

May 30, 2005

SMM NEWS RELEASE

**LEADFRAME ETCHING PLANT TO BE CONSTRUCTED
IN SUZHOU, CHINA**

Sumitomo Metal Mining Package Materials Co., Ltd. (SMMPM: Tachikawa-shi, Tokyo/ President: Tooru Iijima), an affiliate of Sumitomo Metal Mining Co., Ltd. (SMM: Minato-ku, Tokyo/ President: Koichi Fukushima), has opted to construct a new leadframe etching plant at Sumiko Electronics Suzhou Co., Ltd. (SES/ CEO: Katsuya Tanaka), located in the city of Suzhou in China's Jiangsu province. Construction of the new facility, which will become SMMPM's second production plant in China, is scheduled to get under way this month. Plans call for operations to commence in April 2006.

SES, established in March 2003, currently encompasses a leadframe production facility where plating and pressing processes have been performed since December 2004 and April 2005, respectively. The decision to add an etching plant was reached in response to expectations of outstanding growth of etched leadframe products in the coming years. Production capacity will initially be 100km per month, to be expanded to 600km by 2008. When construction is completed, the comprehensive Suzhou facility will be China's first integrated leadframe production plant capable of both pressing and etching.

Suzhou is located in eastern China some 90 minutes by car from Shanghai. The region is home to numerous semiconductor assemblers and manufacturers, the target customer group for etched leadframes, and brisk growth is anticipated for the region as semiconductor producers expand their local production capacities going forward. Especially high growth is projected for etched products since they offer the advantage of requiring no initial investments in dies and molds, at a time when products are being increasingly produced in wider variations and smaller quantities. By offering customers one-stop, quick-response service in leadframes of both the pressed and etched varieties, SES will be ideally positioned to forge strong relationships with local customers.

SMMPM currently ranks as the world's No. 1 leadframe manufacturer, enjoying a near 15% share of the global market. Today the company operates two factories (three subsidiaries) in Japan and seven plants (eight subsidiaries) overseas. Expansion of production capabilities at SES is targeted at further boosting customer satisfaction and securing its solid position as the global leader in the leadframe field.

Address inquiries concerning this news item to:

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REFERENCE DATA

1. OUTLINE OF SUMIKO ELECTRONICS SUZHOU CO., LTD. (SES)

Capitalization: US\$4.25 million

Ownership: Wholly owned subsidiary of Sumitomo Metal Mining Asia Pacific Pte. Ltd. (which is a wholly owned subsidiary of Sumitomo Metal Mining Package Materials Co., Ltd.)

Headquarters: China-Singapore Suzhou Industrial Park (CS-SIP), Suzhou City, Jiangsu Province, PRC

CEO: Katsuya Tanaka

Established: March 2003

Site map and new plant location: See attachment

2. OUTLINE OF SUMITOMO METAL MINING PACKAGE MATERIALS CO., LTD. (SMMPM)

Capitalization: ¥2 billion (Japanese Yen)

Ownership: Wholly owned subsidiary of Sumitomo Metal Mining Co., Ltd.

Headquarters: Tachikawa-shi, Tokyo

President: Tooru Iijima

3. OUTLINE OF NEW ETCHING PLANT

Investment cost: ¥1 billion (approximate)

Production capacity: 100km/month (to be increased to 600km/month by 2008)