2) Reduction of greenhouse gas emissions

We pursue the development of energy-saving and environmentally friendly technologies, promote operational efforts to improve productivity and yield, and strive to reduce greenhouse gas emissions.

(3) Contribution to zero emissions

We will promote the reduction and recycling of waste generated in the course of our operations. We will also contribute to zero emissions by promoting the proper disposal of contracted waste.

(4) Compliance with laws, regulations, etc.

We comply with environment-related laws, regulations, tripartite agreements and industry standards, while also setting voluntary standards and actively working to protect the environment.

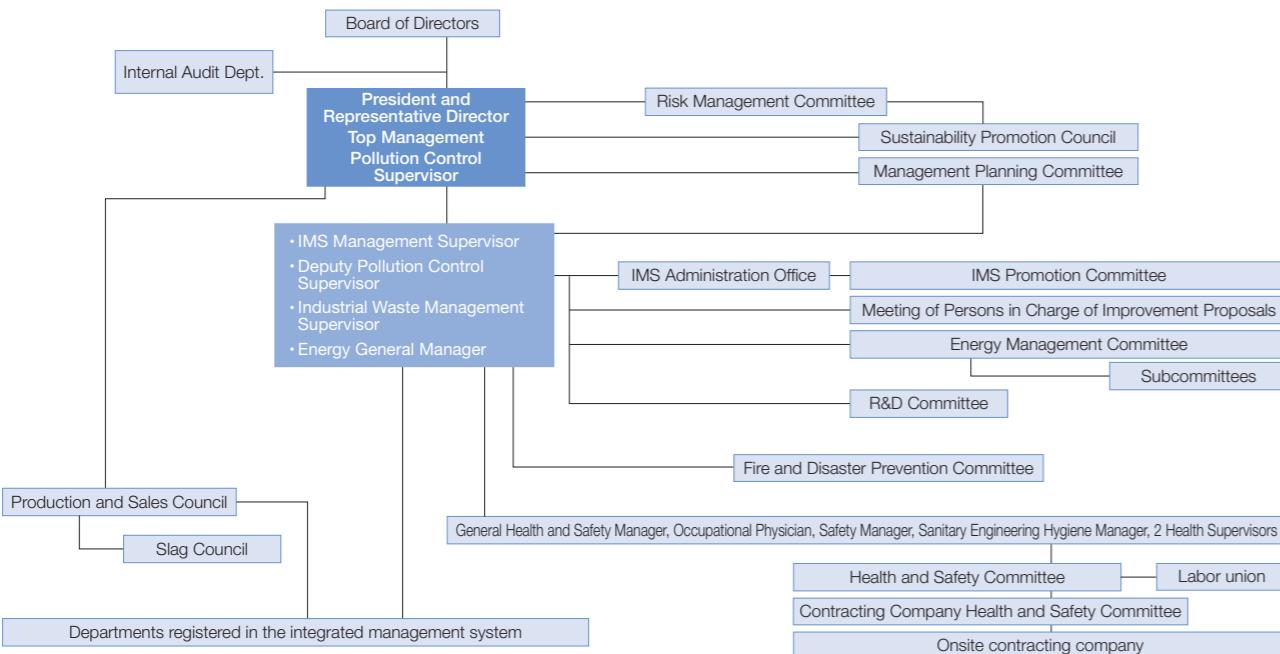
(5) Ensure operation and continuous improvement of the environmental management system

In order to achieve this environmental policy, we have set environmental objectives and targets for each department, and all employees promote efforts in environmental management. In addition, we will regularly review our environmental objectives and targets, and strive to promote a more effective environmental management system.

(6) Dissemination of the environmental policy

This environmental policy is communicated to all employees, including those of affiliated companies. We also inform our partner companies of this policy and request their understanding and cooperation.

Environmental management system



Eco Products That Contribute to Reducing Environmental Impact

Effective use of by-products

Ferronickel slag obtained as a by-product of the ferronickel manufacturing process is cooled by the slow cooling method, and then the entire product is recycled according to the intended use and sold as an attractive product that can be used in a wide range of applications. The slag's constituent components are stable, environmentally friendly, and have the same quality as natural resources and thus contribute to energy saving by conserving natural resources, and to the formation of a recycling-oriented society.

Product name: Pamco crustone

After cooling, ferronickel slag is crushed by crushing equipment to particle sizes of 5mm or less, 5 to 20mm, or 20 to 40mm, which thus allows for a wide range of particle size adjustments when combined according to customer requests. The slag is characterized by the fact that it is environmentally friendly, highly safe, and does not contain harmful substances, and because it has high roadbed bearing capacity after compaction, it is easy to install, and has excellent frost heaving suppression. In the Tohoku area, it is used mainly as a substitute civil engineering material for mountain sand and crushed stone (for roads, embankments, and land development).



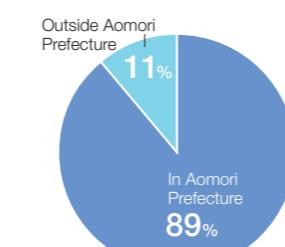
Pamco Green is used in the cultivation of garlic. Garlic grown in soil with the largest quantity added to the soil (120 t/1,000 m²) grew to almost twice the size (right photograph; weight: 148 g) of that grown in soil with no Pamco Green added (left photograph; weight: 79 g).

Product name: Pamco Green

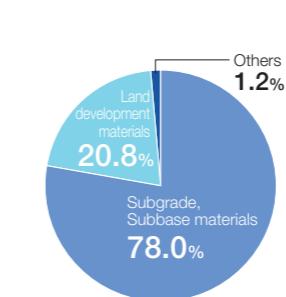
Ferronickel slag is composed mostly of silicon dioxide, magnesium oxide, and diiron trioxide at approximately 95%, and Pamco Green is used as a fertilizer (registered special fertilizer) for cultivating crops such as garlic and daikon radish. A confirmed characteristic of Pamco Green is that it supplies magnesium and other nutrients to the soil and raises the level of available phosphoric acid in the soil, generally improving the absorption of nutrients needed for vegetables to grow, and we are promoting initiatives for a recycling-oriented society.

Percentage of slag processed products sold by region

(Blast furnace steelmaking materials, fertilizers, fine aggregate for concrete)



Percentage of ferronickel slag product by application (period ended March 2025)



Application	Main Features and Effects	
	Land development materials	Subgrade, Subbase materials
Land development materials	Suitable as soft ground improvement soil	
Subgrade, Subbase materials	Excellent roadbed material strength and low freeze-thaw resistance	

LCA for ferronickel slag products

Our ferronickel slag products meet all the elution amount and content standards notified by the Ministry of the Environment, are free from harmful substances, are environmentally friendly and boast high safety, and crushed stones the reduction of environmental load. The right table is an LCA¹ evaluation comparing ferronickel slag products and quarry products², confirming a reduction in CO₂ emissions³.

¹: Abbreviation for Life Cycle Assessment. A method of quantifying the environmental impact of a product during its lifetime (resource extraction, manufacturing, use, disposal).

²: Products manufactured by collecting and mining natural stones

³: Evaluation results for ferronickel slag products manufactured in FY2018

Ferronickel slag product application	CO ₂ emissions (t-CO ₂ /year)		CO ₂ reduction rate
	Crushed stone	PACIFIC METALS ferronickel slag products	
Land development materials	2,360	44	98%
Subgrade, Subbase materials	115	32	72%
Coverage materials, Earthwork materials	2,059	571	72%
Blast furnace steelmaking materials	5,518	1,477	73%
Total	10,052	2,124	79%

Click here for product information

WEB <https://www.pacific-metals.co.jp/en/products/kras.html>



Quality Control System

To reliably provide products all of our stakeholders can trust, we have come together company-wide to promote quality management activities based on our Quality Management System (QMS) and the Industrial Standardization Act.

ISO certification registration

We have registered certifications for ISO 9001, ISO 14001, and ISO 45001.

The Administration Office and each department are forming action plans and engaging in correction and improvement initiatives to prevent unforeseen nonconformities regarding quality, the environment and safety. One a positive note, we were given good assessments on 13 items. In addition, the audit results and the results of initiatives taken in the current fiscal year are reported in a Top Management review, and the issues indicated in the current fiscal year are taken up to be addressed in the next fiscal year, with efforts made to solve such issues.

Certification Registration Information

Certification standard	Registration scope	Registration No.	Expiry date	Initial registration
ISO 9001:2015	Hachinohe Head Office (Manufacturing Works)	0314	February 15, 2027	April 9, 1998
ISO 14001:2015		E1998		March 19, 2009
ISO 45001:2018		H063		February 16, 2012

Main initiatives and specific results

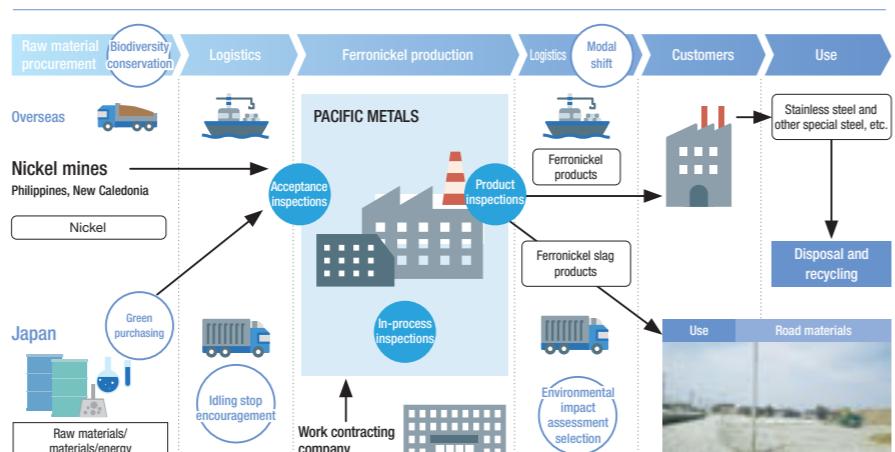
Main initiatives	Specific results
Measures to improve customer satisfaction	<p>Our ferronickel products are highly regarded for their stable quality and supply structure, which enables us to meet customer requests for delivery deadlines.</p> <p>In addition, based on the results of customer satisfaction surveys, our production and sales departments are working as one team to create products and improve services that meet customer needs as we strive to improve customer satisfaction.</p> <p>Our ferronickel slag products are of high environmental safety quality and are mainly used for civil engineering works (roads and land development) in Aomori Prefecture and neighboring areas and as fertilizer materials. We strive day in day out to meet customer requirements for the particle size and component of our products. They are highly regarded by our customers for their ease of use, etc.</p> <p>Furthermore, our management system is in compliance with all relevant laws and regulations and in accordance with the Japan Mining Industry Association's "Guidelines for Managing the Production and Sale of Nonferrous Slag Products." In this manner, we work to ensure that there are no environmental impacts or other issues on the local residents, and regularly clean transportation roads in Hachinohe City. These efforts have been well received as contributions to the local community.</p>
Brush up of our analytical techniques to improve product quality reliability	<p>We conduct OJT based on a skills chart including diagrams and photographs, which document the tacit knowledge of experienced employees, such as sensory-based techniques and knowhow. In this manner, we are also working to expand individual scopes of work, implement initiatives to enhance competence, and share knowledge and experience of analytical techniques among all department staff. We are also working to improve our analytical techniques by adding and updating new information and knowledge to the skills chart.</p>
Laboratory accreditation of certification standards for testing and calibration laboratories (ISO/IEC 17025)	<p>Since the prices of ferronickel products and nickel ore depend on the amount of nickel they contain, ensuring the reliability of nickel analysis values is an important matter. We are certified under ISO/IEC 17025 in "methods for chemically analyzing components in ferronickel," "X-ray fluorescence methods for analyzing components in ferronickel," and "methods for chemically analyzing components in nickel ore," which we use to ensure the international and objective reliability of product inspections and raw material acceptance inspection results.</p> <p>We improved and expanded our work qualifications, and maintained our certification in FY2024 after undergoing a renewal assessment.</p>

Supply chain management

We conduct a variety of activities that take the environment and quality into consideration at each stage in the supply chain, not just at our production sites. As an environmental measure, we carry out afforestation at local mines in order to restore (rehabilitate) sites to their original states to the degree possible after ore mining. In addition, we comply with internationally unified safety regulations for the sea transportation of cargo, and take safety measures and environmental considerations into account.

Regarding quality, in addition to product inspection before shipment, we thoroughly control the quality of manufacturing processes such as acceptance inspections of raw materials. We also contribute to the reliability of product quality in analyzing the chemical composition of ferronickel products. For slag products, we regularly conduct tests based on the Soil Contamination Countermeasures Act to confirm that our products meet the required standards.

Overview diagram of the PACIFIC METALS supply chain



Human Resources

We are working to realize our Company Philosophy of "Leverage the power of people to deliver the earth's resources in more useful forms and contribute to the happiness of humankind." To this end, we are developing a work environment and education system that allows a diverse workforce to thrive.

Personnel education to ensure diversity

Initiatives for diversity

To realize diversity, we will continue conducting training and other programs aimed at self-development. We strive to reform awareness and build a supportive corporate culture by actively implementing efforts to resolve any issues as they arise. We will also continue our initiatives for improving productivity and work-life balance.

In addition, we are raising the retirement age to 65 years old for employees who will turn 60 years old in FY2022. We will work to create a system that takes employees' health into consideration while allowing them to continue to perform as well as ever.

● Establishment of environment to ensure diversity and expansion of human capital investment

We conducted human capital management training and ESG training for managers in August 2024, expecting managers to leverage the knowledge given by the training for management and human resources strategies. Also, as part of efforts for diversity and human capital investment in line with improvements in language skills and cross-cultural exchanges, we conducted an overseas language study program for female employees in October 2024.

● Diversity management training

We carried out training in which participants learned about the concept of diversity and diversity management with the aim of gaining the ability to develop and promote the advancement of diverse human resources required for management positions, including women. In this training, which we will continue based on the selection of appropriate themes, we aim to create a less stressful workplace and improve employee motivation.

● Harassment prevention training

In FY2024, we held two training sessions, one in July and one in September, conducted by invited external lecturers. A total of 29 employees participated in these training sessions. We conducted training for work supervisors, shift leaders and team leaders to examine the current situation regarding harassment and to seize the opportunity to create a healthy workplace culture by taking action in individual workplaces based on the established action guidelines regarding harassment.

Human resources education, development of environment, etc. to ensure diversity, including promoting active participation of women

Promoting active participation of women

We will always strive to create a comfortable work environment that balances work and home life, including support for childbirth, childcare, and nursing care, etc. We will also provide training for female employees to support their career development, in an effort to reform awareness. We will work to improve the environment in terms of both the work environment and the facility environment to promote the active involvement of women in the workforce. In October 2024, we conducted an overseas language study program for female employees for them to improve their skills. In the same month, we recruited female technical personnel.

Number of female employees (non-consolidated)

FY2020	FY2021	FY2022	FY2023	FY2024
4.6%	4.3%	4.7%	4.8%	4.8%



● Seminar on supporting active participation of women

We will continue to conduct a training program that encourages participants to think proactively about how to continue contributing to the organization through the way they work, and how to live happily with being themselves by utilizing their value in order to realize a society in which women can fully demonstrate their individuality and abilities in a social environment where women are expected to play an active role.

Male employee childcare leave system

We take measures under our systems that support employees' work-life balance as stipulated in the Child Care and Family Care Leave Act, and make efforts to inform employees of the various systems and encourage them to take childcare leave. With regard to instilling the systems and structures, we set up an opportunity for providing eligible employees with further briefings on an individual basis, encouraging them to take full advantage of such leave. We are working to collect internal information on whether a satisfactory system is in place to facilitate an environment where it is easy to take leave, and to put in place a desirable system.

In FY2024, the rate of childcare leave taken by eligible employees was 16.7%.

Human capital investment**● Engagement diagnostics**

We conduct company-wide engagement surveys and use indicators to visualize the engagement status of the entire Company and each organization. Based on these diagnostic results, we plan and implement measures going forward.

● English education and overseas language study

Employees who wish to receive English conversation training can take a six-month course using an app on their PC or smartphone. In addition, for employees who wish to study abroad, we offer a two-month program in the Philippines to improve their English skills in ways that can be applied to their job responsibilities.

Human resources strategy

The Group's greatest asset is its human resources, and we believe that developing and acquiring diverse human resources will lead to the creation of new value and the revitalization of our organization. Furthermore, in order to realize our Company Philosophy, we continue to improve the work environment to ensure safety and job satisfaction, strengthen our education system, and promote organizational capability development and human resource development.

● Securing and utilizing human resources under the Medium to Long-Term Strategy PAMCOvision 2031

In order to emerge from the downturn in performance caused by significant changes in the business environment, we are aiming for a fundamental shift in our business model, while at the same time conducting stable corporate activities, promoting human resource investment, increasing employee engagement, and actively promoting mid-career recruitment, including U-turn career moves whereby employees relocate to their hometowns.

● Investing in human capital that is consistent with our Company Philosophy

In an era where adaptability to rapidly changing environments is required, investing in human capital is essential to bring out the potential of employees, promote autonomy, and effectively utilize these human resources both individually and organizationally. Investing in human capital leads to value creation, and the growth of individuals strengthens organizational strength, which in turn contributes to enhancing corporate value. These initiatives are in line with our Company Philosophy of "Leverage the power of people to deliver the earth's resources in more useful forms and contribute to the happiness of humankind," and we will continue to pursue them going forward.

Human rights awareness activities

Based on our stance of respect for human rights, we respect the human rights of all people involved in our business activities. We strive to ensure that no violations of human rights occur and engage in human rights education activities.

Basic views**① Basic policy for respecting human rights**

We will promote initiatives for respecting human rights, in accordance with international norms and standards as a guideline for fulfilling our responsibilities. Our Corporate Code of Ethics established based on our Company Philosophy and Company Policy states that we will create a work environment where employees can work together and express themselves. In keeping with this, we believe that creating a vibrant workplace whose human resources are diverse in terms of nationality, gender, and age, where we understand each other's values, individuality, and circumstances, and where each individual can fully demonstrate his or her abilities, will lead to higher productivity.

② Concept for respecting human rights

We will do our utmost not to violate the human rights of all those affected by our business activities. We will work to correct and remedy any situations that have negative impacts on human rights in the event that they occur. We also engage with our stakeholders, and we encourage them not to violate human rights if they have caused any negative impacts.

③ Scope of application

The scope of this policy applies to all employees and officers of the Group. We will promote respect for human rights in cooperation with our business partners with whom we have close relationships.

④ Education

We will promote appropriate education.

⑤ Human rights due diligence

We will refer to the Guiding Principles on Business and Human Rights, as well as guidelines and other information on the respect for human rights, and establish the necessary human rights due diligence system for the Company to identify, prevent or reduce negative impact on human rights.

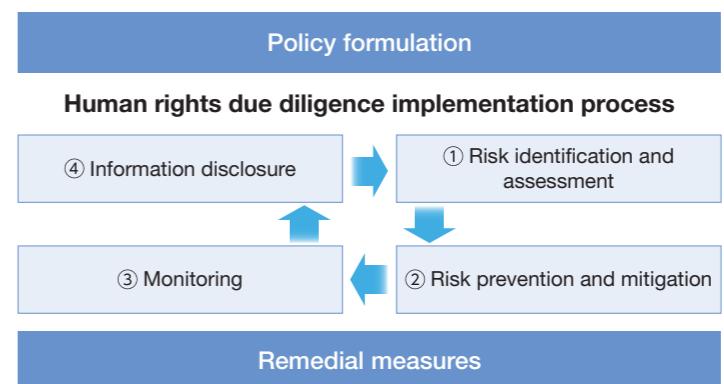
⑥ Governance system

We will discuss our approach to respect for human rights at the Sustainability Promotion Council.

Human rights due diligence

To identify and assess the negative impact on human rights related to the business activities of the Company and the Group and to prevent and mitigate such impact, we are working on the development of a mechanism for human rights due diligence, which we will implement on an ongoing basis.

We have divided our existing supply chain into "the Company and its Group companies," "upstream," including the procurement of raw materials, and "downstream," including the sale and disposal of products. With priority on the Company and Group companies in Japan and overseas, we conduct written surveys or desktop surveys to verify the status of initiatives related to human rights, labor, and health and safety and assess the risks involved, as part of our corporate social responsibility (CSR).

**● CSR surveys**

To identify human rights risks, we have conducted CSR surveys of the following business partners.

Scope of survey	FY2023	FY2024	Total
The Company and Group companies	10 companies	-	10 companies
Upstream and downstream supply chain	-	16 companies	16 companies

Two mining companies located in the Philippines from which we procure our main raw materials are included in the Group companies.

● Risk identification and assessment

We analyzed the survey results for each company and conducted additional surveys regarding certain matters of concern. From these surveys, we found that each of the survey items were being appropriately managed through means such as the establishments of systems, and that there were no actual cases of human rights violations. We will continue to monitor any potential risks as necessary and strive to prevent and mitigate risks.

● Whistle-blowing contact points

We have established whistle-blowing contact points (human rights whistle-blowing contact points) that can be used by external business partners and related parties who have been directly or indirectly affected by our business activities.

Occupational Health and Safety

We have been promoting voluntary work accident prevention activities under the slogan “Be Safety!” and working to prevent workplace accidents by raising safety awareness. We are also promoting health management activities so that employees can maintain a safe and healthy work environment.

Basic views

Health and safety policy : Eliminating accidents and continuing zero occupational illness

Occupational safety management

Health and safety policy : Eliminating accidents and continuing zero occupational illness

Specific activities

- (1) Promoting various safety activities through small group (team) activities
- (2) Strengthening risk reduction activities
 - Reevaluating (confirming) risk assessment (risk level III)
- (3) Raising safety awareness by conducting various training
 - Conducting experiential learning such as hazard awareness training (for those with at least five years' experience)
 - Forklift driving skills refresher course (for those with at least 10 years' experience)
 - Conducting awareness training for fall prevention through physical fitness tests, etc. (for those aged 40 and over)
- (4) Raising safety awareness through continued initiatives for safety focus campaigns
 - April to July: “Contact with hot objects;” August to November: “Falls from heights;” December to March: “Slips and trips”

Occupational health management

Priority goal : Continuing zero occupational illness

Specific activities

- (1) Reducing health issue discovery rates through personalized, voluntary health management activities
 - Setting and working toward personal goals to develop a healthy body
 - Ongoing initiatives to achieve the declaration of a health-oriented company
 - Strengthening guidance for those with health checkup findings
- (2) Conducting consultations by occupational physicians for senior employees (aged 60 and over)
- (3) Preventing mental health disorders
- (4) Improving the workplace environment by continuing to measure the working environment

Safety management

● Received the Excellence Award at the 66th Steel Safety Awards for 2025

The 66th Steel Safety Awards Ceremony was held at TEKKO KAIKAN on Tuesday, February 25, 2025. Pacific Metals was recognized as a workplace with an excellent safety performance, with no “lost-time injuries” occurring in the past three years, including at our subcontractors, and was awarded the Excellence Award in the Safety Performance Award category by The Japan Iron and Steel Federation.

This award is given to workplaces that have achieved excellent overall safety records and are regarded as models for others, with the aim of raising safety awareness and reducing occupational accidents.

Going forward, Pacific Metals and its subcontracting partners will continue to prioritize safety, and work toward achieving zero accidents.



Award presentation



[Excellence Award]
Certificate of Commendation and Award Plaque



Health management

● Exercise instruction classes

In the exercise instruction class, an external instructor provided guidance for beginners on strength training using barbells and other equipment in the Company's welfare facility training room, as well as bodyweight training to strengthen the core, which is also effective for fall prevention.

All participants took part actively and reported feeling the benefits of the training, which was extremely effective in raising awareness of developing consistent exercise habits.



Barbell squats



Balance training

Disaster prevention activities

● Conducting Comprehensive Disaster Prevention Training

During the annual Comprehensive Disaster Prevention Training, employees are trained to evacuate, confirm damage situation and safety, and prevent secondary disasters, under the assumption that large earthquakes with a seismic intensity of upper 5 occur. With the cooperation of the fire department, we also conduct actual 119 emergency call drills to ensure employees can make calm and accurate reports in the event of an emergency. In addition, we continue to conduct water discharge training using trucks carrying transportable pumps, thereby providing understanding of the importance of extinguishing fires quickly.



Firefighting training



Secondary tsunami evacuation site
Installation of a storage shed for supplies

One issue raised from the tsunami evacuation drill was how to protect people from the cold at outdoor tsunami evacuation shelters where they would be evacuated in the event of a major tsunami warning with an expected height of over 10 meters. Since there is a risk of hypothermia when evacuating in winter, storage sheds have been set up at the tsunami evacuation shelters to store blankets, tarpaulins, ropes, and other items to protect people from the cold.

Communicating With the Local Community

We value the connection with the local community, carry out clean-up activities, and endeavor to revitalize the community by sponsoring local organizations and participating in local events. We strive to communicate with all of our stakeholders through local initiatives.

Cleanup activities on factory premises and in the region

In September 2024, 30 employees of the Company and Taiheiyo Kosan took part in a cleanup activity conducted along the walking paths of Hachinohe City's Kawaragi No. 2 Wharf Ryokuchi Park as part of Zero Marine Waste Week, a joint initiative of The Nippon Foundation and the Ministry of the Environment. Our Tokyo Head Office also participates in joint patrols and cleanup activities of the area around Tokyo Station organized by the Ote-Marunouchi Federation of Neighborhood Associations. Six employees of the Company took part in these activities in December 2024.



Sponsorship of the local soccer club

We started loaning the artificial turf “PAMCO Field” soccer field, prepared on a final disposal site where we used to bury ferronickel slag, to the local “Vanraure Hachinohe” soccer club in July 2019. In FY2024, we signed an official partner agreement (pitch advertising boards at home games and posting of company name on club website) with the Vanraure Hachinohe soccer club.

Contributing to local communities through various organizations

- In November 2024, we made a donation to the Children's Future Support Fund.
- In November 2024, we made a donation to Japan Committee for UNICEF.
- We are conducting tours of the Company's plants for junior high school students in Hachinohe through the Regional revitalization Educational support Network. Approximately 30 students participated in October 2024, and approximately 15 students participated in January 2025.



Risk Management

We have established and operate a risk management system for dealing with various risks in a timely and appropriate manner.

Basic views

Basic policy

The Company aims to maximize corporate value by generating profits through the use of management resources and assets entrusted to it by shareholders. In making management decisions, the Board of Directors thoroughly scrutinizes and analyzes the risks associated with business and investment activities, and makes decisions based on appropriate procedures in light of the profits to be generated by such activities. In making such possible assumptions on management risks, the Company allows an appropriate level of risks in light of the corresponding business and investment returns. However, risks that affect permanent business continuity are diversifying and increasing as the business and natural environment changes. Depending on how these are handled, it may become extremely difficult to achieve the business plan, and the very survival of the business could come into jeopardy. To maintain a state in which appropriate management decisions can be made, the Company correctly understands the risks that may arise, reduces the possibility of occurrence, and devises measures to reduce probable losses before they occur. To this end, the organization and rules for dealing with each risk are clarified in the Risk Management Regulations. We have established a risk management system to thoroughly manage crises should they occur, minimizing damage and taking responsible measures for early recovery. We continuously implement this system under the following philosophy, basic objectives, and action guidelines. In the event the risk of a critical situation occurs or the possibility of occurrence rises, the Company responds in accordance with the Crisis Management Manual.

Philosophy

- (1) Fulfilling the Company's corporate social responsibility
- (2) Ensuring the Company's social credibility

Basic objectives

(1) Permanent business continuity	(2) Responding to climate change risk
(3) Securing the trust and interest of stakeholders	(4) Ensuring the safety of employees and their families
(5) Preserving company assets	(6) Enhancing corporate value

Action guidelines

- (1) Improve risk response capabilities through continuous risk management activities
- (2) Share information on potential risks
- (3) Act in a manner that does not jeopardize the safety, health or interests of stakeholders
- (4) Minimize the damage caused by the occurrence of a business crisis and take responsible actions for early recovery.

Management system

The Company will establish a risk management system by preparing the Risk Management System List that describes the risks to be managed, the departments and organizations responsible for those risks, and the rules and regulations governing those bodies.

Risk identification and assessment process

The Risk Management Committee will implement the following matters under its jurisdiction.

(1) Understanding, analyzing and evaluating risks	(2) Considering countermeasures for evaluated risks
(3) Matters related to crisis management	(4) Report to the Board of Directors
(5) Report to the Sustainability Promotion Council	(6) Other necessary matters related to risk

● Crisis Management Manual

The manual outlines the normal situation response in the "Normal situation crisis management policy" and the "Emergency response policy" (specific measures to be taken in the event of a serious crisis or the possibility of a serious crisis occurring).

Classification of major risks

The Company classifies and identifies major risks based on the basic objectives of the Risk Management Regulations.

1. Management risks

- (1) Financial (i) Stock price fluctuation (hostile takeover) (ii) Insufficient funds (iii) Accounting fraud
- (2) Market (i) LME fluctuation (ii) Exchange rate fluctuation (iii) Demand decline (price competition)
- (3) Procurement (i) Electricity (price fluctuation, securing procurement volume) (ii) Ore (price fluctuation, securing procurement volume) (iii) Coal and oil (price fluctuation, securing procurement volume) (iv) Other materials
- (4) Investment (i) New business (ii) Capital investment (iii) Research and development (iv) Acquisition and merger absorption (v) Overseas investment

2. Labor risks

- (1) Fraud or misconduct by officers (2) Fraud or misconduct by employees
- (3) Labor disputes and strikes (4) Harassment (5) Leakage of personal information

3. Social risks

- (1) Crime syndicates, Sokaiya (racketeers that disrupt shareholder meetings), and intimidation
- (2) Media attacks, criticism, and slander
- (3) Compliance violations

4. Climate change risks

- (1) Global warming caused by GHG emissions

5. Risks of disasters, accidents, etc.

- (1) Natural disasters (i) Typhoons/storm surges (ii) Earthquakes/ tsunamis (iii) Water disasters/foods (iv) Tornadoes/wind disasters
- (2) Accidents (i) Fires, explosions, and high-heat leaks (hot water leaks, etc.) (ii) Chemical substance leaks (iii) Electrical and mechanical accidents (iv) Facilities accidents (v) Traffic accidents (vi) Industrial accidents (vii) Accidents during transportation and shipping (viii) Theft (ix) Trespassing
- (3) Hygiene (i) Infectious and contagious diseases

6. Risks in the production and sales process

- (1) Products (i) Product defect warranty (ii) Product liability (PL law) (iii) Defective products (iv) System failure (production, sales management operations, etc.)
- (2) Environment (i) Oil pollution accident (ii) Liability for environmental pollution (iii) Violation of environmental regulations (iv) Tighter environmental regulations

7. Network risks

- (1) Cyberattacks, etc. (2) Network failure

Compliance

We believe that compliance is essential to supporting the foundation of our corporate activities and avoiding various risks, and take strengthening measures.

Basic views

Our Board of Directors has established "Company Policy," a "Corporate Code of Ethics," and a "Corporate Code of Conduct," etc., and advocates compliance with laws and regulations.

To ensure business is conducted based on these policies and norms, we have established an Internal Controls Committee to strengthen compliance. We list the following with respect to compliance and adherence to social norms, and all officers and employees, including directors, carry out their duties with an awareness thereof.

- ① Conduct corporate activities in accordance with compliance, social norms, and social decency.
- ② Conduct sound company activities by remaining insulated from antisocial forces that threaten social order and security.
- ③ Comply with international rules and local laws, and respect local cultures and customs when conducting international business activities. Conduct company activities that contribute to the development of each country.

Providing education on internal controls

We conduct the following internal control-related training and educational activities to instill compliance in our employees and to achieve adherence.

- Conducting compliance awareness questionnaires
- Compliance training
 - (1) Compliance education for new employees
 - (2) Circulation of the Company's "Rules of Whistle-blowing" and "Whistle-blowing Processing System" Target: employees, affiliates and business partners
 - (3) Compliance awareness activities Target: officers, managers, entire Company
 - (4) Compliance magazine regular distribution Target: entire Company
 - (5) External seminar for Internal Control Committee Secretariat (correspondence course)

Whistleblowing

- The Company has established a whistle-blowing system (internal and external contact points) based on the Whistle-blowing Rules. Whistle-blowing reports are submitted to the Board of Auditors, and specific cases are reported to the Board of Directors. Disadvantageous treatment of whistle-blowers is prohibited.

Corporate Governance

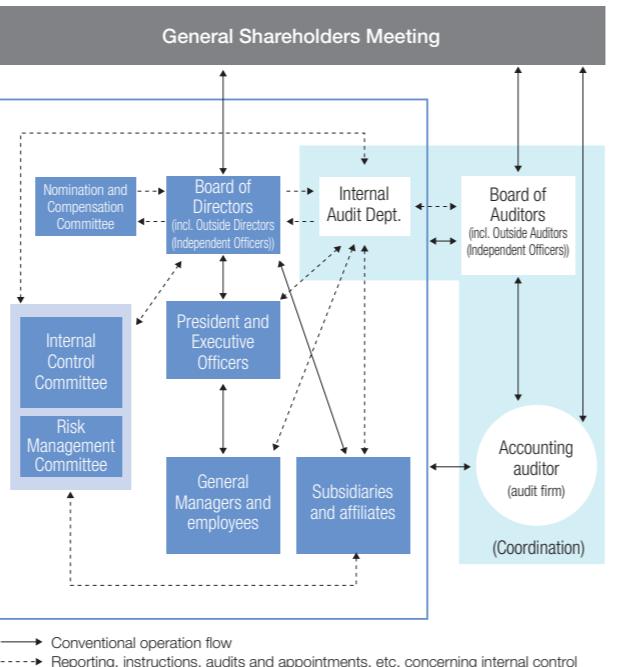
Aiming to improve corporate value, we strive to strengthen and enhance corporate governance through rapid decision making and management efficiency, and through ensuring transparency and soundness of management by strengthening supervisory functions.

Basic views

Based on the company philosophy and policy established by the Group, the Company will enhance its corporate governance as described below to achieve sustainable growth and increase its medium- to long-term corporate value.

- The Company shall respect the rights of all shareholders and ensure equality.
- The Company shall collaborate with all stakeholders, including shareholders, consumers, business partners, employees, and local communities, sincerely and appropriately, considering their interests.
- The Company shall proactively disclose information that could serve as a basis for investment decisions, in addition to disclosing information appropriately in compliance with relevant laws and regulations.
- The Company's Board of Directors shall be responsible for achieving sustainable growth and maximizing medium- to long-term corporate value based on its fiduciary responsibility to shareholders. To this end, the Company shall establish a fair and transparent management structure by introducing an executive officer system to separate decision-making and business execution functions and by strengthening the business execution supervisory function through the appointment of outside officers (outside directors and outside auditors).
- The Company shall engage in constructive dialogue with shareholders to achieve sustainable growth and maximum medium- to long-term corporate value.

Company governance system diagram



Board of Directors

The Board of Directors consists of Six Directors (including Two Outside Directors). In addition to monthly Board of Directors' meetings, Directors hold meetings as needed for prompt handling of matters, efficient execution of duties, and monitoring of the execution of duties among Directors.

Board of Auditors

The Company has adopted an auditor system, and three persons out of four Auditors comprising the Board of Auditors are Outside Auditors. In order to ensure the fair execution of duties by Directors, the Company enables all Auditors including part-time Auditors to attend all Board of Directors' meetings.

Nomination and Compensation Committee

The Company has established the Nomination and Compensation Committee, aiming at enhancing the fairness, transparency, and objectivity of procedures for the nomination and compensation of Directors and Executive Officers, as well as at further improving corporate governance. In response to inquiries from the Board of Directors, the Nomination and Compensation Committee primarily deliberates on matters related to the appointment and dismissal of Directors and other officers, the compensation of Directors, and matters approved by other committees regarding the nomination and compensation of Directors.

Internal Control Committee

The Company has established the Internal Control Committee as an advisory body to the Board of Directors to ensure "compliance with laws and regulations in corporate activities," "securing the reliability of financial reports," and "securing the effectiveness of duties" of the Group. The Internal Control Committee reports on its activities to the Board of Directors twice or more per year.

Risk Management Committee

The Company has established the Risk Management Committee, aiming at enhancing and continuously implementing the risk management system in order to correctly understand all possible risks, lower the possibility of their occurrence, devise measures to reduce probable losses before they occur, and when they occur, perform thorough crisis management, minimize the damage, and take responsible measures for early recovery.

Reasons of appointment as Outside Directors and status of activities

Name	Reasons of Appointment	Attendance at Board Directors' meetings
Yukari Sakai	The Company determined that Yukari Sakai is capable of properly performing her duties as Outside Director based on her extensive experience as a corporate manager in a wide range of business fields. The Company expects her to promote the enhancement and reinforcement of corporate governance based on a variety of perspectives from the viewpoint of diversity, leveraging the above-mentioned experience.	22 out of 22 meetings (100%)
Masahito Amano	The Company determined that Masahito Amano is capable of properly performing his duties as Outside Director based on his professional perspective as an attorney and extensive experience as a corporate manager. The Company expects him to promote the enhancement of compliance and corporate governance, leveraging the above-mentioned perspective and insight.	—

Evaluation of the effectiveness of the Board of Directors

The Company analyses and evaluates the effectiveness of the Board of Directors as a whole to enhance the functions of the Board of Directors and ultimately the corporate value. In March 2025, the Company implemented the evaluation for FY2024 by means of a questionnaire survey, targeting all Directors and Auditors (including Outside Directors and Outside Auditors).

In FY2024, the Board of Directors was evaluated positively for, among other criteria, its full consideration of the system for engaging in constructive dialogue with shareholders. Accordingly, the Company shared the recognition that the Board of Directors has generally maintained a certain level of effectiveness. On the other hand, the Company also shared issues such as the need to follow up on the state of progress of business plans and to set KPIs for sustainable growth. Based on the results of the evaluation of the effectiveness, the Board of Directors of the Company aims to further enhance the functions of the Board of Directors by thoroughly examining the policy of addressing these issues in the future.

Identified issues

Issues	Measures
① Follow-up on the state of progress of business plans	• Continued to provide updates and engage in discussions on the progress and issues of the Medium to Long-term Strategy as needed.
② Setting of KPIs for sustainable growth	• Aimed to realize management that is conscious of capital costs and stock price in the implementation of our Medium to Long-term Strategy, and set target figures to maximize corporate value.

Compensation, etc. for officers, etc.

The Company, through the Nomination and Compensation Committee, has decided the determination policy on the details of individual Directors' compensation, etc. This policy has been established by the Board of Directors in the Officers' Compensation Rules. The Company's determination policy on the details of individual Auditors' compensation, etc. has also been established by the Board of Directors in the Officers' Compensation Rules. Compensation for individual Auditors is determined through discussion between Auditors, within the total compensation limit resolved by the General Shareholders Meeting.

The resolution of the Annual General Shareholders Meeting pertaining to officers' compensation was passed on June 29, 2006, which stipulates that the amount of monetary compensation for Directors of the Company shall be up to 350 million yen per year. It was resolved that the amount of monetary compensation for Auditors of the Company shall be up to 60 million yen per year.

In addition, the Company resolved at the Board of Directors meeting held on May 14, 2025 to introduce a restricted stock compensation plan (hereinafter, the "Plan") as a new compensation plan for Directors of the Company (excluding Outside Directors; hereinafter, "Eligible Directors") in order to provide them with an incentive to pursue the sustainable improvement of the Company's corporate value, and to promote their further sharing of value with shareholders. It was resolved at the 99th Annual General Shareholders Meeting held on June 25, 2025 that, among other decisions, the Eligible Directors shall be paid monetary claims of up to 70 million yen per year as compensation intended to be used as contributions for acquiring restricted stock under the Plan, the number of shares of common stock of the Company to be issued or disposed for this shall be up to 45,000 shares, and the transfer restriction period for the restricted stock shall be 50 years.

Regarding the amounts of compensation, etc. for individual Directors of the Company, the Nomination and Compensation Committee, delegated authority by the Board of Directors, deliberates on proposals for the aggregate amounts of compensation for each period, based on the separately-established policy on Directors' compensation. The President and Representative Director submits the results of this deliberation to the Board of Directors, which decides the amounts of compensation, within the total compensation limit resolved by the General Shareholders Meeting.

The basic policy for Director's compensation is to link the compensation system with the benefits of shareholders in order to make the system fully functional as an incentive to pursue the sustainable improvement of corporate value, and to determine the individual Director's compensation at an appropriate level according to his/her responsibilities. Specifically, Directors' compensation consists of "basic compensation for officers (monetary/stock)" as fixed compensation, and "bonuses for officers (monetary)" as performance-linked compensation. Regarding Outside Directors, who assume the responsibility of oversight, only "basic compensation for officers (monetary)" is paid in light of their duties.

Basic compensation for Directors of the Company is fixed monthly compensation and annual stock compensation, and the amount and number of shares are deliberated and determined by the Nomination and Compensation Committee.

The basic compensation for officers (monetary) is an amount of fixed monthly basic compensation based on position, corresponding to the level of duties.

For basic compensation for officers (stock), restricted stock will be granted according to the position of Directors (excluding Outside Directors), and the transfer restrictions will

be lifted at the time of their retirement from the position of Director.

The benchmark for the payment of performance-linked compensation for Directors of the Company is the ability of the Company to pay dividends, which are calculated based on separately-established allocation standards for profit, using profit attributable to owners of parent as the source of funds. The performance benchmark is selected to raise awareness of the performance improvement for each fiscal year, contribute to the improvement of corporate value, and share benefits with all stakeholders.

Performance-linked compensation is paid as a bonus at a predesignated time each year, in an amount calculated in accordance with performance for each fiscal year.

Bonuses for officers (monetary) are performance-linked monetary compensation based on single fiscal year performance, etc. as a short-term incentive, which is limited to a maximum of the sum of individual monthly basic compensation for five months. Compensation is paid after the Company's results, etc. have been determined in each fiscal year. Regarding the ratio by compensation type, the ratio of fixed compensation to performance-linked compensation is in the range between 10:0 and 7:3.

Proposals for monthly basic monetary compensation and annual basic stock compensation for individual Directors are submitted to the Nomination and Compensation Committee by the President and Representative Director, based on careful evaluation of the roles expected of each Director by the Company. The Nomination and Compensation Committee, upon deliberation, determines compensation for individual Directors, and the President and Representative Director submits a proposal for the payment of the aggregate amount to the Board of Directors, which decides it.

The Board of Directors has measures in place to ensure that the Nomination and Compensation Committee appropriately exercises this authority, with the President and Representative Director submitting the results of the Committee's deliberation to the Board of Directors for decision. Because the amounts of individual Directors'

compensation are determined according to these procedures, the Board of Directors believes that they are in line with the determination policy.

Authority is delegated to the Nomination and Compensation Committee, a non-statutory advisory body of the Board of Directors composed of a majority of Outside Directors, to ensure the fairness, transparency, and objectivity of processes related to the determination of compensation, etc.

For the current fiscal year, the Nomination and Compensation Committee (Chairperson: Outside Director Shinya Matsumoto; Members: President and Representative Director Masayuki Aoyama, Outside Director Hikari Imai, Outside Director Yukari Sakai) has determined the details of compensation, etc. for individual Directors. The scope of this authority is stipulated under the Committee Regulations as the compensation system basic policy, proposals for compensation limits (including calculation methods), and specific individual compensation amounts (including calculation methods). The Board of Directors and the Nomination and Compensation Committee carried out the following activities in the process of determining the amount of compensation for officers of the Company during the fiscal year under review. The Committee evaluated the current compensation for Directors and organized its concept, conducted a general review of the composition of monthly compensation and performance-linked compensation, and discussed the ideal form of total amount of compensation and individual compensation. As a result, we conducted an objective evaluation of each individual as well as his or her position, responsibilities, and years in office.

The indicator for performance-linked compensation for the fiscal year under review is the amount of consolidated profit. Since the actual result was a loss attributable to owners of parent of 1,667 million yen, the Company decided not to pay bonuses for officers to six (6) Directors (excluding Outside Directors) in accordance with the policy on Directors' compensation.

Total amount of compensation, etc. for each officer category, total amount by type of compensation, etc., and number of eligible officers

Officer category	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)				Number of eligible officers (persons)
		Fixed compensation	Performance-linked compensation, etc.	Retirement benefits	Of which, non-monetary compensation, etc.	
Directors (excluding Outside Directors)	166	166	-	-	-	6
Auditors (excluding Outside Auditors)	21	21	-	-	-	1
Outside officers	37	37	-	-	-	7

(Notes) 1 The number of recipients and the payment amounts above include one Auditor who retired at the conclusion of the 98th Annual General Shareholders Meeting held on June 21, 2024.

2 The Board of Directors' meeting, held on May 22, 2006, resolved to abolish the retirement benefits system for officers, and the 80th Annual General Shareholders Meeting, held on June 29, 2006, resolved to grant final payments in conjunction with the abolition of the retirement benefits system. Total amounts of the final payments in the future as of the end of this fiscal year is as follows. A total of 6 million yen for one Auditor.

3 Outside officers do not receive officers' compensation, etc. from subsidiaries.

Shareholding status

Methods for assessing shareholding policies and rationality of holdings, and details of verification by the Board of Directors, etc. regarding the appropriateness of holding individual issues

The Company holds shares of other companies as cross-shareholdings, with the aim of maintaining or strengthening business relationships and enhancing the medium- to long-term corporate value of investee companies and the Company. In addition, the Company exercises voting rights as to its cross-shareholdings after taking into account the business relationships and the return, etc. from the shareholdings, as well as whether or not the proposed agenda will help improve the corporate value of the investee company and the Company.

The Board of Directors regularly explains the purpose and rationality of shares held by the Company as cross-shareholdings.

This is done after comprehensively determining the appropriateness of continuing to hold, based on a quantitative assessment of changes in the stock price and market capitalization, changes in the amount of dividends received and the dividend yield, and changes in ROE over the past five years, as well as qualitative assessment of the medium- to long-term economic rationality and future prospects.

Number of issues and balance sheet amount

	Number of issues	Total amount on balance sheet (million yen)
Unlisted stocks	10	187
Stocks other than unlisted stocks	3	1,055

Officers

Directors



Kazuo Iwadate
President and Representative Director



Yoshiharu Inomata
Director & Senior Managing Executive Officer



Kenichi Hara
Director & Managing Executive Officer



Terunobu Matsuyama
Director & Managing Executive Officer



Yukari Sakai
Outside Director



Masahito Amano
Outside Director

April 1985	Joined the Company
December 2012	General Manager, Production Dept., Production Div.
November 2015	General Manager, Production Dept. and General Manager, Environmental Business Dept., Production Div.
June 2017	Executive Officer
June 2017	Assistant General Manager, Production Div., General Manager, Utility & Maintenance Dept. and General Manager, Environmental Business Dept.
July 2019	General Manager, Business Process Reengineering Dept.
May 2020	President & Representative Director, Pacific Gas Center Co., Ltd.
June 2020	Director, the Company
June 2020	Senior Executive Officer
June 2020	In charge of Utility & Maintenance and Production
June 2021	In charge of Safety & Health Management
June 2025	President and Representative Director (to present)
June 2025	Member of Nomination and Compensation Committee (to present)

April 1975	Joined the Company
December 2014	Senior Executive Officer
June 2014	General Manager, Quality Control Dept. and General Manager, Environmental Management Dept.
July 2016	General Manager, Quality Control & Environmental Management Dept.
September 2016	General Manager, Quality Control & Environmental Management Dept., General Manager, Technical Research & Development Dept. and Manager, Pyrometallurgy Development Sec.
June 2017	Director (to present)
June 2017	In charge of Safety & Health Management, Quality Control & Environmental Management
June 2017	General Manager, Technical Research & Development Dept.
July 2019	In charge of Safety & Health Management and Resources & Technology Development Project
July 2019	General Manager, Quality Control & Environmental Management Dept.
June 2020	In charge of Corporate Planning, Safety & Health Management, Quality Control & Environmental Management
June 2021	Senior Managing Executive Officer (to present)
June 2021	Assistant to President (to present)
June 2021	In charge of Recycling Business & Technology Development Dept.
July 2024	General Manager, Recycling Business & Technology Development Dept.
June 2025	In charge of Special Assignments (to present)

April 1988	Joined the Company
May 2014	Auditor, Pacific Gas Center Co., Ltd.
June 2014	General Manager, Finance & Accounting Dept., the Company
June 2017	Executive Officer
June 2018	Director (to present)
June 2020	Senior Executive Officer
May 2021	In charge of IR (to present)
June 2021	Director, Taiheiyo Kosan Co., Ltd. (to present)
June 2021	Managing Executive Officer, the Company (to present)
June 2021	In charge of Internal Control (to present)
June 2021	In charge of General Administration (to present)
June 2021	In charge of Finance & Accounting (to present)
June 2021	General Manager of Personnel & Labor Relation Dept.
June 2025	In charge of Personnel & Labor Relation (to present)

April 1984	Registered as attorney, joined the law firm of Nishimura & Sanada (currently Nishimura & Asahi)
September 1989	Joined Hughes Hubbard & Reed LLP
February 1990	Registered as attorney of the State of New York
January 1996	General Counsel, Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.)
December 2001	Director, Merrill Lynch Japan Securities Co., Ltd.
June 2019	Senior Advisor, Masuda & Partners Law Office
March 2025	Representative, Masahito Amano International Law Office (to present)
March 2025	Representative Director, Stark Advisory Co., Ltd. (to present)
June 2025	Outside Director, the Company (to present)
June 2025	Member of Nomination and Compensation Committee (to present)

Auditors



Kiichi Tatsunaka

Full-time Auditor

April 1963 Joined the Company
December 1995 Assistant General Manager, Administration Dept., Hachinohe Plant and Manager, Finance & Accounting Dept.
July 1999 Assistant General Manager, Finance & Accounting Dept. and Manager, Finance & Planning Dept.
April 2003 General Manager, Finance & Accounting Dept.
June 2003 Auditor
June 2005 Full-time Auditor (to present)



Ken Yasuda

Outside Auditor

April 1976 Joined The Kyowa Bank, Ltd.
April 1995 Manager of Kawachi Chiyoda Branch, The Asahi Bank, Ltd.
April 1997 Manager of Kosaka Branch, The Asahi Bank, Ltd.
June 1999 Manager of Kudan Branch, The Asahi Bank, Ltd.
April 2001 Manager of Tokyo Chuo Branch and General Manager of Branch Sales Dept. No.1, The Asahi Bank, Ltd.
July 2001 General Manager of Tokyo Chuo Region Sales Dept. and General Manager of Regional Sales Dept. No.1, The Asahi Bank, Ltd.
January 2003 Manager of Tokyo Chuo Branch, The Asahi Bank, Ltd.
June 2003 Executive Officer, General Manager of Tokyo Sales Administration Dept. and In Charge of Tokyo Real Estate Dept., Resona Bank, Limited
October 2003 Executive Officer and General Manager of Tokyo Sales Dept., Resona Bank, Limited
June 2006 General Manager of General Affairs Dept., JCB Co., Ltd.
June 2007 Standing Corporate Auditor, Hibiya Engineering, Ltd.
June 2016 External Auditor, NIHON PLAST CO., LTD.
June 2018 Outside Auditor, the Company (to present)



Yutaka Iimura

Outside Auditor

April 1985 Joined Hokkaido-Tohoku Development Finance Public Corporation
June 2009 Senior Manager in charge of credit determination, Credit Analysis Department, Development Bank of Japan Inc.
June 2010 Representative Director and Senior Managing Director, Shin-Mutsu-Ogawara Inc.
June 2012 Senior Manager in charge of credit appraisal, Credit Analysis Department, Development Bank of Japan Inc.
June 2014 General Manager, Planning & Research Dept., Tomakomai Port Development Co., Ltd.
June 2015 Director General Manager, Ferry Terminal Business; General Manager, Planning & Research Dept.
June 2019 Managing Director, General Manager, Ferry Terminal Business; General Manager, Planning & Research Dept.
June 2021 Senior Executive Director, Hokkaido-Tohoku Regional Economic Research Institute
April 2023 Senior Research Director, Public Service Design Division, Japan Economic Research Institute Inc. (to present)
June 2023 Outside Auditor, the Company (to present)



Kyosuke Miyazaki

Outside Auditor

April 1983 Joined The Fuji Bank, Ltd.
October 2005 Credit Assessor, Credit Supervision Division I, Mizuho Bank, Ltd.
January 2008 Deputy General Manager, Corporate Credit Department No. 1, Mizuho Bank, Ltd.
May 2011 Executive Officer, Division Chief, Mizuho Real Estate Services Co., Ltd.
April 2018 Executive Officer, The Shonai Bank, Ltd.
April 2020 Director and Executive Officer, The Shonai Bank, Ltd.
April 2021 Director and Executive Officer, General Manager, Corporate Management Dept., The Shonai Bank, Ltd.
June 2023 Outside Auditor, J-WAVE Inc. (to present)
June 2024 Outside Auditor, the Company (to present)

Skills matrix

	Name	① Corporate management	② Business portfolio construction	③ Finance/accounting	④ Marketing	⑤ IT	⑥ Research/development	⑦ Law	⑧ Risk management	⑨ Personnel and labor relations	⑩ Global management	⑪ ESG and sustainability
Directors	Kazuo Iwadate	○	○			○	○		○			○
	Yoshiharu Inomata	○	○				○		○	○		○
	Kenichi Hara	○	○		○				○		○	○
	Terunobu Matsuyama	○	○	○		○		○	○	○		○
	Yukari Sakai	Outside Independent	○	○	○				○	○		
Auditors	Masahito Amano	Outside Independent	○	○	○			○	○		○	
	Kiichi Tatsunaka			○				○				
	Ken Yasuda	Outside Independent		○				○				
	Yutaka Iimura	Outside Independent		○				○				
	Kyosuke Miyazaki	Outside Independent		○				○				

(Note) The skills matrix classifies knowledge and experience considered to be important for the Company and indicates the fields in which the Directors and Auditors have appropriate expertise (○) and the fields for which the Company has high expectations (●) of the Directors and Auditors.

Guidelines for fulfilling each item in the skills matrix

① Corporate management	<ul style="list-style-type: none"> Experience as president or a director of a company, etc. Knowledge, experience, and track record in all aspects of corporate management to develop and implement the Company's medium- to long-term business plans
② Business portfolio construction	<ul style="list-style-type: none"> Expertise and experience that will enable the supervision of the state of execution in line with policies of the Company's PAMCOVision 2031: Toward the growth of a second core business from the transition to a metal refining business that will become a new core business and the expansion of business areas
③ Finance/accounting	<ul style="list-style-type: none"> Experience as a director in charge or general manager of a department related to accounting Experience as a director in charge or general manager of a department related to financial management or fund procurement Experience at a financial institution, etc.
④ Marketing	<ul style="list-style-type: none"> Experience as a director in charge or general manager of corporate planning and coordination Experience as a director in charge or general manager of a department related to sales Experience as president or a director of a related company Experience as a director in charge or general manager of business investment, etc.
⑤ IT	<ul style="list-style-type: none"> Experience as a director in charge or general manager of a department related to IT or information systems
⑥ Research/development	<ul style="list-style-type: none"> Experience as a director in charge or general manager of a department related to R&D Experience as a director in charge or general manager of a department related to manufacturing technology or production facilities
⑦ Law	<ul style="list-style-type: none"> Experience as a director in charge or general manager of legal affairs or compliance promotion Experience as an attorney-at-law
⑧ Risk management	<ul style="list-style-type: none"> Experience as a director in charge or general manager of risk management
⑨ Personnel and labor relations	<ul style="list-style-type: none"> Experience as a director in charge or general manager of a department related to HR (diversity promotion) or labor Experience as a member of another company's nomination or compensation committee
⑩ Global management	<ul style="list-style-type: none"> Experience of overseas posting Officer experience or business experience at an overseas subsidiary
⑪ ESG and sustainability	<ul style="list-style-type: none"> Experience as a director in charge or general manager of a department related to ESG/CSR Experience as a director in charge or general manager of a department related to sustainability

Roundtable Discussion By Outside Directors and President



With the aim of becoming a comprehensive materials company that co-creates a sustainable, recycling-oriented society, we have been promoting the seven-year Medium to Long-term Strategy PAMCOvision 2031 since April 2025 in order to proceed to a new stage. The Outside Directors and President Iwadate held a frank discussion about expectations for the Company going forward and challenges facing its management strategies.

The new management structure and the launch of the Medium to Long-term Strategy

Sakai: I became an Outside Director of the Company in June 2021, and am now in my fifth year in this role. Looking back over the past few years, the external environment surrounding the nickel business has deteriorated rapidly, and the Company's own efforts alone have not been sufficient. In particular, during the fiscal year ended March 31, 2025, the Board of Directors spent the majority of its time discussing how to break loose of persistent losses and fundamentally rebuild the Company's core profit structure. Firstly, we will reduce the scale of or withdraw from the core business of ferronickel for stainless steel, while entering new businesses and diversifying the Company's businesses. Since the shift in the business model will take a certain amount of time, the Company will build a seven-year phase

while monitoring feasibility studies of businesses where seeds have been sown to date. As a result of repeated discussions about these issues, the Company has established the outline of its current Medium to Long-term Strategy PAMCOvision 2031 (Medium to Long-term Strategy), which will review the Company's business model from scratch and proceed to a new stage.

In addition, with the start of the Medium to Long-term Strategy, the Company renewed its management structure. Under the leadership of President Iwadate who is in his 50s, a system was put in place to accelerate management decision-making, including by reducing the number of inside and Outside Directors from nine to six. Going forward, we expect President Iwadate to demonstrate strong leadership,

and together with our own involvement, lead the Company toward the successful achievement of this new vision.

Amano: I became an Outside Director of the Company in June 2025. I have two requests for senior management. The first is that they approach the reform project with an abundance of passion. In the United States, there is a concept known as "animal spirit," which refers to the belief that an overwhelming passion and strong sense of expectation are the greatest drivers for achieving one's business goals. I would like senior management, including President Iwadate, to express their inner passion and take on the significant challenge of undertaking a shift in business models. I believe that by conveying their passion, they will ignite the hearts of employees, business partners, and others who are actually involved in the business, and demonstrate a positive impact.

Secondly, as an executive at a U.S.-based investment bank, I have experience in a variety of domestic and international projects, and I know that in partnership-based businesses, many unforeseen events can occur. It is remarkable that Pacific Metals' technology has been recognized and that leading companies both in Japan and overseas have sought partnerships with the Company. However, at the same time as carefully selecting partners, the Company must engage in projects while considering worst-case scenarios and also remember that once a project is underway, terms and conditions may change depending on negotiations. This may sound like the opposite of the first point, but caution is extremely important when actually moving ahead with a project. I would like to respectfully request your attention to these two points.

Iwadate: It has been exactly 40 years since I joined the Company in 1985. The Company launched its ferronickel



business in November 1966, two months before I was born, so I have been immersed in ferronickel ever since I started working at Pacific Metals as an operator on manufacturing sites and later as a manager.

As Ms. Sakai mentioned, over the past few years we have witnessed turmoil in the global environment surrounding the ferronickel business, leading us to the strong belief that now is the time we must create a new Pacific Metals.

In addition, as Mr. Amano pointed out, it is important to also forge ahead while also exercising caution. It is never easy to express one's thoughts in words, but I fully understand the concerns of those on the manufacturing frontlines over the past few years, and I would like to communicate with employees in those positions and move forward while receiving feedback and inspiration from them.

Medium to Long-term Strategy PAMCOvision 2031

Sakai: In formulating the Medium to Long-term Strategy, the Company has made a major shift from the past to reform its business structure, despite external pressure from the changing business environment. 2024 was a very difficult year when the Company chose to make self-imposed changes, but I feel that in the end it was a good year.

On the other hand, the period following the launch of the Medium to Long-term Strategy is crucial, and I believe the first year will be a decisive one. As a manufacturing company, Pacific Metals' shift in business models will take some time, and the Company has announced in its Medium to Long-term Strategy that it plans to achieve operating profit from the fiscal year ending March 31, 2028. However,

interim progress needs to be shown. I believe this is necessary not only for external parties but also to alleviate employees' concerns.

Amano: The Medium to Long-term Strategy outlines four business areas as directions for diversification, with the focus being on the polymetallic nodule smelting business from seabed resources, which is expected to demonstrate high market growth and strong profitability, as well as the beryllium business targeting nuclear fusion power generation and the existing beryllium alloy market. At present, it is true that there are currently many uncertainties regarding these initiatives, including the roadmap for implementation, monitoring methods, and the procurement of necessary funding. I am not an expert in technical matters, so I would



like to offer my support by providing advice on aspects such as project management and financial matters.

Iwadate: There is no mistake that the two core businesses the Company is targeting are polymetallic nodules and beryllium, but it will take some time to monetize these. In the meantime, I am relying on the retail electricity business for high-voltage and extra-high-voltage businesses, and the calcium aluminate manufacturing and sales business in collaboration with AMITA HOLDINGS CO., LTD. to support the Company. We embarked on these businesses from the current fiscal year, and our employees fully understand the importance of their work as they recognize that the four businesses complement each other, bridging the transition period from the shift in business models to the resumption of full-scale growth, and are working hard to ensure that they become profitable.

Amano: Earlier, Ms. Sakai mentioned that the interim progress of the shift in business models should be disclosed. Recently, companies are being asked to improve their capital efficiency, and Pacific Metals is aiming for an ROE of 8%. However, overly focusing on efficiency can lead to a diminishing equilibrium. First of all, I think it is important to steadily advance our growth strategy and communicate milestone achievements to stakeholders as they occur in order to highlight our progress. Knowing our progress as it occurs will help investors understand the projects better and may lead to new partnerships, financing, or other future developments.

Sakai: Investors view the Company on a business-unit basis. Earlier this year, the market responded positively when it was announced that Pacific Metals had successfully completed the world's first commercial-scale continuous smelting test of polymetallic nodules. In terms of IR activities, I believe it is also important to proactively communicate initiatives that can enhance corporate value in the medium to long term.

Iwadate: Recently, I have been making a conscious effort to share information as appropriate, and I have come to

recognize once again the importance of continually communicating updates about the long-term polymetallic nodule project as soon as results are achieved. The Company has completed a feasibility study for polymetallic nodules, and just started preparations to modify the production facilities in readiness for actual operations.

Amano: Regarding the polymetallic nodule business, the future direction of global regulations on seabed resource extraction is being closely watched, but is it possible for Pacific Metals to take any action in some form?

Iwadate: Although we cannot directly participate in the establishment of global regulations, we are involved in organizations that are conducting research on polymetallic nodules through industry-academia collaboration, and since we believe it is necessary to lobby the government from various angles, we would like to continue in this direction.

Sakai: I now understand from the President's earlier explanation the importance of each of the four businesses. That being said, I think it would be ideal for the President to dedicate time to the polymetallic nodule and beryllium businesses, which are expected to be pillars of earnings in the medium to long term, while delegating authority for the retail electricity business and the calcium aluminate manufacturing and sales business. What are your thoughts on this?

Iwadate: In fact, I have been thinking about this myself, and I am currently considering restructuring the organization in the second half of the year to delegate authority to the younger generation. I believe that the key to shifting our business model is people, and I would like to promote business diversification by assigning our current human resources to the appropriate positions.

Sakai: That would be excellent. As they say, a title helps a person grow, and I expect that delegating more authority to younger employees will further energize the workplace.

Amano: I'd like to ask which type of organization the Company is; top-down or bottom-up? Generally speaking, the ideal organization has both strong top-down leadership and bottom-up input driven by younger employees. However, when bottlenecks arise when promoting a strategy, it seems that a bottom-up approach led by younger employees often leads to a solution.

Iwadate: Over the past few years, production has been curtailed and manufacturing sites have been in a state of uncertainty, leaving them virtually in the dark. Now that we have launched the Medium to Long-term Strategy, I think that the future has finally begun to look brighter. I believe that our employees now sense that they themselves must move forward if that light is to shine even more brightly. As you pointed out, it is important to have leadership from the top, and also important to ensure that employees provide their opinions and make suggestions from the bottom up. To that end, senior management is making an effort to

delegate authority, as I mentioned earlier, and to communicate in a way that allows us to gather opinions from frontline staff.

What makes a Board of Directors effective?

Sakai: As Pacific Metals embarks on a new management structure, I would like to offer one point of reflection. As part of efforts to strengthen corporate governance, the Company established a Nomination and Compensation Committee, approved President Iwadate as the next candidate for President, and began his training. However, his actual appointment as President happened quite suddenly.

Iwadate: It's true that I assumed the presidency quite suddenly, partly due to the previous President's view that it would be best for the new President to take office at the same time as the launch of the Medium to Long-term Strategy.

Sakai: In retrospect, I feel it was a sound management decision; however, from the perspective of accountability and transparency, I would have liked to have spent a little more time on the process within the Nomination and Compensation Committee. Going forward, I would like to continue discussing these matters in greater depth. Overall, I believe the effectiveness of the Board of Directors is being ensured, although there may still be room for improvement in terms of enhancing the efficiency of the Board.

Amano: After I assumed my position, I reviewed the Medium to Long-term Strategy documents and sent numerous questions to Directors by email, to which they responded. Regarding the agenda for the Board of Directors meetings, I believe that if we can resolve any questions and concerns in advance through online communication, the meetings will proceed even more efficiently.

Sakai: For example, if the materials prepared in advance for the Board of Directors meetings include information on project-related risks and whether or not there are risk-taking strategies in place, I think discussions at the Board meetings could proceed in a shorter timeframe.

Iwadate: Having been a Director on the Board of Directors for the past five years, I fully agree with the points you have both made and will strive to make improvements going forward.

Amano: On the other hand, there is currently discussion about whether the number of Outside Directors should be increased to constitute a majority. In the case of Pacific Metals, the number of Outside Directors is two, which is low compared with the four inside Directors. However, given the current situation at the Company, both Ms. Sakai and I would like to contribute to the Company's transformation by leveraging our respective knowledge and expertise, rather than by simply providing opinions. I believe that we should first do our best within the current structure.

Sakai: I agree. Previously, in response to a question from an institutional investor asking whether the Board of Directors should serve as a monitoring board, we explained that since Pacific Metals' business is highly specialized and the main plant is located in Hachinohe, distant from the Tokyo Head Office, it is more practical for the Board of Directors to operate as a management board in order to exercise the functions of head office. Of course, we may reconsider this depending on the future development of the Company. However, in the current situation, a deep knowledge of the business by everyone within the Company is essential to proceed with the shift in business models, and simply increasing the number of Outside Directors who are unfamiliar with the business may not necessarily be beneficial.

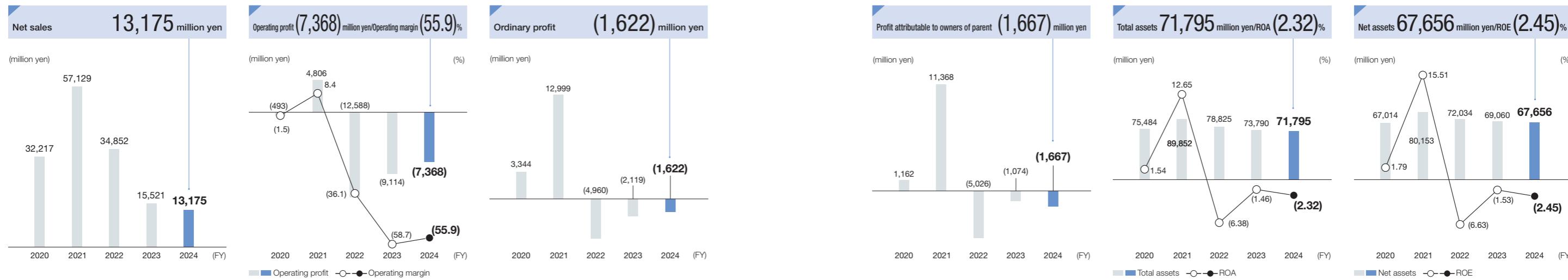
Iwadate: I am also of the opinion that, given the current situation of the Company, the present composition of the Board of Directors is appropriate. In manufacturing, if you don't understand the on-site situation, you risk going about things the wrong way. Focusing only on monitoring without making progress defeats the purpose entirely. However, the transformation toward our business model shift has only just begun and there is still a long way to go. We must always assess the current situation accurately, while at the same time looking ahead and using a backcasting approach to determine what we need to do now. To that end, I sincerely hope to draw on the perspectives and support of those outside of the Company, and I would like to encourage all stakeholders to look forward to the future of Pacific Metals.

Sakai, Amano, Iwadate We will endeavor to do our utmost in order to meet everyone's expectations.

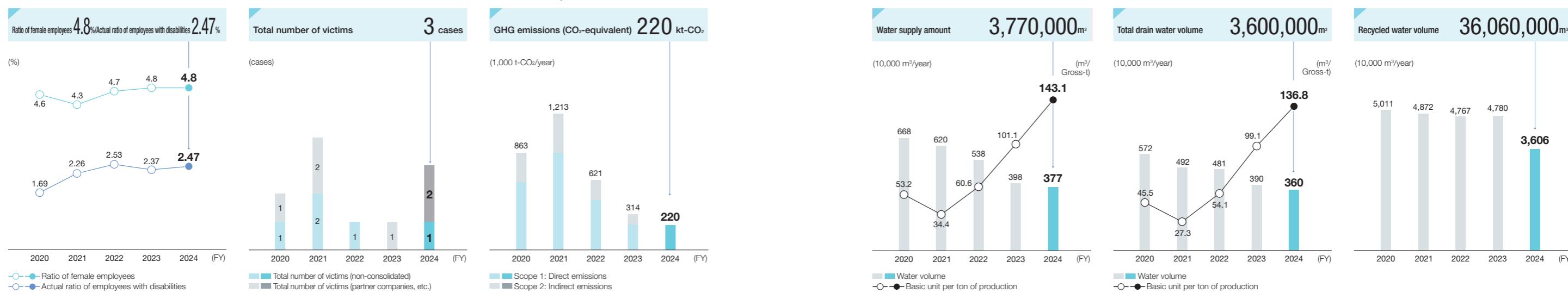
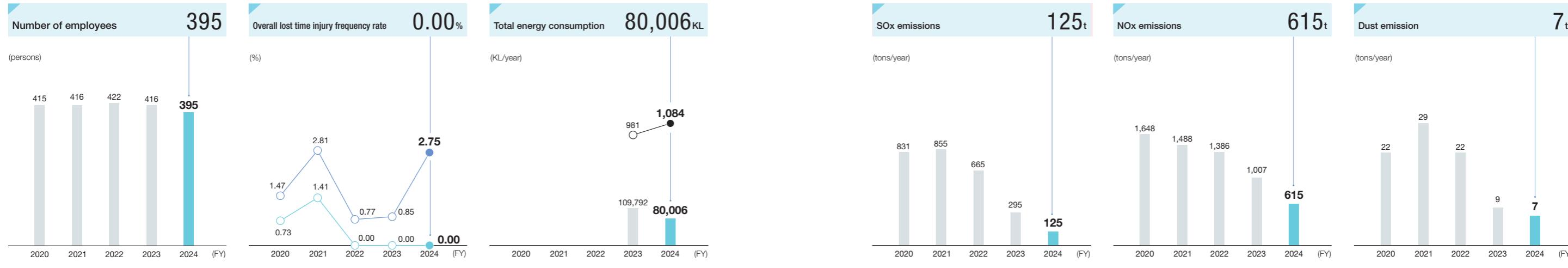


Financial and Non-financial Highlights

Financial Data (Consolidated)



Non-financial Data (Non-consolidated)



11-Year Financial Highlights [Japanese GAAP] (Consolidated)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	(million yen)
Business Performance												
Product sales volume [Ni.t]	32,274	34,525	33,100	31,600	32,000	28,533	20,793	27,060	12,393	6,025	5,430	Outline and Vision
Production volume [Ni.t]	29,651	36,692	33,101	29,902	33,506	30,885	18,414	26,249	13,380	6,035	3,888	
Net sales	61,225	47,649	38,697	41,210	49,062	44,133	32,217	57,129	34,852	15,521	13,175	
Operating profit (loss)	(7,787)	(15,357)	(3,070)	(3,239)	176	(1,879)	(493)	4,806	(12,588)	(9,114)	(7,368)	
Ordinary profit (loss)	(91)	(12,283)	(515)	(203)	3,451	972	3,344	12,999	(4,960)	(2,119)	(1,622)	
Profit (loss) before income taxes	(952)	(38,462)	(3,321)	(445)	4,054	937	1,399	12,795	(4,287)	(611)	(1,245)	
EBITDA	(1,627)	(9,819)	(2,695)	(2,928)	483	(1,549)	(115)	5,062	12,299	(8,764)	(7,013)	
Profit (loss) attributable to owners of parent	(1,611)	(38,369)	(3,561)	(810)	3,693	625	1,162	11,368	(5,026)	(1,074)	(1,667)	
Capital investment	4,247	1,091	269	259	276	530	1,249	686	1,201	331	386	
Depreciation	6,160	5,538	375	311	307	330	378	256	289	350	355	
Research and development expenses	999	171	128	144	142	190	234	276	360	511	449	
Financial Status												
Total assets	120,105	73,840	71,760	70,351	71,933	69,960	75,484	89,852	78,825	73,790	71,795	Outline and Vision
Property, plant and equipment	39,801	10,191	9,542	9,292	9,146	8,596	7,606	7,734	8,383	7,388	7,273	
Net assets	109,807	67,733	63,771	62,616	64,439	63,506	67,014	80,153	72,034	69,060	67,656	
Per Share Information												
Net assets per share (yen)* ¹	562.00	346.33	325.95	3,199.09	3,291.66	3,242.70	3,421.84	4,095.12	3,678.90	3,527.21	3,455.68	Outline and Vision
Basic earnings (loss) per share (yen)	(8.26)	(196.62)	(18.25)	(41.56)	189.37	32.06	59.61	582.93	(257.75)	(55.10)	(85.52)	
Cash dividend (yen)	-	-	-	-	55.00	25.00	20.00	175.00	-	-	135.00	
Dividend payout ratio (%)	-	-	-	-	29.0	78.0	33.6	30.0	-	-	-	
Financial Indicators												
Equity ratio (%)	91.32	91.52	88.62	88.70	89.26	90.40	88.41	88.89	91.02	93.22	93.86	Outline and Vision
ROA (%)	(1.34)	(51.96)	(4.96)	(1.15)	5.14	0.89	1.54	12.65	(6.38)	(1.46)	(2.32)	
ROE (%)	(1.48)	(43.29)	(5.43)	(1.29)	5.84	0.98	1.79	15.51	(6.63)	(1.53)	(2.45)	
D/E ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Status of Cash Flows												
Cash flows from operating activities	9,646	(3,618)	(3,360)	(1,067)	399	(4,720)	5,829	7,857	(7,516)	2,793	3,011	Outline and Vision
Cash flows from investing activities	(272)	(4,859)	7,907	(2,333)	3,026	(394)	(1,781)	(2,909)	974	2,000	(153)	
Cash flows from financing activities	(272)	(100)	(21)	(18)	(398)	(1,072)	(102)	(785)	(3,006)	(5)	(7)	
Free cash flows	9,374	(8,477)	4,547	(3,400)	3,425	(5,114)	4,048	4,948	(6,542)	4,793	2,858	
Information by Segment												
Net sales												
Nickel business	59,065	45,239	37,357	39,855	48,142	43,489	30,419	56,338	34,135	14,727	12,367	Outline and Vision
Gas business (power generation business)* ²	1,361	661	620	760	135	624	617	576	774	811	774	
Other (Non segment)	997	1,952	868	748	917	148	1,283	324	38	61	109	
Operating profit												
Nickel business	(7,987)	(16,208)	(3,129)	(3,412)	382	(1,559)	(567)	4,950	(12,441)	(9,082)	(7,282)	Outline and Vision
Gas business (power generation business)* ²	119	22	87	269	(111)	3	21	(10)	4	(14)	(1)	
Other (Non segment)	29	796	(51)	(125)	(123)	(342)	43	(142)	(160)	(26)	(93)	
Other												
Number of employees (persons)	498	482	468	464	456	459	458	460	468	459	441	

*1 The Company conducted a 1 to 10 share consolidation on October 1, 2017.

*2 The Company has changed its reportable segments since the second quarter of the fiscal year ended March 31, 2021, making the "Nickel business" and the "Gas business" its reportable segments.

1

Outline and Vision

2

3

Sustainability Strategies to Support Value Creation

4

Data Section

Overview of the Company and Stock Information

Overview of the Company (As of March 31, 2025)

Name	PACIFIC METALS CO., LTD.
Representative	Kazuo Iwadate (Appointed June 2025) President and Representative Director
Date of establishment	December 1, 1949
Annual sales	12,444 million yen (nonconsolidated basis for FY2024)
Number of employees	395 employees (nonconsolidated basis for FY2024)
Capital	13.9 billion yen

Officer Information (As of June 25, 2025)

Kazuo Iwadate	President and Representative Director	Kiichi Tatsunaka	Auditor (Full-time)
Yoshiharu Inomata	Director	Ken Yasuda	Auditor (Outside)
Kenichi Hara	Director	Yutaka Iimura	Auditor (Outside)
Terunobu Matsuyama	Director	Kyosuke Miyazaki	Auditor (Outside)
Yukari Sakai	Director (Outside)		
Masahito Amano	Director (Outside)		

Business Offices and Works

Tokyo Head Office	1-6-1 Otemachi, Chiyoda-ku, Tokyo 100-0004 (Otemachi Building) TEL. +81-3-3201-6681 FAX. +81-3-3212-7876
Hachinohe Head Office (Manufacturing Works)	5-2 Toyama Shinden, Kawaragi, Hachinohe City, Aomori 031-8617 TEL. +81-178-47-7121 FAX. +81-178-45-8118
Philippines Office	Unit-2, 22/F, NAC Tower, 32nd St., Bonifacio Global City, Taguig City, Philippines
Jakarta Office	Sentral Senayan II, 15th Floor Jl. Asia Afrika No.8, Jakarta 10270, Indonesia

Business Items

Ferronickel	Granular shots, 20kg ingots (used mainly as raw materials for stainless steel)
Ferronickel slag	Pamco crustone (used for civil engineering material) Pamco Green (used as agricultural fertilizer material)

Company Website Information

The Company's website provides latest corporate and IR information. We welcome your visit to our website.

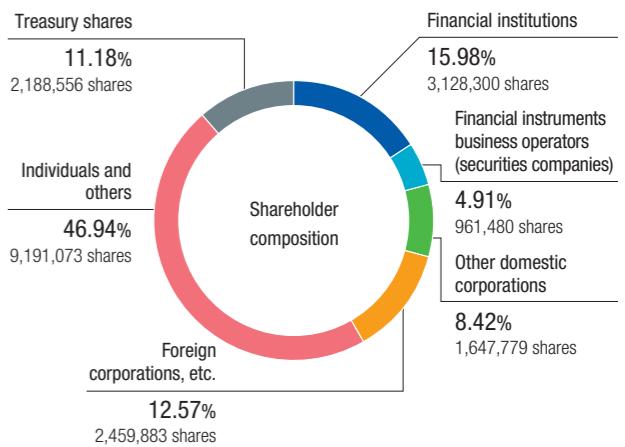
WEB <https://www.pacific-metals.co.jp/en/>



Stock Information (As of September 30, 2025)

Status of shares

Total number of shares authorized to be issued	50,000,000
Total number of shares issued and outstanding	19,577,071
Number of shareholders	21,404



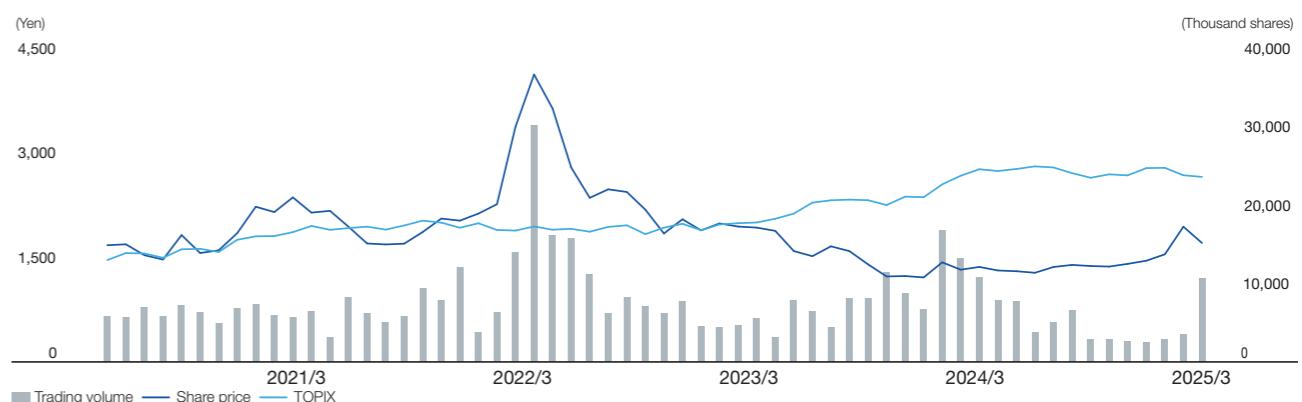
Major shareholders (top 10 shareholders)

Name of shareholders	Number of shares held (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	2,436	14.01
NIPPON STEEL Stainless Steel Corporation	583	3.36
Custody Bank of Japan, Ltd. (trust account)	548	3.15
Tachibana Securities Co., Ltd.	440	2.53
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	361	2.08
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	290	1.67
THE TOKYO TANSHI CO., LTD.	290	1.67
Business Partners' Shareholding Association, PACIFIC METALS CO., LTD.	265	1.53
ECM MF	235	1.35
J.P.MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SETT ACCT	209	1.20

*1 Figures less than thousand shares in the number of shares held are rounded down.

*2 The shareholding ratios are calculated using the figure 17,388,515, which is the total number of shares issued and outstanding less treasury shares (2,188,556 shares).

Trends in Share Prices



Trends in Annual Dividend per Share

FY2020	FY2021	FY2022	FY2023	FY2024
20.00	175.00	00.00	00.00	135.00



Tokyo Head Office

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