

Additional Equity Acquired in Sumitomo Metal Industries

Effective March 20, Sumitomo Metal Mining Co., Ltd. (SMM: Minato-ku, Tokyo/President: Koichi Fukushima) has completed the acquisition of an additional 19,467,000 shares of stock in Sumitomo Metal Industries, Ltd. (Sumitomo Metals). The acquisition, accomplished in stages throughout the 2006 fiscal year, brings SMM's total stake in Sumitomo Metals to 30,480,607 shares, representing a 0.63% equity portion. SMM's total outlay for the additional shares was ¥10 billion.

Mineral resources and metals figure high among SMM's core business areas, and operations in these segments must be carried out from a long-range perspective. In line with that demand, the company sees the procurement of stable supplies of raw materials over the long term and the attainment of a solid customer base for its products as vital to the ongoing expansion and development of these primary businesses.

Sumitomo Metals is a major buyer of electrolytic nickel and ferro-nickel, products for which SMM has hoisted a medium-term production target of 100,000t per year. SMM acquired its additional equity in Sumitomo Metals based on the judgment that strengthening and developing ties with the company will boost its own corporate value further.

Going forward, SMM will continue to direct its efforts into its mineral resources and metals businesses in its ongoing quest to become a major player in non-ferrous metals.

Sumitomo Metals currently owns an equivalent equity stake in SMM.