

October 1, 2010

Press Release

Sumitomo Metal Mining Co., Ltd.

### **New Construction of Battery Research Laboratory**

Sumitomo Metal Mining Co., Ltd. (SMM) has come to a decision as of October 1, 2010 to construct a new “Battery Research Laboratory” in order to accelerate the expansion of the company’s rechargeable battery cathode material business, which is expected to see substantial growth owing to use in HEVs (hybrid electric vehicles) and EVs (electric vehicles). This falls in the domain of the materials business, which is positioned as one of the company’s core businesses alongside the mineral resource and smelting businesses.

The new Battery Research Laboratory will unite the heretofore separate research and manufacturing departments in an integrated development system. While establishing a unified R&D system, it will also be given comprehensive development functions that cover everything up to commercialization in order to quickly and accurately respond to customer needs. By also working on things like basic research on next-generation battery materials based on a long-term vision and establishment of battery assessment technology, the company will strengthen its basic technology related to battery materials.

The main products of the company’s battery materials business are currently cathode active materials for nickel hydride batteries used by leading automobile manufacturers in HEVs and cathode active materials for high-capacity lithium-ion batteries used in high-performance computers and other devices.

Although the battery materials market is expected to grow, the competition continues to grow fiercer. In order to come out on top, the company plans to increase its share among existing customers by strengthening and improving these main products and at the same time aims to commercialize cathode active materials for new nickel and ternary lithium-ion batteries targeting the HEV/EV and general consumer markets as well as cultivate new demand by developing new high-energy, highly safe materials to meet market needs. The construction of the Battery Research Laboratory will further accelerate this business strategy.

SMM will leverage its strength, which lies in the ability to handle everything from in-house production of nickel and cobalt, the primary materials, to development and recycling of battery materials, to expand the battery materials business and will continue to invest resources towards that end.

Overview of Battery Research Laboratory

Address: 17-5 Isoura-cho, Niihama City, Ehime (within Niihama Research Laboratories)

Director: Ryuichi Kuzuo

Personnel: Approx. 30 (as of October 1, 2010). There are plans to increase the number of personnel in the near future.

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