

March 22, 2005

News Release

Sumitomo Metal Mining Co .,Ltd.
Sumitomo Corporation

**Sumitomo Metal Mining and Sumitomo Corporation
Execute Definitive Agreement to Acquire an Equity in Cerro Verde**

Sumitomo Metal Mining Co., Ltd. (SMM) and Sumitomo Corporation (SC) (SMM and SC collectively referred to in as "Sumitomo") jointly announced today that they have executed the definitive Agreements with Phelps Dodge Corporation, the world's largest publicly traded copper producer, and Compania de Minas Buenaventura S.A.A. (Buenaventura), a Peruvian mining concern, to acquire an equity position in Sociedad Minera Cerro Verde S.A.A. (Cerro Verde) on March 17, 2005. Cerro Verde operates a copper mine near Arequipa, Peru. Sumitomo will have the right to purchase 50% of copper concentrate to be produced at Cerro Verde during the first 10 years of the production.

SMM and SC had reached agreement in principle with Phelps Dodge and Buenaventura to acquire an equity position in Cerro Verde in October 2004, and had proceeded with the discussions on the detailed terms and conditions.

At present, Phelps Dodge owns 82.5 percent of the outstanding shares of Cerro Verde, and Buenaventura owns 9.2 percent of the outstanding shares, and remainder is publicly traded on the Lima Stock Exchange. Following the execution of definitive agreements, the Cerro Verde's capital increase will be proceeded in the next few months, and the equity position of the joint Sumitomo interests in Cerro Verde will range between 21 and 25 percent. To obtain its position, the Sumitomo entities will invest between \$265 million and \$316 million. The equity position of the joint Sumitomo interests in Cerro Verde will be determined around middle of May 2005 depending upon the extent of participation by Buenaventura and other shareholders. SMM will hold 80 percent of the equity position, and SC will hold the remaining 20 percent.

Buenaventura, which currently owns 9.2 percent of Cerro Verde, will increase its position up to a maximum of 20 percent. Phelps Dodge will retain a majority interest in the operation.

The capital increase at Cerro Verde will be used to raise funds to execute its planned sulfide ore expansion. After an \$850 million sulfide ore expansion, copper concentrate, containing approximately 180,000 tonnes copper per year, will be produced since the fourth quarter of 2006, and Sumitomo will have the right to purchase 50% of Cerro Verde copper concentrate exceeding the percentage of its interests in Cerro Verde during the first 10 years of the production and the percentage of its interests in Cerro Verde of the copper concentrate thereafter.

Sumitomo has a strong business relationship with Phelps Dodge 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 Cerro Verde.

SMM's Mineral Resources and Non-Ferrous Metals Division is aiming to join 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 450,000 tonnes. It was pressing need to secure additional source of copper materials for the expansion, and SMM's participation in Cerro Verde 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.

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.