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## Expansion of production capacity for cathode materials for secondary batteries for electric vehicles

Sumitomo Metal Mining Co., Ltd. (SMM, Head Office: Minato-ku, Tokyo, President & Representative Director: Akira Nozaki) has decided to expand the production capacity of cathode materials for secondary batteries for Electric Vehicles (xEV). This will enable us to meet the demands for cathode materials that is expected to increase as the electrification of vehicles advances.

The new plant will be established in the Besshi area (Niihama City, Ehime Prefecture) and the production capacity at the Harima Refinery (Harima-cho, Kako-gun, Hyogo Prefecture) will simultaneously be expanded. It is planned that the overall capital expenditures for both sites will be at 47 billion yen and that construction work will be completed in 2025.

Production of secondary batteries for xEV has been expanding more and more as of late due to the rapid acceleration of the electrification of vehicles that is occurring in line with the decarbonization that is pursued all over the world. SMM is now producing the nickel-based cathode materials for secondary batteries for xEV and there are signs of greatly expanded demand for our products. Additionally, high-nickel cathode materials, which allow us to make the most of our technical expertise, are gradually penetrating the secondary batteries market.

In light of these trends, SMM has decided to establish a new plant for nickel-based cathode materials in the site adjacent to our existing cathode material plant, the Isoura Plant. Along with this, to produce a precursor processed by the new plant, we are also planning to expand the production capacity of our existing plant, the Harima Refinery. The planned capital expenditures for the Niihama area will be 40 billion yen and those of the Harima Refinery will be 7 billion yen.

Construction will start from facilities that take time to complete, such as buildings. Production processes consisting of state-of-the-art equipment will be introduced so that the high nickel cathode materials demanded in the market can be produced from the start of operation. The production capacity of cathode material is planned to be 2,000t/month.

In our 2018 3-Year Business Plan, we set a goal of reaching a production capacity of 10,000t/month of cathode material by the end of the 2024 3-Year Business Plan (2027), and this decision brings us much closer to that. Moreover, through the expansion of our supply of high-performance battery materials that contribute to tackling the decarbonization issues the world is facing, we are 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). This is as laid out in one of the material issues, climate change, in our Vision for 2030.

This project is adopted by the Ministry of Economy, Trade and Industry as a “Program for Promoting Investment in Japan to Strengthen Supply Chains.” SMM will use this grant appropriately in our business to promote the development of Japanese industries.

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