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Acceleration of R&D for Next-Generation Cathode Material **- Decision made to introduce pilot equipment and construct a second development building at the Battery Research Laboratories -**

In order to strengthen R&D infrastructure for the development of high-performance, low-cost cathode materials that contribute to the growth of the battery materials business as well as the development of their manufacturing process, Sumitomo Metal Mining Co., Ltd. (Head office: Minato-ku, Tokyo, President and Representative Director: Akira Nozaki) has made the decision to introduce pilot equipment and build a structure to house this equipment (Battery Research Laboratories No. 2 Development Building). Construction work is expected to start in December 2023 and be completed in December 2025.

With the equipment to be introduced, SMM will undertake demonstration tests at a pilot scale with the goal of developing cathode material for solid-state batteries and other next-generation cathode materials as well as new manufacturing processes.

This will enable the following.

- For products to be developed based on new materials and processes as well as existing products, it will be possible to put in place a pilot-scale development framework to undertake development in line with customers' needs and to provide samples.
- Increased precision in mass production equipment specifications based on prior testing with pilot equipment will enable contribution to the immediate achievement of full production with mass production equipment.
- Pilot equipment for new processes is eligible for subsidies from the Ministry of Economy, Trade and Industry's Green Innovation (GI) Fund, and the introduction of the equipment will enable the steady implementation of business plans.

SMM will construct a second development building at the Battery Research Laboratories (location: Ehime Prefecture, Niihama City) to house this pilot equipment for new processes. The structure will be established in a location adjacent to the Niihama Research Laboratories, and the plan is to construct a three-floor building with a total area of approximately 3,000m².

The development of cathode materials for lithium ion batteries is constantly progressing, and competition is intensifying in development in the in-vehicle field, for which the market is continually growing, especially when it comes to high-nickel materials with a high energy density. And as achieving a low-carbon society becomes a mainstream goal around the world, there are growing demands for the reduction of greenhouse gases (GHG) in production processes. In the battery materials market, for which further growth is anticipated henceforth, SMM will improve and enhance its mainstay products (NCA, NMC, LFP) while aiming to create new demand through the development of new high-energy, high-safety materials that meet market needs with a focus on the game-changing potential of solid-state batteries and other next-generation batteries. Through the introduction of pilot equipment for new processes and

the construction of a second development building at the Battery Research Laboratories, we will further accelerate this strategy.

SMM will continue to aim at ascertaining customer and market demands, investing at appropriate times and moving towards the goal laid in our 2027 3-Year Business Plan (Applicable fiscal years: 2028 to 2030) of achieving the establishment of a structure with monthly production of 15,000 tons of battery cathode materials outlined as a target for the battery materials business.

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