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To whom it may concern,

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**Pacific Metals and University of Tokyo Selected for Tokyo Metropolitan Government's "Early Social Implementation Support Program for the Creation of GX-Related Industries":
Manganese Nodule Smelting Demonstration Test to Begin, Advancing Development of Domestic Nickel and Cobalt Resources**

PACIFIC METALS CO., LTD. (Head Office: Chiyoda-ku, Tokyo; President and Representative Director: Kazuo Iwadate; hereinafter "PACIFIC METALS") hereby announces that the project "Development of Domestic Nickel and Cobalt Resources and Creation of GX-Related Industries," proposed by PACIFIC METALS as the lead project operator and the National University Corporation, the University of Tokyo (Bunkyo-ku, Tokyo; President: Teruo Fujii; hereinafter "UTokyo") as the co-applicant, has been selected for the Tokyo Metropolitan Government's "Early social implementation support program for the creation of GX-related industries" for fiscal year 2026.

■ Overview of the project

Project name: Development of Domestic Nickel and Cobalt Resources and Creation of GX-Related Industries

Lead project operator: PACIFIC METALS CO., LTD.

Co-applicant: National University Corporation, the University of Tokyo

■ Project background and objectives

As the electrification of automobiles and other applications and the use of renewable energy are growing, the importance of battery energy storage systems, including lithium-ion batteries, is rapidly increasing. Storage batteries are a key technology underpinning the development of a decarbonized society and the green transformation (GX) of social systems. They are designated as "specified critical products" under the Act on the Promotion of Ensuring National Security Through Integrated Implementation of Economic Measures.

Securing a stable supply of cobalt and nickel, which are key materials for storage batteries, is a critically important challenge for the Japanese society. Manganese nodules, a seabed mineral resource found on the deep seafloor off Minamitorishima within Japan's Exclusive Economic Zone (EEZ), are rich in rare metals such as cobalt, nickel, and light rare earth elements. Developing this domestic resource has the potential to provide strong support for the stable growth of Japan's GX-related industries.

■ Future initiatives

Under this project, a smelting process demonstration test for manganese nodules will be conducted over a

four-year period from fiscal year 2026 through fiscal year 2029, using smelting equipment at a scale close to that of full-scale production facilities. The test will use manganese nodules recovered through a large-scale lifting test to be conducted off Minamitorishima Island by UTokyo, the co-applicant for the project, in fiscal year 2027. Upon completion of this smelting demonstration, all of the technical elements required for development will be in place.

This will accelerate an end-to-end approach toward realizing resource development, bringing us significantly closer to the early social implementation and the stable supply of domestic resources. By making substantial progress in the development of new mineral resources in Japan as well as in Tokyo, the project is also expected to provide significant momentum toward the world's first full-scale development of deep seabed mineral resources.

[Testing plan]

Process	FY2026			FY2027				FY2028				FY2029			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cargo handling and ore storage					→										
Desalination					→				→						
Calcination						→				→					
Smelting reduction		→					→					→			
Matte formation and oxidation smelting												→	→	→	
Dust recycling												→	→		

[Inquiries regarding this matter]

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