

June 1, 2005

Sumitomo Metal Mining Co., Ltd.
Sumitomo Corporation

**Sumitomo to acquire equity position in Ojos del Salado
owned by Phelps Dodge Corporation**

Sumitomo Metal Mining (SMM) and Sumitomo Corporation (SC) (SMM and SC collectively referred to as "Sumitomo") jointly announced today that they have reached agreement in principle with Phelps Dodge Corporation (PD), the world's largest publicly traded copper producer to acquire an equity position in Compania Contractual Minera Ojos del Salado (Ojos del Salado) in Chile.

Sumitomo will obtain a 20% interest in the Ojos del Salado copper mining operation and the associated exploration properties in the Punta del Cobre District. The detailed terms and conditions will be made final within the next few months, but it has been agreed that Sumitomo will invest US\$25 million and acquire a 20% interest by subscribing for new shares of Ojos del Salado. SMM will hold 80 percent of the equity position, and SC will hold the remaining 20 percent.

Ojos del Salado, which is 100% owned by PD, owns the exploration licenses in Punta del Cobre district and operates Ojos del Salado copper mine in Tierra Amarilla, northern central Chile.

The exploration licenses in Punta del Cobre district exists in the area of 20 km from east to west and 30km from north to south and includes Ojos del Salado copper mine and Candelaria copper mine. Sumitomo will obtain the exploration properties in Punta del Cobre District through its acquisition of equity position in Ojos del Salado. PD has already conducted substantial exploration activities to date in the district, and if the promising reserve should be found, the new copper mine development could be expected in the district. Sumitomo anticipates securing long-term supply source of copper raw materials in addition to the existing Candelaria copper mine.

The Ojos del Salado underground copper mine locates approximately 4km northeast from Candelaria copper mine and is operated with 4,000 tonnes per day of ore throughput and

approximately 60,000 tonnes per annum of copper concentrate (18,000 tonnes of copper contained) production. Ojos del Salado could expand its ore throughput depending on the outcome of ongoing site exploration.

Through this transaction, Sumitomo will have the right to purchase at least the percentage of its interests of copper concentrate produced at Ojos del Salado copper mine and to be produced in the future from the Punta del Cobre district.

SMM's Mineral Resources and Non-Ferrous Metals Division is aiming to join the major non-ferrous producers in the world during the next 10 years under an ongoing corporate Mid-Term Management Plan. SMM is proceeding with a copper smelter expansion project to increase its annual production capacity to 365,000 tonnes by July 2005, 410,000 tonnes by early 2006 and 450,000 tonnes finally. It was pressing need to secure additional source of copper materials for the expansion, and SMM's participation in Ojos del Salado, in addition to the participation in Sociedad Minera Cerro Verde S.A.A., will create a long-term source of copper concentrate for its smelters. This becomes a great step to achieve the Mid-Term Management Plan, and SMM intends to expand and strengthen its core mineral resources and non-ferrous metals business by securing stable source of materials and reinforcing its smelter capacity.

Sumitomo has a strong business relationship with PD through joint ventures at the Morenci mine in Arizona and the Candelaria mine in Chile. This relationship will be strengthened with a new Sumitomo equity relationship in Ojos del Salado in addition to the participation in Sociedad Minera Cerro Verde S.A.A.

SC is aiming to further strengthen its position in copper mining business through the growing strategic partnership with Phelps Dodge in addition to its already participated interests in worldwide copper mines such as Batu Hijau mine in Indonesia. SC intends to make a role to secure and supply long-term stable mineral resources indispensable to the industries growth and to enhance and advance its function as a general trading firm.