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Sumitomo Metal Mining Co., Ltd.
Sumitomo Corporation

Restart Copper Concentrator and Construct Copper
Concentrate Leaching Facility at Morenci Mine

Sumitomo Metal Mining (SMM) and Sumitomo Corporation (SC) (SMM and SC collectively referred to as "Sumitomo") jointly announced today that they have reached agreement with Phelps Dodge Corporation (PD), the world's largest publicly traded copper producer, to restart the idled copper concentrator and construct the concentrate leaching facility to produce copper cathodes from the copper concentrate to be processed at the restarted concentrator at Morenci copper mine, Arizona which is operated under the joint venture between PD and Sumitomo (Morenci Mining Joint Venture).

Morenci Mining Joint Venture has approved expenditures of approximately US\$210 million for these projects, which are expected to begin operating in 2007, and Sumitomo will contribute US\$31 million out of the total expenditures which corresponds to its 15% interest in Morenci Mining Joint Venture. SMM will hold 80 percent and SC will hold the remaining 20 percent in said Sumitomo's interest in Morenci Mining Joint Venture.

Sumitomo has joined Morenci Mining Joint Venture since 1986, and Morenci Mining Joint Venture is at present operating heap leaching and solvent extraction electrowinning complex at Morenci mine. The restarted concentrator idled since 2001 and newly constructed concentrate leaching facilities will be incorporated into the existing leaching and electrowinning complex, and approximately 70,000 tonnes of annual production from the new facilities will replace an expected decline in Morenci's heap leach output later this decade with the increased ratio of chalcopyrite ores which are difficult to be processed at the existing complex.

Concentrate leaching technology, in conjunction with a conventional milling and flotation concentrator, allows copper sulfide ores, especially chalcopyrite ores, to be transformed to copper cathodes through the efficient pressure leaching and electrowinning process. The new facilities will employ proprietary technology by Phelps Dodge and under demonstration at its Bagdad copper mine, Arizona, and will be the first-ever commercial-scale copper

concentrate leaching facility.

Sumitomo has a strong business relationship with PD through joint ventures at the Morenci mine in Arizona and the Candelaria mine in Chile, and acquired equity relationship in Sociedad Minera Cerro Verde S.A.A. in Peru earlier this year. The construction of concentrate leaching facility at Morenci mine represents such strategic partnership between PD and Sumitomo, and this relationship will be further strengthened through this investment.

SMM is aiming to promote the business development of mineral resources and non-ferrous metals segments from now on as well, and SMM intends to expand and strengthen its core mineral resources and non-ferrous metals business.

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.