

## **Production increase of cathode materials (Lithium nickel oxide) for secondary batteries and the expansion of battery research laboratories**

Sumitomo Metal Mining Co., Ltd. (Head Office: Minato-ku, Tokyo, President & Representative Director: Akira Nozaki) has decided to increase production of the lithium nickel oxide used as the cathode material in secondary batteries to meet the growing demand for automobile secondary batteries as the push towards electric automobiles grows. We have also decided to expand our research laboratories to strengthen our development of next-generation battery materials.

As the push towards electric automobiles grows amid tightening global environmental restrictions, there is an increasing expectation in the market for the development and supply of high-performance secondary batteries capable of carrying automobiles long distances. Our battery materials are a prominent material in this area, so they are a product that will see further increases in demand.

While we had made progress with increased production of cathode materials for secondary batteries, we have decided to expand and reinforce the facilities of the Isoura Plant (Niihama City, Ehime Prefecture) to increase production of lithium nickel oxide. Through this, our production capacity for lithium nickel oxide is going to increase from 4,550 tons a month to 4,850 tons a month starting midway through 2022.

While the scale of our production increase this time is limited by structural restrictions, we're not limiting ourselves to simply expanding existing plants to meet the increasing demand for cathode materials for secondary batteries. We're also looking at the construction of a new plant that incorporates "smart" functionality, like remote operation and automation. This was laid out as a major policy in one of the material issues "Employees' Occupational Health and Safety," in our Vision for 2030.

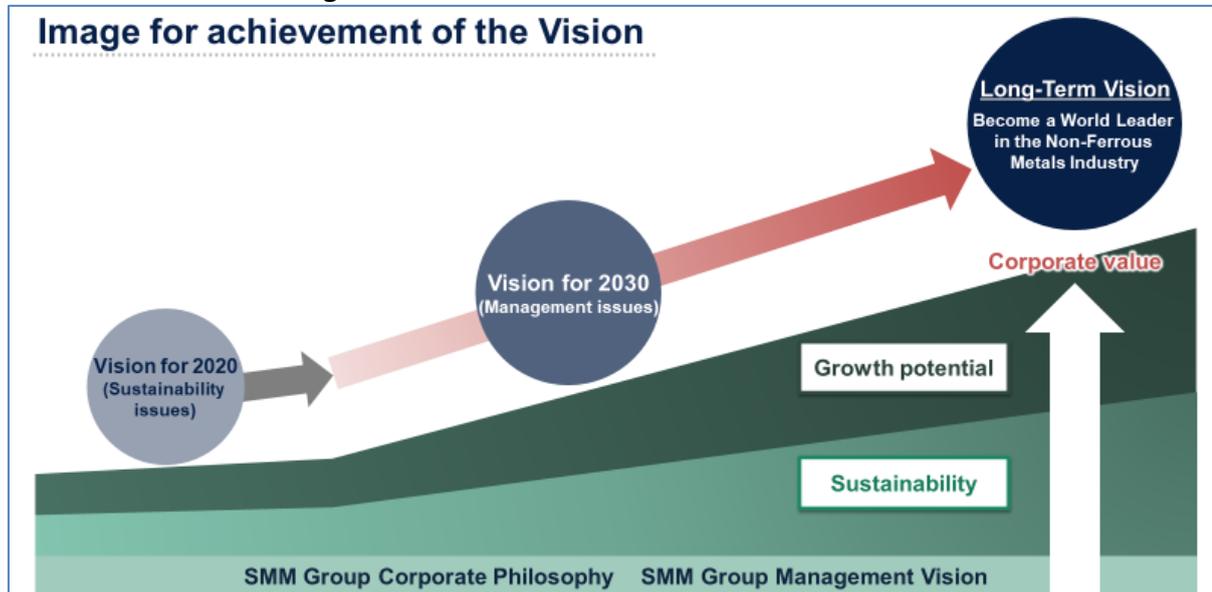
Additionally, we also aim to expand our battery research laboratories (Niihama City, Ehime Prefecture) by July 2022 to help us further develop next-generation high-performance cathode materials and solid-state battery cathode materials. This will allow us to meet the needs of the market as the world rapidly advances research & development towards next-generation battery materials.

Our company will continue to aim at ascertaining customer and market demands, investing at appropriate times and moving towards the goal laid in our 2024 3-Year Business Plan (Applicable fiscal years: 2025 to 2027) of achieving the establishment of a structure with monthly production of 10,000 tons of battery cathode materials outlined as a target for the battery materials business. Moreover, through the expansion of our battery materials business, we're engaging in initiatives towards becoming a company that actively undertakes climate change countermeasures by reducing emissions and stably supplying products to contribute to a low-

carbon society and a future with zero greenhouse gases (GHGs), as laid out in one of the material issues, the climate change, in our Vision for 2030.

\*Reference

- Vision for 2030: Image for achievement of the Vision



- Vision for 2030: 11 Material Issues and our Vision

|    | Material issues   | Vision  |
|----|---|---|
| 1  | Effective Use of Non-Ferrous Metal Resources              | A company that generates resources through high technological capabilities<br>1. A company that stably provides non-ferrous metals to society<br>2. A company that contributes to society by effectively using impurities through collaborative, open technological development among industry, academia, and government<br>3. A company that contributes to the construction and maintenance of recycling systems for non-ferrous metals<br>4. A company that develops and supplies highly advanced materials that contribute to the resolution of social issues |
| 2  | Climate Change  | A company that actively undertakes climate change countermeasures, by reducing emissions and stably supplying products contributing to a low-carbon society, to achieve zero emissions of greenhouse gases GHGs   |
| 3  | Significant Environmental Accidents                       | A company that values water resources and biodiversity, and protects the richness of the sea and land   |
| 4  | Biodiversity  |   |
|    | Material issues   | Vision  |
| 5  | Employees' Occupational Health and Safety                 | A company where all employees put safety first in work, with comfortable workplace environments, safe equipment, and operations   |
| 6  | Diverse Human Resources                                   | A company where all employees can take a vibrant and active part<br>1. A company that respects the humanity of each and every employee, and where employees feel pride, motivation, and joy in work<br>2. A company that provides each and every employee with opportunities to improve his/her capabilities, and grows together with employees   |
| 7  | Development and Participation of Human Resources          |   |
| 8  | Engagement with Stakeholders                              | A company that is appreciated and understood to be the world leader in non-ferrous metals   |
| 9  | Co-Existence and Mutual Prosperity with Local Communities | A company that contributes to regional development and earns trust as a member of the local community   |
| 10 | Rights of Indigenous Peoples                              | A company that understands and respects the traditions and culture of indigenous peoples  |
| 11 | Human Rights in the Supply Chain                          | A company that undertakes CSR procurement (responsible sourcing) across the supply chain  |

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