

February 22, 2011

Press Release

Sumitomo Metal Mining Co., Ltd.

**SMM Inaugurates Operations at Regional Headquarters for Nickel Operations
In the Philippines**

Sumitomo Metal Mining Philippine Holdings Corporation (SMMPH), a subsidiary established by Sumitomo Metal Mining Co., Ltd. (SMM) in 2010, has inaugurated operations as regional headquarters for the company's nickel business operations in the Philippines.

Nickel, a rare metal, is a precious resource that can be excavated with economic viability in only a limited number of locations worldwide. Today, soaring prices of such natural resources in the global markets are fueling intensive competition among mining companies to secure adequate supplies of rare metals, nickel included.

Against this backdrop, SMM has scored notable commercial success with the technology known as "high pressure acid leaching," or HPAL, which enables recovery of nickel and cobalt from low-grade laterite, a process that had long been difficult to achieve. Since 2005, SMM has applied HPAL to produce nickel/cobalt mixed sulfide (MS)—an intermediate product (nickel content: approximately 60%) that serves as a resource for the production of factory-made electrolytic nickel—at Coral Bay Nickel Corporation (CBNC) in the Philippines. CBNC has capacity to produce 24,000t of MS (nickel metal equivalent) per year. Also in the Philippines, a nickel refining plant is presently under construction on the island of Mindanao that will go into service for Taganito HPAL Nickel Corporation (THPAL). Plans call for this new plant to go onstream in 2013; production capacity is targeted at 30,000t of MS (nickel metal equivalent) per year.

SMM has decided to transfer to SMMPH other areas common to the two units, raising SMMPH's status to headquarters overseeing all nickel operations in the region. Through this transfer, together with sharing of human resources, overall business operations are to be strengthened significantly. This initiative does not involve any movement of capital

between the two units.

The inauguration of SMMPH as a regional headquarters is aimed at further fortifying SMM's base of nickel operations in the Philippines as SMM moves steadily forward toward achieving its long-term vision hoisted in its 09 3-Year Business Plan: realization of a production system capable of producing 150,000t per year.

Company Overviews

Sumitomo Metal Mining Philippine Holdings Corporation (SMMPH):

Capitalization: 2,500 million Philippine pesos

Equity ratio: 100% wholly owned subsidiary of Sumitomo Metal Mining

Head office: Makati City, The Philippines

President: Takanori Fujimura

Coral Bay Nickel Corporation (CBNC):

Capitalization: 587.5 million Philippine pesos

Equity ratios: Sumitomo Metal Mining 54%, Mitsui & Co. 18%, Sojitz Corporation 18%,
Rio Tuba Nickel Mining Corporation 10%

Head office: Rio Tuba, Bataraza, Palawan Province, The Philippines

President: Takanori Fujimura

Taganito HPAL Nickel Corporation (THPAL):

Capitalization: 5.4 million Philippine pesos

Equity ratios: Sumitomo Metal Mining 62.5%, Nickel Asia Corporation 22.5%, Mitsui & Co. 15%

Head office: Makati City, The Philippines

President: Takanori Fujimura

Address inquiries concerning this Press Release to:

Sumitomo Metal Mining Co., Ltd.

Masashi Takahashi, Public Relations & Investor Relations Department

TEL: 813-3436-7705

FAX: 813-3434-2215

e-mail: Masashi_Takahashi@ni.smm.co.jp