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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]

May 12, 2026

Company name: PACIFIC METALS CO., LTD.
Stock exchange listing: Tokyo Stock Exchange
Code number: 5541
URL: https://www.pacific-metals.co.jp/en/
Representative: Kazuo Iwadate, President and Representative Director
Contact: Terunobu Matsuyama, Director and Managing Executive Officer
Phone: +81-3-3201-6681
Scheduled date of Annual General Shareholders Meeting: June 24, 2026
Scheduled date of filing securities report: June 19, 2026
Scheduled date of commencing dividend payments: June 4, 2026
Availability of supplementary briefing materials on financial results: Not available
Schedule of financial results briefing session: Scheduled (for analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 - March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	9,414	(28.5)	(4,971)	–	3,323	–	2,610	–
March 31, 2025	13,175	(15.1)	(7,368)	–	(1,622)	–	(1,667)	–

(Note) Comprehensive income: Fiscal year ended March 31, 2026: ¥2,844million [–%]
Fiscal year ended March 31, 2025: ¥(1,387) million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	146.04	–	4.0	4.8	(52.8)
March 31, 2025	(85.52)	–	(2.4)	(2.2)	(55.9)

(Reference) Share of profit of entities accounted for using equity method:
Fiscal year ended March 31, 2026: ¥7,875 million
Fiscal year ended March 31, 2025: ¥5,413 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	67,327	63,192	93.5	3,619.74
As of March 31, 2025	71,795	67,656	93.9	3,455.68

(Reference) Equity: As of March 31, 2026: ¥62,938 million
As of March 31, 2025: ¥67,389 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2026	2,420	(1,739)	(7,298)	18,394
March 31, 2025	3,011	(153)	(7)	24,975

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	–	0.00	–	135.00	135.00	2,632	–	3.9
Fiscal year ended March 31, 2026	–	60.00	–	75.00	135.00	2,347	92.4	3.8
Fiscal year ending March 31, 2027 (Forecast)	–	65.00	–	65.00	130.00		–	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	4,902	9.8	(4,168)	–	(891)	–	(1,134)	–	(65.22)
Full year	10,484	11.4	(6,006)	–	704	(78.8)	158	(93.9)	9.09

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: – ( ), Excluded: – ( )

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(3) Total number of shares issued and outstanding (common stock)
1) Total number of shares issued and outstanding at the end of the period (including treasury shares):

March 31, 2026:	19,577,071 shares
March 31, 2025:	19,577,071 shares

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

March 31, 2026:	2,189,401 shares
March 31, 2025:	75,958 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2026:	17,875,235 shares
Fiscal year ended March 31, 2025:	19,501,353 shares

(Reference) Outline of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	8,679	(30.3)	(4,937)	–	3,520	–	2,628	–
March 31, 2025	12,444	(15.6)	(7,291)	–	(2,983)	–	(3,001)	–

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	147.06	–
March 31, 2025	(153.89)	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	45,009	41,744	92.7	2,400.83
As of March 31, 2025	49,215	46,010	93.5	2,359.38

(Reference) Equity: As of March 31, 2026: ¥41,744 million
As of March 31, 2025: ¥46,010 million

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

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

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

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

Table of Contents – Attachments

1. Overview of Operating Results, etc.

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

During the fiscal year ended March 31, 2026, as corporate earnings showed signs of improvement despite the continued impact of U.S. trade policy, the Japanese economy showed a gradual recovery trend, supported by improvements in the employment and income environment and personal consumption.

As for overseas economies, although the jobs environment and personal consumption proved strong in some countries, uncertainty remained high due to the stagnant real estate market in China, the impact of U.S. trade policies, and growing tensions in the Middle East region and Ukraine, and the pace of economic recovery remained slow.

Under these circumstances, in the stainless steel industry, which is the primary source of demand for the nickel business that accounts for the majority of the Group’s net sales and profit and loss, a policy to control excessive production of steel, etc. was announced in China, but its impact was not immediately felt partly because of the worsening slump in construction demand amid a stagnant real estate market. In Indonesia, where production volumes have grown sharply in recent years, capacity utilization rates of facilities have varied generally, including from the temporary impact of the U.S. trade policies.

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

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

Nickel prices on the London Metal Exchange (LME) remained range-bound due to complex factors, including the slowdown of the Chinese economy, fluctuations in foreign exchange rates and financial and capital markets, and increasing tensions in the Middle East and Ukraine. This was despite a temporary rise in the second half of the period under review resulting from, among other factors, the reduction of the Indonesian government’s Work Plans and Budgets (RKAB) for mineral ore and coal mining.

In this situation, the Company’s ferronickel sales volume decreased by 27.0% year on year, as the Company continued its policy with the objective of strategically controlling volume so as to secure a certain level of profitability in light of the deteriorating environment described above.

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

Regarding the selling price of ferronickel products, the average exchange rate of the Japanese yen against the U.S. dollar applicable to the Company was 0.7% stronger year on year, and the LME nickel price applicable to the Company declined by 10.9% year on year. Moreover, in addition to the market prices applicable to the Company, the Company also partly referred to the price of nickel pig iron, resulting in the lowering of the selling price of ferronickel products. Therefore, the selling environment continued to be challenging, with stagnant revenue growth due to lower selling prices compared to previous levels.

Despite this harsh business environment, the Company is striving to thoroughly focus on the profitability of orders, build a flexible production and sales system, and further improve operational efficiency to pursue cost minimization. In its efforts to restructure the profit base, the Company is currently restructuring its business portfolio and developing businesses that will become the core of new business. In terms of initiatives we have been working on, for the matte raw materials business, aiming to expand applications from stainless steel raw materials to matte raw materials, the Company continues to discuss various conditions, including quality, with potential suppliers, taking advantage of the Company’s strength in stable, high-quality production. For the business of contracted smelting of polymetallic nodules, based on the findings of a joint feasibility study, we are closely examining contracted smelting costs and the investment schedule for producing metal materials for batteries and raw materials for steelmaking from submarine resources. The Company is exchanging opinions with relevant parties in Japan and overseas for the broader expansion of this initiative, and although mining regulations have not yet been established, we will conduct careful deliberations and make preparations to enable us to promptly proceed with investment in equipment modifications. For the beryllium project, the Company concluded a capital and business alliance agreement with MiRESSO Co., Ltd. (“MiRESSO”) in Aomori Prefecture, the central proponent of this project and participated in the Series A financing round conducted by MiRESSO. We subscribed to a third-party allotment of shares totaling 1.5 billion yen as an investment in the construction of the demonstration plant within the Company’s premises and are working to strengthen the framework for the project’s commercialization. In the retail electricity business, we are expanding into the electricity business field by supplying high-value-added power generated from locally sourced renewable energy in collaboration with local electricity generation utilities, to high-voltage and extra-high-voltage retailers. In addition to the launch of manufacturing and sales in the calcium aluminate manufacturing and sales business, in initiatives related to LIB, for which market expansion is expected, the Company is actively promoting research and development. Aiming at the early launch of these new businesses, the Company has thus been continuously working on initiatives to boost business performance and stabilize profits, including carbon neutrality initiatives related to the reduction of GHG emissions.

Although the situation in the Middle East has rapidly escalated since the end of February, there has been no significant impact on the Company’s consolidated results for the fiscal year under review.

As a result, net sales for the fiscal year under review decreased by 28.5% year on year to ¥9.414 million. On the profit front, the Company posted an operating loss of ¥4,971 million (compared with an operating loss of ¥7,368 million for the previous fiscal year), including the reversal of the write-down of inventories. However, ordinary profit was ¥3,323 million (compared with an ordinary loss of ¥1,622 million for the previous fiscal year), due mainly to the posting of ¥7,875 million in share of profit of entities accounted for using equity method under non-operating income, and profit attributable to owners of parent was ¥2,610 million (compared with loss attributable to owners of parent of ¥1,677 million for the previous fiscal year).

Operating results by business segment are as follows.

(i) Nickel business

The operating results of the nickel business are described in “(1) Overview of Operating Results for the Fiscal Year under Review.”

As a result, net sales in this segment decreased by 30.0% year on year to ¥8,660 million with an operating loss of ¥4,824 million (compared with the operating loss of ¥7,282 million for the previous fiscal year).

(ii) Gas business

In the gas business, despite the recording of expenses accompanying equipment repairs and other factors, stable operations resulted in a profit.

As a result, net sales in this segment increased by 1.2% year on year to ¥784 million with an operating profit of ¥12 million (compared with the operating loss of ¥1 million for the previous fiscal year).

(iii) Other

The segment of other businesses recorded a loss, as sales results of both real estate and retail electricity businesses failed to exceed administrative expenses and other costs incurred.

As a result, the segment posted net sales of ¥42 million, down 61.3% year on year, and an operating loss of ¥168 million (compared with an operating loss of ¥93 million for the previous fiscal year).

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

	Net sales	Operating loss	Ordinary loss	Loss attributable to owners of parent
Fiscal year ended March 31, 2026 (Million yen)	9,414	(4,971)	3,323	2,610
Fiscal year ended March 31, 2025 (Million yen)	13,175	(7,368)	(1,622)	(1,667)
Change (%)	(28.5)	–	–	–

	Sales volume (t)			Production volume (t)		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Fiscal year ended March 31, 2026	1,890	2,072	3,962	1,787	1,828	3,615
Fiscal year ended March 31, 2025	3,284	2,146	5,430	2,010	1,878	3,888

	Applicable LME nickel price ($/lb)			Applicable exchange rate (¥/$)		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Fiscal year ended March 31, 2026	6.95	6.88	6.91	147.83	153.62	150.87
Fiscal year ended March 31, 2025	8.05	7.32	7.76	153.32	149.85	151.94

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

Assets, liabilities, and net assets of the Group as of March 31, 2026 are as follows.

Total assets decreased by ¥4,467 million from the end of the previous fiscal year to ¥67,327 million.

Current assets decreased by ¥6,339 million from the end of the previous fiscal year, mainly due to an increase in dividends paid and a decrease in cash and deposits following the purchase of treasury shares, as well as other factors.

Non-current assets increased by ¥1,871 million from the end of the previous fiscal year, mainly due to an increase in investment securities resulting from the conclusion of a capital and business alliance agreement and the subscription to a third-party allotment of shares related to new projects, as well as other factors. Investment securities held by the Company amounting to ¥26,385 million consisted mainly of ¥20,738 million in the amount reflected in the consolidated balance sheet of shares of entities accounted for using equity method, ¥2,297 million in shares of subsidiaries and associates, ¥1,625 million in shares of Nickel Asia Corporation, a holding company of the Company’s equity-method affiliates listed on the Philippine Stock Exchange, and ¥1,521 million in shares of MiRESSO Co., Ltd.

Total liabilities decreased by ¥3 million from the end of the previous fiscal year to ¥4,134 million.

Current liabilities decreased by ¥179 million from the end of the previous fiscal year primarily owing to decreases in notes and accounts payable - trade, provision for bonuses, and accounts payable included in Other, as well as other factors.

Non-current liabilities increased by ¥175 million from the end of the previous fiscal year mainly due to respective increases in retirement benefit liability and deferred tax liabilities resulting from the impact of valuation difference on investment securities, and other factors.

Total net assets decreased by ¥4,463 million from the end of the previous fiscal year to ¥63,192 million.

Shareholders’ equity decreased by ¥4,689 million resulting mainly from the increase in dividends paid and the purchase of treasury shares. Accumulated other comprehensive income increased by ¥238 million resulting mainly from an increase in valuation difference on available-for-sale securities, and non-controlling interests decreased by ¥13 million.

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

Net cash provided by operating activities amounted to ¥2,420 million, a ¥590 million decrease in cash inflow compared with the previous fiscal year. Main items for cash inflow were profit before income taxes amounting to ¥3,254 million and interest and dividends received amounting to ¥8,197 million. The main item for cash outflow was share of profit of entities accounted for using equity method amounting to ¥7,875 million.

Net cash used in investing activities amounted to ¥1,739 million, an increase in cash outflow of ¥1,585 million compared with the previous fiscal year. The main item for cash inflow was proceeds from sale of investment securities amounting to ¥271 million. The main item for cash outflow was purchase of investment securities amounting to ¥1,521 million.

Net cash used in financing activities amounted to ¥7,298 million, including increases in treasury shares and dividends paid, a ¥7,291 million increase in cash outflow compared with the previous fiscal year.

Net increase (decrease) in cash and cash equivalents was a decrease of ¥9,396 million compared with the figure for the previous fiscal year.

As a result, cash and cash equivalents at end of period amounted to ¥18,394 million, a decrease of ¥6,580 million compared with the previous fiscal year.

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

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio (%)	88.9	91.0	93.2	93.9	93.5
Equity ratio at market value (%)	89.6	47.7	36.1	46.4	67.8
Ratio of interest-bearing debt to cash flows (year)	0.0	–	0.0	0.0	0.0
Interest coverage ratio (times)	33,918.9	–	4,097.53	5,661.55	6,195.43

Equity ratio: Shareholders' equity / Total assets

Equity ratio at market value: Market capitalization / Total assets

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

Interest coverage ratio: Cash flows / Interest expenses

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

(4) Future Outlook

With regard to the consolidated financial results forecast, the outlook remains highly uncertain globally due to the effects of complex factors, including concerns about the stagnant real estate market in China, movements in the financial and capital markets, U.S. tariff measures, the escalation of the situation in Ukraine, and the prolonging of the situation in the Middle East.

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

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

In other areas, regarding the impact of the write-down of inventories, while the Company expects to record additional write-down of inventories for the first half, a reversal is expected to occur in the second half because of a reduction in the write-down amount. Therefore, the earnings trend is expected to differ for the first half and the second half.

In addition, regarding the U.S. tariff measures, although the effect on consolidated results is expected to be limited, due to the potential for wide-ranging impacts in Japan and overseas, there is concern about turmoil in the supply chain. In addition, amid the increasingly tense situation in the Middle East, if concerns about the procurement of raw materials and fuel intensify, distribution could become congested, which may lead to further prices increases. If this uncertainty about the global economy deepens, it could have a significant impact on the Company's business.

Although the circumstances remain severe, response measures to address such a business environment are consistent with activities to be undertaken under the basic policies that the Group has set forth in the Medium to Long-term Strategy PAMCOvision 2031, and the Company will continue to strongly push forward with these measures. As part of our efforts to restructure the Group's business portfolio, in-depth discussions of some new businesses are currently underway. Although there are variations in the progress of these initiatives, we will continue to promote them with the aim of achieving a smooth business transformation.

The Group's financial results forecast is as follows.

	Net sales	Operating loss	Ordinary profit	Profit attributable to owners of parent
Forecast for the fiscal year ending March 31, 2027 (Million yen)	10,484	(6,006)	704	158
Results for the fiscal year ended March 31, 2026 (Million yen)	9,414	(4,971)	3,323	2,610
Change (%)	11.4	–	(78.8)	(93.9)

[Reference] Results for the fiscal year ended March 31, 2026 and underlying assumptions for the forecast for the fiscal year ending March 31, 2027 are as follows.

	Sales volume (T/Y)			Production volume (T/Y)		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Forecast for the fiscal year ending March 31, 2027	1,697	1,903	3,600	1,598	1,499	3,097
Results for the fiscal year ended March 31, 2026	1,890	2,072	3,962	1,787	1,828	3,615

	Applicable LME nickel price ($/lb)			Applicable exchange rate (¥/$)		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Forecast for the fiscal year ending March 31, 2027	7.95	8.00	7.98	156.68	156.00	156.32

Results for the fiscal year ended March 31, 2026	6.95	6.88	6.91	147.83	153.62	150.87

2. Management Policy

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

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

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

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

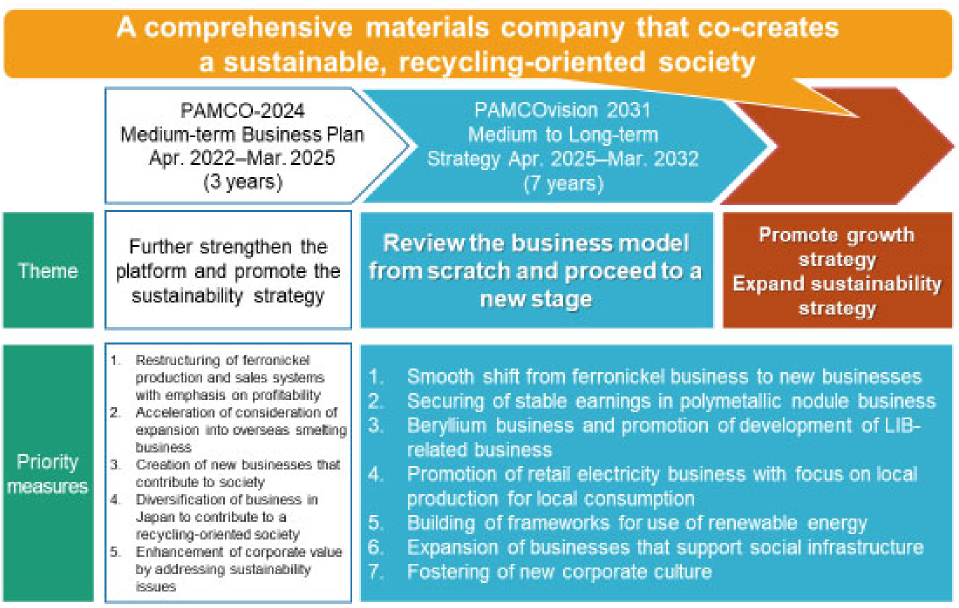
Overview of the PACIFIC METALS Medium to Long-term Strategy PAMCOvision 2031

(1) Period: Seven years from FY2025 to FY2031

(2) Long-term vision: "A comprehensive materials company that co-creates a sustainable, recycling-oriented society"

(3) Theme: "Review the business model from scratch and proceed to a new stage"

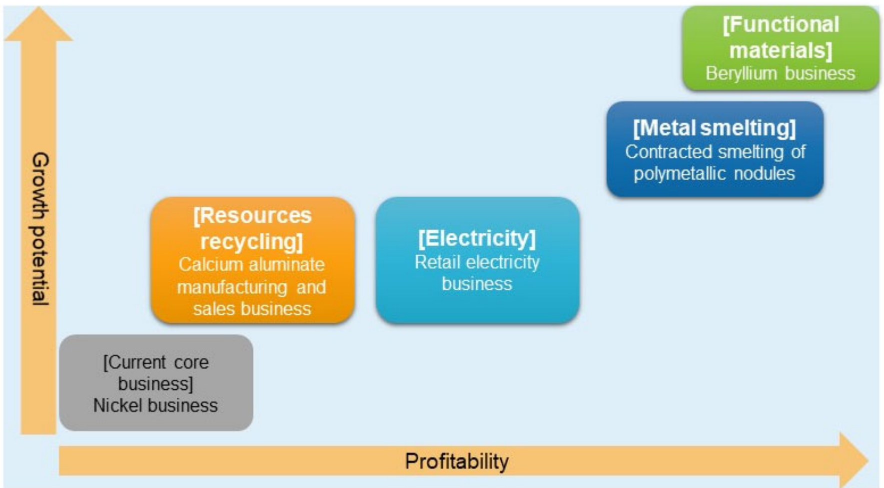
(4) Positioning of Medium to Long-term Strategy



(5) Restructuring of business portfolio and management targets

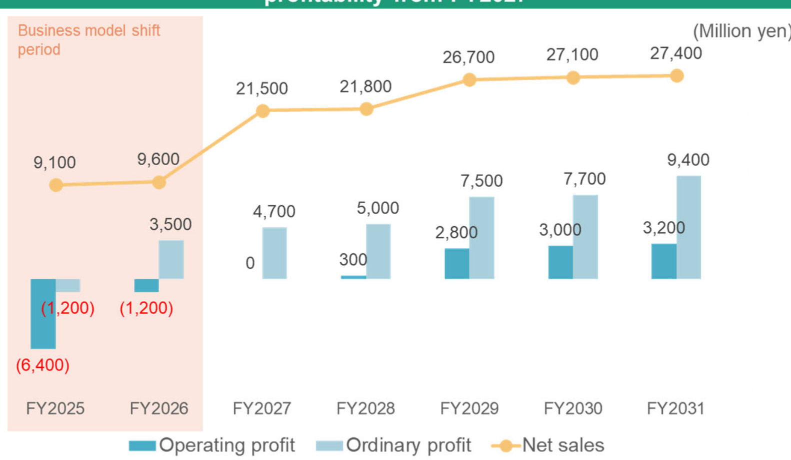
We will strive to diversify our business by entering new business areas where we have sown seeds to date.

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



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

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



3. Basic Policy on Selection of Accounting Standards

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

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

4. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	23,874	17,595
Accounts receivable - trade	3,281	3,763
Securities	2,600	2,299
Merchandise and finished goods	4,074	3,843
Work in process	263	382
Raw materials and supplies	2,864	2,602
Other	1,552	1,684
Allowance for doubtful accounts	(1)	(1)
Total current assets	38,510	32,171
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,303	16,303
Accumulated depreciation	(14,425)	(14,577)
Buildings and structures, net	1,877	1,726
Machinery, equipment and vehicles	52,686	52,757
Accumulated depreciation	(51,710)	(51,826)
Machinery, equipment and vehicles, net	976	930
Land	4,231	4,207
Other	672	731
Accumulated depreciation	(485)	(490)
Other, net	187	240
Total property, plant and equipment	7,273	7,105
Intangible assets	12	10
Investments and other assets		
Investment securities	24,873	26,385
Retirement benefit asset	770	1,216
Other	359	443
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	25,998	28,040
Total non-current assets	33,284	35,156
Total assets	71,795	67,327

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	112	76
Accrued expenses	712	650
Income taxes payable	55	47
Provision for bonuses	117	116
Other	232	159
Total current liabilities	1,230	1,050
Non-current liabilities		
Retirement benefit liability	68	75
Deferred tax liabilities	992	1,170
Deferred tax liabilities for land revaluation	539	535
Provision for environmental measures	2	-
Provision for loss contract	1,273	1,273
Provision of restoration cost	14	14
Other	18	15
Total non-current liabilities	2,908	3,084
Total liabilities	4,138	4,134
Net assets		
Shareholders' equity		
Share capital	13,922	13,922
Capital surplus	3,481	3,481
Retained earnings	48,044	46,985
Treasury shares	(453)	(4,083)
Total shareholders' equity	64,994	60,305
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	526	1,027
Deferred gains or losses on hedges	7	0
Revaluation reserve for land	331	322
Foreign currency translation adjustment	828	334
Remeasurements of defined benefit plans	700	948
Total accumulated other comprehensive income	2,395	2,633
Non-controlling interests	267	254
Total net assets	67,656	63,192
Total liabilities and net assets	71,795	67,327

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	13,175	9,414
Cost of sales	18,366	12,555
Gross loss	(5,191)	(3,140)
Selling, general and administrative expenses		
Selling expenses	304	192
General and administrative expenses	1,873	1,637
Total selling, general and administrative expenses	2,177	1,830
Operating loss	(7,368)	(4,971)
Non-operating income		
Interest income	43	73
Dividend income	121	91
Rental income from real estate	110	109
Share of profit of entities accounted for using equity method	5,413	7,875
Foreign exchange gains	86	78
Other	45	169
Total non-operating income	5,821	8,397
Non-operating expenses		
Interest expenses	0	0
Rental expenses on facilities	15	23
Commitment fees	27	–
Foreign withholding tax	16	13
Inactive facilities related expenses	0	11
Outsourcing expenses	–	34
Other	14	19
Total non-operating expenses	75	102
Ordinary profit (loss)	(1,622)	3,323
Extraordinary income		
Gain on sale of non-current assets	5	6
Gain on sale of investment securities	128	206
Insurance claim income	459	–
Total extraordinary income	594	212
Extraordinary losses		
Impairment losses	133	265
Loss on retirement of non-current assets	81	15
Loss on sale of investment securities	2	-
Total extraordinary losses	217	281
Profit (loss) before income taxes	(1,245)	3,254
Income taxes - current	407	794
Income taxes - deferred	21	(137)
Total income taxes	429	656
Profit (loss)	(1,675)	2,597
Loss attributable to non-controlling interests	(7)	(13)
Profit (loss) attributable to owners of parent	(1,667)	2,610

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit (loss)	(1,675)	2,597
Other comprehensive income		
Valuation difference on available-for-sale securities	(653)	414
Remeasurements of defined benefit plans, net of tax	153	238
Share of other comprehensive income of entities accounted for using equity method	787	(405)
Total other comprehensive income	287	247
Comprehensive income	(1,387)	2,844
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,380)	2,857
Comprehensive income attributable to non-controlling interests	(7)	(13)

(3) Consolidated Statements of Changes in Equity

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

(Million yen)

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

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

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,922	3,481	48,044	(453)	64,994
Changes during period					
Dividend of surplus			(3,675)		(3,675)
Profit attributable to owners of parent			2,610		2,610
Purchase of treasury shares				(3,644)	(3,644)
Disposal of treasury shares			(2)	14	12
Reversal of revaluation reserve for land			8		8
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(1,058)	(3,630)	(4,689)
Balance at end of period	13,922	3,481	46,985	(4,083)	60,305

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	526	7	331	828	700	2,395	267	67,656
Changes during period								
Dividend of surplus								(3,675)
Profit attributable to owners of parent								2,610
Purchase of treasury shares								(3,644)
Disposal of treasury shares								12
Reversal of revaluation reserve for land								8
Net changes in items other than shareholders' equity	500	(7)	(8)	(494)	247	238	(13)	225
Total changes during period	500	(7)	(8)	(494)	247	238	(13)	(4,463)
Balance at end of period	1,027	0	322	334	948	2,633	254	63,192

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(1,245)	3,254
Depreciation	355	352
Impairment losses	133	265
Interest and dividend income	(164)	(164)
Share of loss (profit) of entities accounted for using equity method	(5,413)	(7,875)
Loss on retirement of non-current assets	81	15
Insurance claim income	(459)	–
Loss (gain) on sale of investment securities	(126)	(206)
Decrease (increase) in trade receivables	1,719	(482)
Decrease (increase) in inventories	3,880	373
Decrease (increase) in advance payments to suppliers	–	(0)
Decrease (increase) in consumption taxes refund receivable	244	(84)
Increase (decrease) in trade payables	(122)	(35)
Increase (decrease) in accrued consumption taxes	33	(33)
Increase (decrease) in provision for bonuses	(0)	(0)
Increase (decrease) in provision of restoration cost	(5)	–
Increase (decrease) in accrued expenses	(179)	(62)
Increase (decrease) in retirement benefit liability	9	7
Decrease (increase) in retirement benefit asset	(293)	(446)
Other, net	348	143
Subtotal	(1,205)	(4,979)
Interest and dividends received	4,156	8,197
Interest paid	(0)	(0)
Proceeds from insurance income	459	–
Income taxes refund (paid)	(398)	(796)
Net cash provided by (used in) operating activities	3,011	2,420
Cash flows from investing activities		
Purchase of investment securities	–	(1,521)
Proceeds from sale of investment securities	183	271
Purchase of property, plant and equipment	(521)	(473)
Proceeds from redemption of securities	300	–
Purchase of intangible assets	(30)	(6)
Other, net	(83)	(8)
Net cash provided by (used in) investing activities	(153)	(1,739)
Cash flows from financing activities		
Dividends paid	(0)	(3,662)
Decrease (increase) in treasury shares	(0)	(3,630)
Other, net	(6)	(5)
Net cash provided by (used in) financing activities	(7)	(7,298)
Effect of exchange rate change on cash and cash equivalents	(34)	36
Net increase (decrease) in cash and cash equivalents	2,816	(6,580)
Cash and cash equivalents at beginning of period	22,158	24,975
Cash and cash equivalents at end of period	24,975	18,394

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

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

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

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

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

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

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

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

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

(Million yen)

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

Notes: 1. "Other" corresponds to business segments, etc. that are not included in the reportable segments and comprises the real estate business.
2. Adjustments are as follows.
(1) Adjustment to segment loss of ¥9 million includes intersegment elimination of ¥9 million and other adjustments of ¥0 million.
(2) Adjustment of segment assets of ¥(69) million is intersegment elimination.
3. Segment loss is adjusted with operating loss in the consolidated statements of income.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income (Note 3)
	Nickel business	Gas business	Total				
Net sales							
Net sales to outside customers	8,660	711	9,371	42	9,414	–	9,414
Intersegment sales or transfer	0	73	73	–	73	(73)	–
Total	8,660	784	9,444	42	9,487	(73)	9,414
Segment profit (loss)	(4,824)	12	(4,811)	(168)	(4,980)	9	(4,971)
Segment assets	66,064	578	66,643	753	67,396	(68)	67,327
Other items							
Depreciation and amortization	316	31	348	4	352	–	352
Impairment loss	265	–	265	–	265	–	265
Investment in entities accounted for using equity method	23,047	–	23,047	–	23,047	–	23,047
Increase in property, plant and equipment and intangible assets	400	35	435	–	435	–	435

Notes: 1. "Other" corresponds to business segments, etc. that are not included in the reportable segments and comprises the real estate business, the retail electricity business, and the calcium aluminate manufacturing and sales business.
2. Adjustments are as follows.
(1) Adjustment to segment profit (loss) of ¥9 million includes intersegment elimination of ¥9 million and other adjustments of ¥0 million.
(2) Adjustment of segment assets of ¥(68) million is intersegment elimination.
3. Segment profit (loss) is adjusted with operating loss in the consolidated statements of income.

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

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

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

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

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

	Reportable segment			Other (Note 1)	Total
	Nickel business	Gas business	Total		
Japan	8,316	711	9,027	42	9,070
Taiwan	344	–	344	–	344
Revenue from contracts with customers	8,660	711	9,371	42	9,414
Revenue from other sources	–	–	–	–	–
Net sales to outside customers	8,660	711	9,371	42	9,414

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

[Related information]

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

1. Information by product/service

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

2. Information by geographical area

(1) Net sales

(Million yen)

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

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

(2) Property, plant and equipment

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

3. Information by major customer

(Million yen)

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

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

1. Information by product/service

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

2. Information by geographical area

(1) Net sales

(Million yen)

Japan	Taiwan	Total
9,070	344	9,414

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

(2) Property, plant and equipment

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

3. Information by major customer

(Million yen)

Customer name	Net sales	Related segment name
NIPPON STEEL Stainless Steel Corporation	6,966	Nickel business
Japan Steel Works M&E, Inc.	1,046	Nickel business
WALSIN LIHWA CORPORATION	344	Nickel business

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

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

(Million yen)

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

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Million yen)

	Reportable segment			Other	Corporate/ elimination	Total
	Nickel business	Gas business	Total			
Impairment loss	265	–	265	–	–	265

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

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

Not applicable.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Not applicable.

[Information on gain on bargain purchase by reportable segment]

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

Not applicable.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Not applicable.

(Per share information)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	¥3,455.68	¥3,619.74
Basic profit (loss) per share	¥(85.52)	¥146.04

Notes: 1. Diluted earnings per share for the fiscal year ended March 31, 2025 is not presented for the current fiscal year because basic loss per share was recorded and there are no dilutive shares. Diluted earnings per share for the fiscal year ended March 31, 2026 is not presented for the current fiscal year because there are no dilutive shares.

2. The basis for calculation of net assets per share and the basis for calculation of basic profit (loss) per share are as follows.

Basis for calculation of net assets per share

	As of March 31, 2025	As of March 31, 2026
Total net assets in consolidated balance sheets (Million yen)	67,656	63,192
Amount deducted from total net assets (Million yen)	267	254
(of which non-controlling interests (Million yen))	(267)	(254)
Net assets at end of period attributable to shares of common stock (Million yen)	67,389	62,938
Number of shares of common stock at end of period used for calculation of net assets per share (Thousand shares)	19,501	17,387

Basis for calculation of basic profit (loss) per share

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit (loss) attributable to owners of parent (Million yen)	(1,667)	2,610
Amount not attributable to common shareholders (Million yen)	–	–
Profit (loss) attributable to owners of parent relating to shares of common stock (Million yen)	(1,667)	2,610
Average number of shares of common stock during period (Thousand shares)	19,501	17,875

(Significant subsequent events)

Not applicable.

5. Other

(1) Changes of officers, etc.
At the meeting of the Board of Directors held on May 12, 2026, the Company decided to change the officers, etc. as follows.

(i) New Candidate for Representative Director
Not applicable

(ii) Other Changes of Officers
New Candidate for Auditor
Outside Auditor Hiroshi Hashizume

Retiring Auditor
Outside Auditor Ken Yasuda

Scheduled Date of Election
Election is scheduled for the 100th Annual General Shareholders Meeting to be held on June 24, 2026.

(Reference) New Management (Directors, Auditors and Executive Officers) from June 24, 2026

A. Directors

Name	Current position	New position
Kazuo Iwadate	President and Representative Director	Unchanged
Yoshiharu Inomata	Director	Unchanged
Kenichi Hara	Director	Unchanged
Terunobu Matsuyama	Director	Unchanged
Yukari Sakai	Outside Director (Part-time) (Independent Director)	Unchanged
Masahito Amano	Outside Director (Part-time) (Independent Director)	Unchanged

B. Auditors

Name	Current position	New position
Kiichi Tatsunaka	Permanent Auditor (Full-time)	Unchanged
Yutaka Iimura	Outside Auditor (Part-time) (Independent Auditor)	Unchanged
Kyosuke Miyazaki	Outside Auditor (Part-time) (Independent Auditor)	Unchanged
Hiroshi Hashizume	–	Outside Auditor (Part-time) (Independent Auditor)

C. Executive Officers

Name	Current position	New position
Yoshiharu Inomata	Senior Managing Executive Officer Assistant to the President In charge of Special Assignments	Unchanged
Kenichi Hara	Managing Executive Officer In charge of Procurement General Manager of Sales & Marketing Dept.	Managing Executive Officer In charge of Procurement Responsible for Electricity Business General Manager of Sales & Marketing Dept.
Terunobu Matsuyama	Managing Executive Officer In charge of Internal Control, IR, General Administration, Personnel & Labor Relation, Finance & Accounting	Unchanged
Chitaru Okamura	Senior Executive Officer General Manager of Corporate Planning Dept.	Unchanged
Satoshi Kawabata	Senior Executive Officer General Manager of Procurement Dept.	Unchanged
Tetsushi Kimura	Senior Executive Officer In charge of Production, Safety & Health Management, Quality Control & Environmental Management	Unchanged
Kenichi Itabashi	Executive Officer In charge of Utility & Maintenance and Electricity Business	Unchanged
Masaki Sugiyama	Executive Officer General Manager of Finance & Accounting Dept.	Unchanged
Hirokatsu Odate	Executive Officer Support for Corporate Planning Dept. General Manager of Recycling Business & Technology Development Dept.	Unchanged
Yasushi Ohta	Executive Officer General Manager of Resources & Technology Development Project Dept.	Unchanged

(2) Other

Not applicable