

September 28, 2018

HANWA CO., LTD.

— Notice about the Investment to the Manufacturer of Nickel Cobalt Compounds for Rechargeable Batteries—

Tokyo --- Hanwa Co., Ltd. (Hanwa) announced today its decision to participate in a new joint venture enterprise in Sulawesi Island in the Republic of Indonesia, and concluded an investment contract on September 28, 2018.

New joint venture enterprise, QMB NEW ENERGY MATERIALS CO., LTD. (QMB), will produce high purity nickel cobalt compounds for rechargeable batteries in Indonesia, aiming to market the product in the center of the demand, China. This project is aimed to start production of high purity compounds for rechargeable batteries at earliest, utilizing the superior business resources of each investor.

QMB will be established as a joint venture by two affiliated companies of Tsingshan Holding Group Co., Ltd. (Tsingshan), the world's largest stainless steel manufacturer, performing integrated production of the stainless steel from a nickel ore in Sulawesi Island, Indonesia, an affiliated company of GEM Co.,Ltd. (GEM), the leading battery recycling and rechargeable battery material producer in China, an affiliated company of Contemporary Amperex Technology Co., Ltd. (CATL), the world's largest vehicle installation lithium ion battery manufacturer, and Hanwa, which has global result of sales of nickel compounds for stainless steel and rechargeable batteries.

Besides this project, groundbreaking ceremony was taken place in Ningde, Fujian province, China, for developing Ningde New Energy Material Industrial Park, where GEM and Tsingshan will jointly produce rechargeable battery precursor and cathode materials. Mr. Hironari FURUKAWA, President of Hanwa was also invited and attended the ceremony.

Hanwa expect that the future market growth in the Lithium ion battery (LIB) for in-vehicle and for accumulation of electricity apparatuses will be rapid, supported by strong demand of LIB in the long term. Since Hanwa has been piled up constant business in a main material for cathode that is an essentially important material of LIB for many years, it plans to promote its sales in China, the largest and where highest market growth is expected.

< About QMB NEW ENERGY MATERIALS CO.,LTD. >

**Location : Tsingshan Park, China-Indonesia Comprehensive Industrial Park,
Morowali County, Central Sulawesi Province, Indonesia**

Capital : Approx. US\$210 million

Shareholder Composition:

(Tsingshan)	}	NEW HORIZON INTERNATIONAL HOLDING LTD. :	21%
		PT INDONESIA MOROWALI INDUSTRIAL PARK :	10%
(GEM)		GEM (JINGMEN) NEW MATERIAL CO.,LTD. :	36%
(CATL)		GUANGDONG BRUNP RECYCLING TECHNOLOGY CO.,LTD. :	25%
(Hanwa)		HANWA CO., LTD. :	8%

< Summary of the Project >

Location : Same as above

Products : High Purity Nickel Cobalt Compounds for Rechargeable Batteries

Estimated Production Volume: Nickel (pure part): Approx. 50,000 MT per year

Cobalt (pure part): Approx. 4,000 MT per year

Others

Estimated Commencement of Production: During the Year 2019

For further information, please contact:

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