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Sumitomo Metal Mining and Sumitomo Corporation Complete Acquisition of a 21 Percent Equity Interest in Cerro Verde

Sumitomo Metal Mining Co., Ltd.
Sumitomo Corporation

Sumitomo Metal Mining Co., Ltd. (SMM) and Sumitomo Corporation (SC) (SMM and SC collectively referred to herein as "Sumitomo") jointly announced today the completion of their acquisition of a 21 percent equity interest in Sociedad Minera Cerro Verde S.A.A.(Cerro Verde) for US\$265 million. The acquisition was completed by acquiring new shares issued by Cerro Verde in a capital increase transaction. Sumitomo executed the definitive Agreements to acquire its equity position in March 2005. SMM will hold 80 percent of the equity position, and SC will hold the remaining 20 percent.

Prior to Cerro Verde's capital increase, Phelps Dodge Corporation, the world's largest publicly traded copper producer (Phelps Dodge), owned 82.5 percent of the outstanding shares of Cerro Verde, and Compania de Minas Buenaventura S.A.A., a Peruvian mining concern (Buenaventura), owned 9.2 percent. The remaining shares were publicly traded on the Lima Stock Exchange. Following the transaction, Phelps Dodge owns 53.6 percent of the outstanding shares of Cerro Verde, and Buenaventura owns 18.2 percent, with the remainder (other than the Sumitomo equity) publicly traded on the Lima Stock Exchange.

The new capital invested by Sumitomo will be used as partial financing for an \$850 million expansion to mine a sulfide ore body beneath the oxide ore body currently in production. Current copper production at Cerro Verde is approximately 90,000 tonnes per year of copper cathode produced through the SX/EW process. Upon completion of the expansion, copper concentrate containing approximately 180,000 tonnes of copper per year will also be produced. Sumitomo will purchase 50% of Cerro Verde's copper concentrate production during the first ten years of production, with the right to purchase concentrate thereafter in a percentage amount equal to its equity interest. Mining of the sulfide ore body is expected to commence in late 2006, and the expanded copper production rate is expected to be achieved in the first half of 2007.

Sumitomo will make best endeavors toward the smooth startup of the sulfide ore expansion at Cerro Verde from now on as well.