

September 26, 2013

Press Release

Sumitomo Metal Mining Co., Ltd.

**SMM to Invest into Expansion of Lithium Nickel Oxide Production Facilities
-Material Used in Rechargeable Battery Cathodes-**

Sumitomo Metal Mining Co., Ltd. (SMM) has determined to undertake investment aimed at expanding the company's production facilities for lithium nickel oxide, a material used in the cathodes of rechargeable batteries. The move is targeted at boosting the company's output capacity for this material in anticipation of robust growth in demand in the years ahead.

Today, amid rising awareness toward the need for energy conservation and reduction of environmental burdens, demand for electric vehicles (EV) in the automobile market is expanding rapidly. To produce these vehicles, high-performance rechargeable batteries are an essential requisite. Through the years SMM, working in collaboration with automakers and rechargeable battery manufacturers, has focused on developing advanced, high-quality cathode materials for use in automotive rechargeable batteries, and today the company has a solid track record in supplying these materials.

Among such materials, lithium nickel oxide plays a key role. SMM successfully developed high-performance lithium nickel oxide in collaboration with Panasonic Corporation and is now supplying this material to that company, which uses it to make cylindrical lithium-ion batteries featuring world's highest level of energy density for high capacity. Today Panasonic's rechargeable batteries of this type are adopted in the electric powertrains produced by Tesla Motors, Inc.

Tesla commenced deliveries of its award winning Model S sedan in the U.S. in June 2012. Deliveries began in Europe this August and will start in Asia, including Japan, in the spring of 2014. In view of growing demand for Tesla-powered EVs,

Panasonic is planning to increase production of its lithium-ion batteries.

To respond to this expansion of the market for automotive rechargeable batteries, SMM has now decided to undertake investment to expand its production facilities for lithium nickel oxide at its Isoura Plant in Niihama City, Ehime Prefecture. Expansion work is to get under way in October, with completion scheduled for June 2014. The planned investment outlay is approximately 4.8 billion yen (US\$48 million). After expansion, SMM's production capacity in lithium nickel oxide will increase from the current 300 tons per month to 850 tons.

Today SMM is pursuing aggressive development and stable supply capability in cathode materials, leveraging its ability to produce nickel – the principal component of rechargeable battery cathode materials – in-house. Going forward, SMM intends to further strengthen its operations in materials for energy and environmentally related applications in its quest to achieve the goals hoisted in its 2012 3-Year Business Plan.

Reference Data:

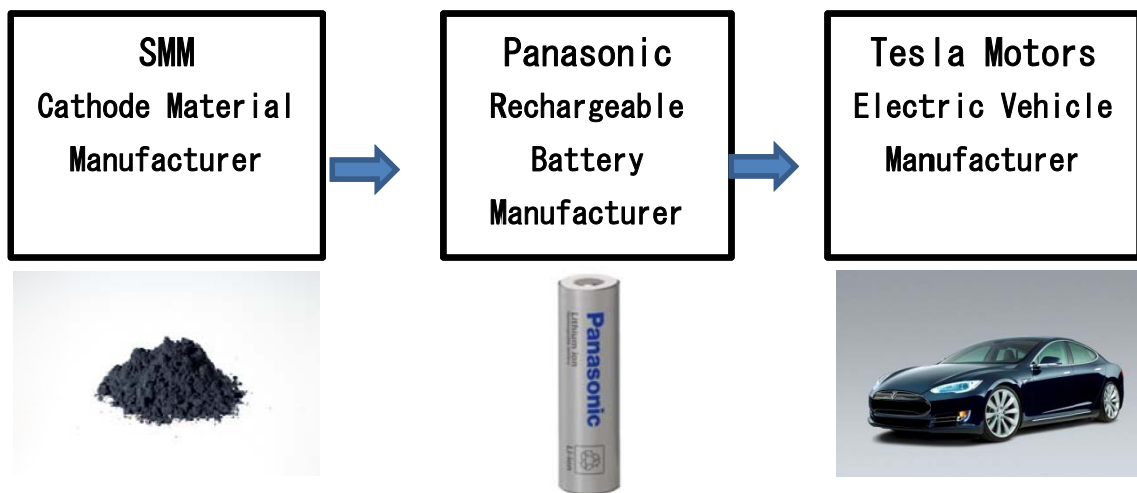
1) Profile of Tesla Motors, Inc.

Chief Executive Officer: Elon Musk

Founded: 2003

Headquarters: Palo Alto, California

2) Relationships between SMM, Panasonic and Tesla Motors



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