

March 7th, 2023

Sojitz Corporation

Japan Organization for Metals and Energy Security

Securing Supply of Heavy Rare Earths to Japan with Additional Investment to Lynas

Japan Australia Rare Earth (“JARE”), co-founded in 2011 by Sojitz Corporation (“Sojitz”) and Japan Organization for Metals and Energy Security (“JOGMEC”), today announced that it has decided an additional AUD 200million worth investment in the equity of Lynas Rare Earths Limited (“Lynas”), an Australian rare earths company. The contribution will be used for Lynas’ mid-term growth plan which includes light rare earths (LRE) production capacity expansion and heavy rare earths (HRE) separation commencement. Sojitz and JOGMEC have entered into an agreement with Lynas to supply up to 65% of the HRE (dysprosium and terbium) produced by Lynas from Mt. Weld feedstock to the Japanese market. This will be the first company to produce HRE from mine to finished product with a Japanese company involved.





Rare earths, divided into light and heavy rare earths, are used in various industries including the production of magnets for motors for electric vehicles and wind turbines.

LRE supplied to Japan by Lynas from Mt. Weld in Australia is used as the main ingredient to produce magnets for motors. Lynas will expand its LRE production capacity to stably supply LRE in the long term in light of the expected increase in the magnet demand to meet the decarbonization targets.

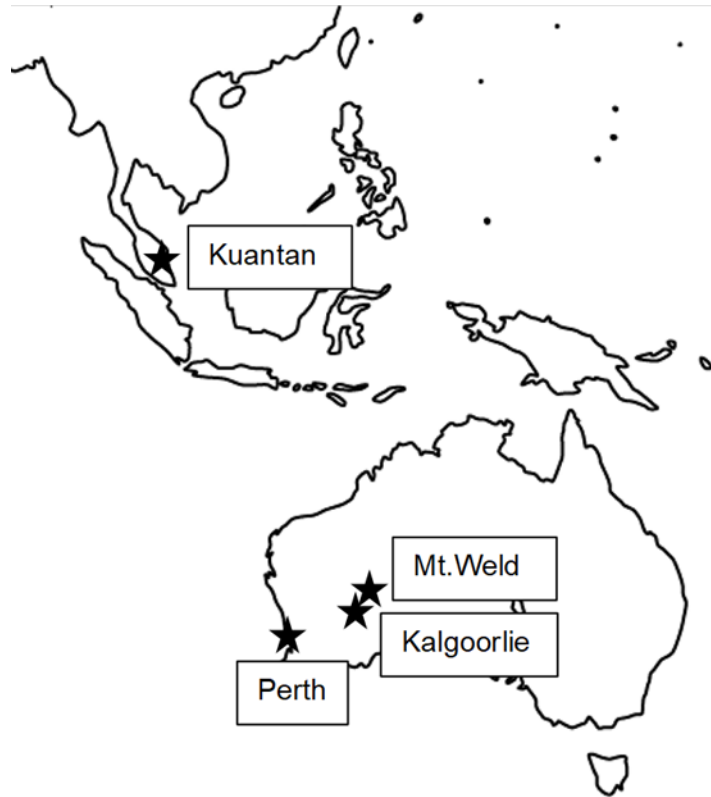
In addition, Lynas will start the production of the HRE, namely dysprosium and terbium, which is used to enhance the heat resistance of the magnets. The production will support the stable supply of HRE to Japan by diversifying the supply sources which are currently concentrated to China.

In 2011, Sojitz became the sole distributor of Lynas' rare earth products in Japan and stably provides rare earths to Japanese customers for various purposes, including magnets. Sojitz aims to deliver adequate rare earths to Japanese markets through this additional contribution, which will enable the company to cater to the domestic HRE demands.

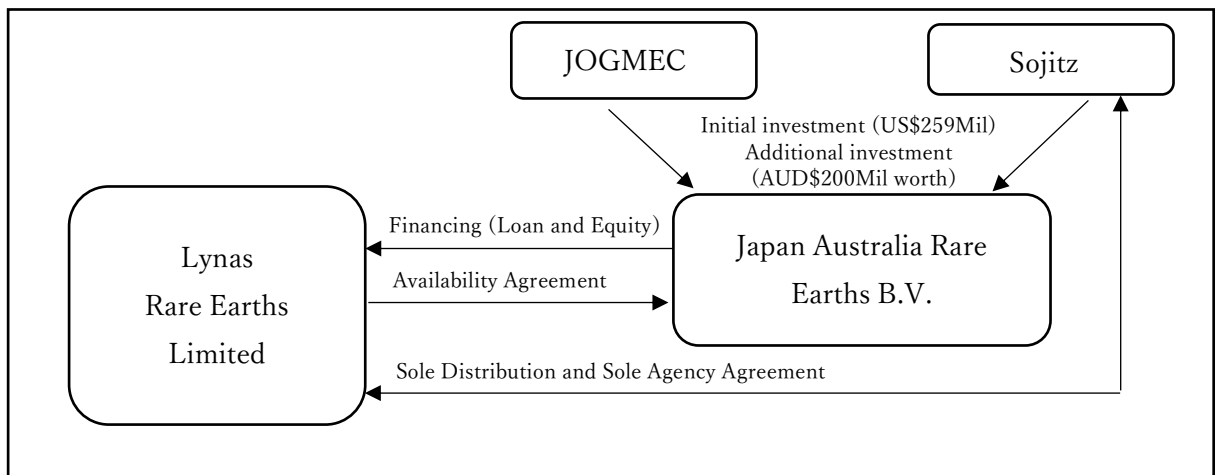
JOGMEC has decided to invest further in Lynas as these projects will contribute to ensuring a stable supply of rare earths to Japan.

Through this investment, Sojitz and JOGMEC intend to support the mid-term growth plan to further strengthen their relationship with Lynas and thereby achieve a stable supply of rare earths to Japan.

● Map



● Structure Overview





● Overview of Lynas

- (1) Name : Lynas Rare Earths Ltd (Listed on the Australian Stock Exchange)
- (2) Headquarters : Level 4, 1 Howard Street, Perth WA 6000 Australia
- (3) Representative : Amanda Lacaze
- (4) Business activities : Mining, Separation, Refining of Rare Earths
- (5) Market Capitalization : Approx. AUD 7.1 billion (as of March 2, 2023)
- (6) Major Subsidiaries : Mt Weld Mining Pty Ltd (mining and concentration)
Lynas Malaysia Sdn Bhd (separation and refining)

● Overview of Sojitz

- (1) Location : 2-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo, Japan
- (2) Representative : Masayoshi Fujimoto
- (3) Incorporation : April 1, 2003
- (4) Capital : JPY160 billion

● Overview of JOGMEC

- (1) Location : 2-10-1 Toranomom, Minato-ku, Tokyo, Japan
- (2) Representative : Tetsuhiro Hosono
- (3) Incorporation : February 29, 2004
- (4) Capital : JPY 1.18 trillion

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