

**Holding Company to be Established in the Netherlands**

Sumitomo Metal Mining Co., Ltd. (SMM) has reached a formal decision to establish a new holding company in the Netherlands. Plans call for the new entity, provisionally named SMM Holland B.V., to commence operations this October.

The new holding company will oversee SMM's two business enterprises previously launched in the Netherlands: SMM Cerro Verde Netherlands B.V. (SMMCV) and SUMIC Nickel Netherlands b.v. (SUMIC). SMMCV was created to take charge of investment into the local subsidiary that operates the Cerro Verde Copper Mine in Peru. SUMIC was founded primarily to promote investment into nickel and cobalt development projects.

The establishment of the new holding company, which will own shares in both SMMCV and SUMIC, will enable the SMM Group to undertake more efficient financing through application of the Netherlands' participation exemption system, in line with SMM's initial intent.

Overview of SMM Holland B.V. (provisional name)

1. Capitalization: Euro amount roughly equivalent to ¥22 billion  
\* Investment in kind will be undertaken applying SMM's equity holdings in SMMCV (book value: approx. ¥7 billion) and SUMIC (book value: approx. ¥15 billion).
2. Ownership & Equity Ratio: Sumitomo Metal Mining Co., Ltd.: 100%
3. Location: Amsterdam (tentative)
4. President: pending
5. Establishment: October 2008

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