

April 19, 2012

Press Release

Sumitomo Metal Mining Co., Ltd.

## **Expansion of Production Facilities for Cathode Material for Vehicles Secondary Batteries**

Sumitomo Metal Mining Co., Ltd. (“SMM”, Headquarters: Minato-ku, Tokyo, President and Representative Director: Nobumasa Kemori) has decided to implement works to expand production of nickel hydroxide precursor, the intermediate material for cathode material for vehicle secondary batteries, and its base material nickel sulfate.

### **1. Expansion and enhancement of nickel hydroxide precursor production facilities**

In the automobile market, an increase in awareness of the need for energy conservation and a reduction of the burden placed on the environment has resulted in a rapid increase in sales figures for hybrid electric vehicles (HEVs) and electric vehicles (EVs) in recent years. High-performance secondary batteries are essential for the growth of HEVs and EVs, and in collaboration with automobile manufacturers, SMM has developed and supplied cathode material for vehicle secondary batteries.

Along with the increase in demand for secondary batteries for vehicles, SMM expects sales of cathode material as well as demand for its intermediate material nickel hydroxide precursor from manufacturers of secondary battery cathode material to increase henceforth, and so has decided to expand and enhance its nickel hydroxide precursor production facilities at Isoura (Niihama, Ehime Prefecture). As a result of this, SMM’s monthly production capacity for nickel hydroxide precursor shall increase by 800t to 1,500t per month. The completion of work is scheduled for September 2012.

These facilities fall within the scope of the Ministry of Economy, Trade and Industry’s “Domestic Industrial Site Development Cost Subsidy”.

### **2. Nickel sulfate production system expansion and enhancement**

At SMM’s nickel plant (Niihama, Ehime prefecture) nickel sulfate (used for general plating and the base material for secondary battery cathode material) is produced at an annual rate of 25,000t.

Along with an expansion of the vehicle secondary battery market, it is expected that the demand for nickel sulfate will increase henceforth, with the main demand for cathode material. With this in mind, SMM has decided to construct new nickel sulfate manufacturing facilities at its Harima smelter (Hyogo prefecture, Kako-gun, Harima-cho), and enhance the comprehensive production system from base material to

secondary battery cathode material in order to deal with the external increase in demand for nickel sulfate. In combination with its existing facilities, this expansion will increase SMM's nickel sulfate production capacity by 20,000t to an annual total of 45,000t. Completion of work is scheduled for February 2014.

SMM shall continue to aim for enhancement of materials aimed at the energy and environmental sectors, and advance its strategy for growth in its material business.

(Explanation of terminology)

Nickel hydroxide precursor

A metal hydroxide used to combine cathode material for lithium ion batteries. Cathode material for lithium ion batteries is created by blending nickel hydroxide precursor with a substance such as lithium hydroxide or lithium carbonate and sintering.

Address inquiries concerning this Press Release to:

Syoki Aono, Public Relations & Investor Relations Department

TEL: +81-3-3436-7705

FAX: +81-3-3434-2215