

June 12, 2003

To Whom It May Concern:

Nihon Seiko Company Limited  
Sumitomo Metal Mining Co., Ltd.

Subject: Transfer of the Antimony Trioxide Business Operation

Nihon Seiko Company Limited (headquartered at 3-2, Shimomiyabi-cho, Shinjuku-ku, Tokyo, headed by president & CEO Toshihiro Tamura) and Sumitomo Metal Mining Co., Ltd. (headquartered at 5-11-3, Shinbashi, Minato-ku, Tokyo, headed by president Koichi Fukushima) have reached the basic agreement that the Antimony Trioxide business right that is possessed by Sumitomo Metal Mining be transferred to Nihon Seiko.

More than 50% of Japan's market for Antimony Trioxide, which is mostly used as flame retardants for plastics, is now accounted for by lower-priced imports which continue to come mostly from China.

Sumitomo Metal Mining, as the party desirous of transferring its Antimony Trioxide business right, has long been pursuing the business management policy of "further selection and focusing" to concentrate its business resources on core business areas of high priority, and as part of its such effort, has been considering removal from its Antimony Trioxide business by transferring the business operation to some other supplier that is in a position to ensure consistent supply of the product.

Whereas Nihon Seiko as the party desirous of having such business transfer has agreed to accept this business transfer, considering that lower pricing through expanded production that may be made possible by such business transfer will be the most effective way to meet competition from imports and ensure increased exports to Asian markets.

This agreement entails Sumitomo Metal Mining's transferring its entire Antimony Trioxide producing operation now being done in its Nickel making plant (located at Niihama-shi, Ehime prefecture) to Nihon Seiko's Nakase smelter (located at Yabu-gun, Hyogo prefecture).