

NEWS RELEASE

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Nippon Mining & Metals Co., Ltd.

Announcement of capital investment to build a production facility for cathode materials for automotive lithium-ion batteries

Nippon Mining & Metals Co., Ltd. has decided to make a capital investment to build a production facility with a capacity of 300 tons per annum of cathode materials for automotive lithium-ion batteries (“our materials”), on the site of the Isohara Works located in Kitaibaraki City, Ibaraki Prefecture. After commencement of operation of the facility in June 2009, we will start supplying our cathode materials to battery producers, who would certify a dedicated production line at the facility.

We have been developing our materials in a pilot plant at the Isohara Works by supplying several battery producers with samples of our materials. Establishment of an integrated hydro-metallurgical process, unique to us, allows us to decide to step into commercial production.

Lithium-ion batteries, which are widely used in mobile phones and personal computers, require increasingly light, thin, short, small and more functional electronic components. In addition, demand for batteries to power hybrid vehicles, plug-in-hybrid vehicles and electric vehicles is expected to increase. Lithium-ion batteries for automotive applications additionally require a much longer lifespan and enhanced safety characteristics. Our materials have the advantages stipulated below:

1. Long battery lifespan characteristics

We have developed a unique hydro-metallurgical process which simultaneously precipitates all constituent elements of our materials and a technology to control homogeneous dispersal of the elements at the nano-level. These realize higher homogeneity to enhance the lifespan characteristics of automotive lithium-ion batteries using our materials by about 30 percent, in comparison with batteries using more conventional materials.

2. Safety of lithium-ion batteries improved by our unique integrated production process

Repeated dissolution and precipitation during charging or discharging, as a result of impurities in the cathode materials, may cause a short circuit in batteries. Our integrated production process prevents impurities from reaching the production line. Consequently, our production system reduces the concentration of impurities in our materials to approximately 20% of conventional materials, enabling us to make a major contribution to improving the safety of automotive lithium-ion batteries.

3. High quality assurance

Our analytical skills, cultivated in the development and production of our semiconductor materials, allow us to attain high quality assurance of our materials. Specifically, advanced analytical skills, which can control the constituent elements of our materials, reduce the concentration of impurities. The reduction in the concentration of impurities stably results in the longer lifespan and improved safety characteristics of lithium-ion batteries. We believe that our advanced analytical skills will allow us to continually improve our quality control systems and design next-generation cathode materials.

Furthermore, a recycling-oriented raw material procurement system is being jointly established by the Surface Treatment Department, Thin Film Materials Division and the Metals Recycling & Eco Business Division in the Company. The system will utilize the network of the Metals Recycling & Eco Business Division to collect used lithium-ion batteries in the market and efficiently extract metals, which can be used for our materials, from the batteries. Thus, the system will allow us to effectively secure raw materials.

This investment is the first step for us to respond to increasing demand for cathode materials for automotive lithium-ion batteries by ensuring a stable supply of our materials. Also, we have secured space for future expansion of production capacity of our materials in the Isohara Works. We will make every effort to enhance cost competitiveness through streamlining manufacturing processes and meeting various specifications required by customers, in order to contribute to the development of next-generation lithium-ion batteries.

Cathode materials for automotive lithium-ion batteries

